

CREATING LONG-TERM VALUE

ANNUAL REPORT 2018-19



Basis of Reporting

Our approach to the adoption of Integrated Reporting <IR>

Starting FY2019, ICICI Lombard has taken its first step towards <IR>, which is aligned with the International Integrated Reporting Council (IIRC) and the Securities and Exchange Board of India's (SEBI) circular dated February 6th, 2017. Through this Report, we intend to provide our stakeholders, an all-inclusive depiction of our value creation process using financial and non-financial resources. We provide insights into our key strategies, operating environment, material issues emanating from stakeholder concerns, operating risks and opportunities, mitigation strategies and our approach to long-term sustainability. 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 ICICI Lombard for FY2019. Any material events after March 31, 2019 up until the Board approving the Report as on April 18, 2019 have been included. Also, since the Report intends to capture the long-term value creation process, notable events have also been captured from over the past 11 years. Comparative figures of the past years have been reported to provide the stakeholders' a holistic view.

Approach to materiality

The Report, while covering ICICI Lombard's business and associated activities that assist in value creation, identifies prominent issues and their possible impact on the operations. This will enable investors and other interested stakeholders to take informed decisions regarding their engagement with the Company.

Board approval

The Board, supported by the Audit Committee, 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 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.

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Creating Long-Term Value



To sustain, companies must create long-term value for society and their stakeholders.

At ICICI Lombard, we provide innovative risk mitigation and loss minimisation solutions that help prevent risk incidents and at the same time, meet the risk management needs of our customers. We are continually evolving our product portfolio, enhancing our services, expanding our reach and embedding the latest technology to make our insurance solutions comprehensive, simpler, convenient and faster for our customers. By staying true to our purpose of customer-centricity, we believe we are on the right path for creating long-term value.

For business sustainability, it is vital that a company also creates long-term value for its stakeholders. Cognizant of this, our value creation model and strategy embrace a long-term and multi-stakeholder view. Along with creating better value for our customers, we believe in being a responsible employer, staying committed to the success of our business partners and delivering better returns for our shareholders. We remain steadfast towards proactively working for the benefit of the community at large, consistently making a difference in their lives. We are also focused on partnering with the Government and working in collaboration with regulatory authorities to drive greater insurance inclusion and financial stability across the country.

As an insurer, while we help our customers manage their risks, we recognise the business imperative to efficiently manage our own. Only when we do this, can we be there when our customers need us. Accordingly, we have a solid and proven foundation of risk assessments, management and governance with continuous emphasis on the same. Our strong business fundamentals position us well for creating long-term value.



The value created by our Company cannot be measured in financial terms alone. The relationships with our stakeholders also impact our ability to create and sustain value. By transitioning towards <IR>, as done in this year's Annual Report, we aspire to provide our stakeholders a holistic perspective of our organisation's value creation.

Long-Term Value Creation

Our purpose for all our stakeholders

A promise reinforced as we take our first step towards <IR>

ICICI Lombard - One of India's Leading Private Insurance Companies



In our 18 years of operations, we have enriched our knowledge, deepened our understanding of risks and uncertainties and enhanced our capabilities towards offering risk management solutions. We know the importance of insurance in our customers' lives. We are leveraging this experience to serve our customers better in the markets where we are present.



Our vision is to be the most value-creating and admired risk solutions Company in India, with a global footprint.

What we do



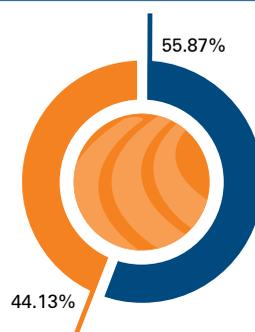
We offer a range of innovative and technology-enabled solutions across business lines to protect individuals, small businesses and body corporates, and rural customers from uncertainties.

Why customers prefer us



We are a customer-centric organisation offering best-in-class technology-enabled solutions infrastructure aided by a team of dedicated employees. With our relentless drive for excellence, we are continuously working towards anticipating and exceeding customer expectations. We are committed to the values of integrity and transparency across customer relations, right from policy advisory to claims settlement and renewals.

Ownership structure as at March 31, 2019



Business Structure

1

Corporate Solutions Group

Provides integrated solutions to body corporates, small, micro and medium enterprises.

Insurance solutions:

Fire, Marine, Engineering, Liability, Group Health and Personal Accident etc.



2

Government Business Group

Provides insurance solutions to state, central governments and rural customers.

Insurance solutions:

Crop, Cattle, Mass Health and Personal Accident etc.



3

Retail Group

Provides insurance solutions to individuals and small enterprises through multiple channels like Agents, Brokers, Bancassurance, Telesales, Direct Alliances, Motor Insurance Service Providers (MISPs) and Online Platforms.

Insurance solutions:

Health, Home, Motor, Travel, Cyber and Personal Accident etc.



4

Shared Services

Support functions are leveraged across the organisation to improve customer services and drive business efficiency.

Services:

Underwriting and Claims, Customer Relationship, Technology, Operations, Reinsurance, Finance and Accounts, Human Resources, Legal and Compliance, Actuarial, Marketing, Business Analytics, Administration and Fraud Control.



ICICI Lombard - One of India's Leading Private Insurance Companies



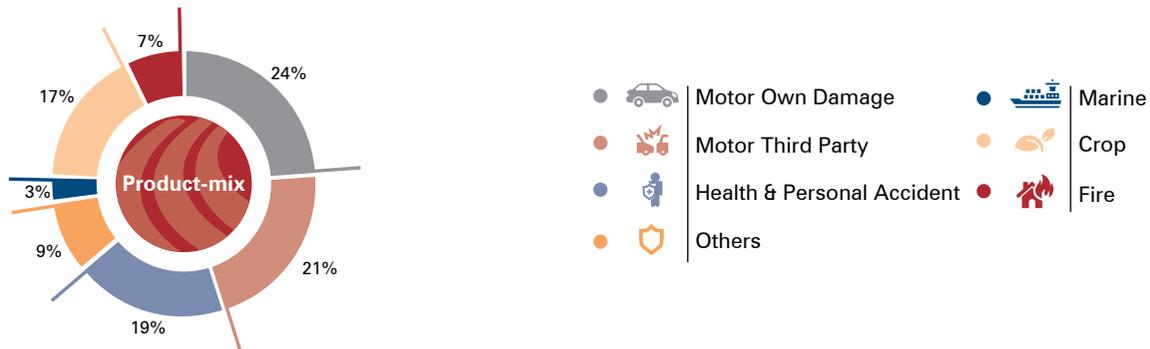
*on GDPI basis

**Our
rating**

ICRA iAAA rated
indicating highest claim-paying
ability and a fundamentally
strong position

**Crisil AAA/Stable
ICRA AAA/Stable**
for subordinated debt indicating the highest
degree of safety regarding timely servicing of
financial obligation

Well-Balanced Product Mix (GDPI basis)



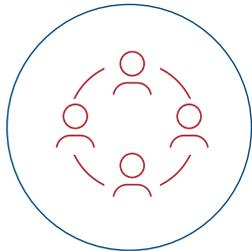
265
No. of Branches



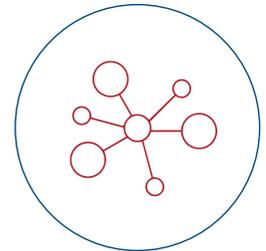
910
No. of Virtual Offices



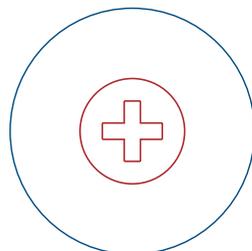
10,197
Headcount



7,800
Network Garages



5,025
Network Hospitals



Awards and Accolades



Best General Insurance Firm 2018

Coveted with the award for the **Best Insurance Firm** of the Year 2018 - General Insurance at MoneyControl Wealth Creator Awards



Money Today Financial Awards

Our Company was selected as the joint winner in the **'Best Motor Insurance Provider of the Year'** category.

The recognition, a part of the Business Today-Money Today Financial Services Awards, was instituted in 2013 to reward the best companies in various financial categories including insurance and mutual funds.



Most Broker Friendly Insurer - 2019

We were adjudged the **Most Broker Friendly Insurer – 2019** in the Top Quartile by the Insurance Brokers Association of India.



Golden Peacock National Training Award 2019 & Business Excellence Award 2018

We were conferred with these awards, which were instituted by the Institute of Directors (IOD) in 1998.

National Training Award recognises **excellence in training practices** in organisations and rewards training that brings tangible benefits to the organisation.

Business Excellence Award recognises an entity embarking on a journey to continuously **improve and innovate** on our management **systems and processes** to achieve world-class performance.



Effie Silver Award 2019

We were conferred with the **Effie 'Silver' Award 2019** for the health insurance campaign "Tension nahin, Insurance lijiye".

The award is organised by the prestigious Advertising Club, which stands for effectiveness in marketing communications.



Kaleido Awards 2019

Our campaign **#IWillDriveYouHome** won the award under the **Best Use of Digital/Social Media** category.

The award is organised by ET Brand Equity and recognises the achievements of brands in the space of Corporate Communication, PR and Social Media.



ET Aspire 2 Good Awards

We were conferred the 'ET ASPIRE 2 GOOD' award for exhibiting **All-Round Excellence in Corporate Social Responsibility** for the years 2016-17 and 2017-18.



Best Corporate Social Responsibility Practices

We received accolades under the **Best Corporate Social Responsibility Practices** category organised by BFSI Awards. This recognition celebrates our CSR efforts.



LACP Spotlight Awards

Conferred with the 2018 **Spotlight Awards** for our Annual Report 2017-18. We won a **Gold Award** – and were recognised for developing one of the **Top 100 Communications Materials** – worldwide.

The awards are organised by the League of American Professionals (LACP), USA, a coveted forum within PR industry to facilitate best-in-class communication practices.

Performance Highlights of the Year

Financial Capital

Our Financial Capital comprises the capital employed in the business to support business operations and generate a surplus from it to maximise value for all stakeholders.



Revenue
(Gross Direct Premium Income)

₹144.88 billion

17.2%¹

Profit After Tax

₹10.49 billion

21.8%¹

Return on Average Equity

21.3%

20.8%²

Combined Ratio

98.5%

100.2%²

Manufactured Capital

Our Manufactured Capital comprises the branch offices, call centres, and physical infrastructure through which we provide services to the customers. We are continually investing in it to enhance customer experience and achieve higher operational efficiency.



Number of Branches

265

253²

Number of Call Centre Executives

371

345²

Number of Virtual Office (VO) Branches

910

135²

Intellectual Capital

Our Intellectual Capital comprises our knowledge, skills and technical expertise in critical areas of underwriting, risk, investment management, customer servicing and claim settlement. It also includes specialised manpower comprising Inhouse Claims Managers- Motor & Health and Actuarial Team. This gives us a competitive advantage and ensures customer-centric operations.



New Products Launched

16

3²

Investment in Technology

₹0.43 billion

₹ 0.35 billion²

Specialised Manpower

1,679

1,681²

Human Capital

Our Human Capital comprises our motivated and committed employees. They ensure the Company's smooth business operations and drive our business growth. We invest in their competency building, engagement, welfare, and health and safety.



Total Headcount

10,197

23.1%¹

Revenue Generated per Headcount

₹ **0.01** billion (GDPI basis)

₹ 0.01 billion²

Workforce Diversity (Women Employees)

16.8%

17.4%²

No. of Hours of Training Imparted to Employees

283,046

170,550²

Social and Relationship Capital

Our Social Capital encompasses our efforts to invest in the development and betterment of the communities around us. Relationship capital denotes our relationships across the value chain on which our business relies. These include the customers, business associates, brokers, agents, employees as well as the government, trade bodies and industry associations. Our relationships enable us to provide efficient services.



CSR Spending (Total Spends)

₹ **183.7** million

₹ 149.7 million²

Net Promoter Score (NPS)

40

37²

Lives Covered

10.4 million

6.3 million²

No. of Individual Agents (including POS)

35,729

24,379²

Claims Settled

1.6 million

1.5 million²

No. of Shareholders

230,419

Note:

1. Pertains to the percentage growth over the previous financial year.
2. Pertains to the absolute number in the previous financial year.

Message from the Chairperson

It is imperative for the sector to keep evolving, not only in terms of enhancing its service capabilities but also by expanding its bouquet of solutions to be able to effectively address the growing spectrum of risks

Dear Shareholder,

The year 2018 symbolises the growing risk environment in which we live today. On one hand, we faced risks related to environmental changes and global warming. On the other hand, new-age risks such as cyber events and data frauds emerged as a significant threat, not just to businesses but to consumers as well. Adding to these, were risks relating to cross-border trade issues, as was demonstrated between the economic powers with the imposition of tariffs and retaliatory measures. As per the estimates, the trade war that emanated between the US and China led the International Monetary Fund (IMF) to revise down global growth for 2018 by 0.2% to 3.7%.

On the domestic front, India was largely aligned to the global scenario as far as the risk landscape is concerned. The country experienced floods and earthquakes throughout the year. In fact, as per estimates, Kerala floods displaced around 1.5 million people, the most, compared to any other disaster in the world in 2018. On the emerging risks front as well, India ranked high. Between 2015 and 2017, our country was the target of 17% cyber attacks, second only to the US.

For the non-life insurance industry, this clearly indicates that the scale and nature of risks will keep increasing and expanding in the future. It is imperative for the sector to keep evolving, not only in terms of enhancing its service capabilities but also by expanding its bouquet of solutions to be able to effectively address the growing spectrum of risks.

At ICICI Lombard, we continue to transform ourselves to cater to this

changing risk environment. Our approach has been to offer better value as a risk manager instead of limiting ourselves to risk financing. We are helping our clients and customers prepare for risk incidents through a gamut of innovative products and services. At the same time, we have been harnessing technology to empower our customers to manage and address risks more effectively. Our focus during the last few years has been on using the Internet of Things (IoT), technology and advanced analytics to mitigate logistics, property and health-related risks.

As a responsible corporate citizen, we have been ensuring that we play a contributing role in the development of the community as well. During FY2019, we continued to invest in this cause by participating in the skill development

Our approach has been to offer better value as a risk manager instead of limiting ourselves to risk financing.

initiatives of the ICICI Foundation for inclusive growth. At the same time, we expanded the scope of our direct CSR initiatives, namely 'Ride to Safety', aimed at road safety for children, and 'Caring Hands', an employee volunteering initiative focussing on eye care for children. This year, our endeavour to increase the awareness for these social causes led us to attempt a Guinness World Record. Our unique effort, while setting a new record, enabled us to multiply the reach and impact of our CSR programmes.

As we look forward in our journey, we are confident of the long-term prospects of the industry. Despite having grown at a CAGR of approximately 17.0% for the last 18 years, there is ample headroom for further growth, owing to the favourable demographic dividend and lower penetration of

non-life insurance at around 0.93% of GDP, against a world average of 2.80%.

We have consciously strived to build an institution that rests on a robust platform and benefits from a flexible and pragmatic management approach to embrace new practices in sync with the rapidly changing times. Our thrust remains on investing in a talent pool, across the leadership team and the other levels of management and business operations. It is this resource base that enables us to continue to lead the

industry on many fronts and address our customer requirements effectively.

We thank our shareholders for reposing their trust in us and look forward to continually adding value in the years to come.

Regards,

Lalita D. Gupte
Chairperson

17.0%

18 years GDPI CAGR for the industry

0.93%

Penetration of non-life insurance industry in India as a percentage of GDP



Message from the Managing Director & CEO

We have consistently focused on introducing innovative, technology-enabled insurance solutions, setting outstanding customer service standards and strengthening our distribution capabilities amidst a rapidly changing industry landscape

Dear Shareholder,

I am delighted to be writing to you having completed a full year as a listed general insurance company. While we have a brief history as a listed entity, we have an 18-year track record in the general insurance industry. During this period, we have consistently focused on introducing innovative, technology-enabled insurance solutions, setting outstanding customer service standards and strengthening our distribution capabilities amidst a rapidly changing industry landscape. We have also set industry-leading benchmarks for transparency and disclosure across regulatory, financial and other areas. A case in point is our disclosure of reserving triangles since FY2016, being the first insurer to do so. In the same spirit, this year, we are voluntarily taking the first step towards <IR>.

The other important aspect of our management philosophy has been our relentless focus on long-term value creation. Insurance can be volatile – driven by catastrophic events and pricing aggression on the underwriting side or market disruptions on the investment side. However, due to our disciplined approach, we have delivered significant long-term value. From 2008 -

we use this as the base year as it marks the beginning of the de-tariffed regime – our Gross Direct Premium Income (GDPI) has grown at a compounded rate of 14.4% from ₹ 33.07 billion in FY2008 to ₹ 144.88 billion in FY2019. During the same period, our Profit after Tax (PAT) has grown at a compounded rate of 23.5% from ₹ 1.03 billion to ₹ 10.49 billion. Further, on the investments front, our philosophy of generating superior risk-adjusted returns along with protection of capital has resulted in an annualised[#] portfolio return of 10.4%.

Before I share our performance highlights for FY2019, let us review the key industry developments. In a path-breaking judgement, the Hon'ble Supreme Court made long-term third-party insurance compulsory for new four-wheelers and two-wheelers from September 1, 2018. This was based on the apex court's road safety committee observation that accident victims or their legal representatives were often not getting compensated as around half of the vehicles plying on the roads were doing so without mandatory third-party cover. In line with the judgement, the insurance regulator, IRDAI introduced third-party insurance cover for new four-wheelers and two-wheelers for a period of three years and five years, respectively. This will offer convenience to customers, removing the hassle of annual renewals. For insurers, it will help address the under-insurance problem. At the same time, it will change the motor insurance product structure and its economics. On one hand, with a larger insured pool, motor insurance loss incidence rates should see a decline. On the other hand, as the premium is fixed for the entire period, claim ratios would increase as claim inflation plays through. The increase in claims cost would be partially compensated by investment income due to a higher investment

float. This is an unknown territory for the industry as the impact of each of these factors can only be estimated today. The extent of variance from estimates would determine the economics of the motor insurance business in the years ahead.

Turning to our performance highlights, our GDPI rose by 17.2% from ₹ 123.57 billion in FY2018 to ₹ 144.88 billion in FY2019. PAT grew by 21.8% from ₹ 8.62 billion in FY2018 to ₹ 10.49 billion in FY2019. Combined Ratio, which is a measure of profitability from core operations, improved from 100.2% in FY2018 to 98.5% in FY2019. Return on Average Equity (ROAE) improved from 20.8% in FY2018 to 21.3% in FY2019. Solvency Ratio was recorded at 2.24x in FY2019, which is 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 FY2019, we continued to excel on this front. We sourced 26.5 million* policies, 12.8% higher than in FY2018 and honoured around 1.6 million claims. A key measure of an insurer's ability to settle claims efficiently is the claim settlement response time. We settled 99.87% health claims in FY2019 (99.90% in FY2018) and 93.14% motor own damage claims (90.84% in FY2018) within 30 days.

Our business performance is driven by various initiatives undertaken over the past few years, including scaling up of our distribution network, sales force and geographic footprint. In FY2019, we further enhanced our reach through phygital presence. By the end of the year, we had 910 Virtual Offices (135 at the end of FY2018), set up primarily in remote towns to increase market penetration. Expansion of our agency

*on GDPI basis

network will continue in the coming year, aligned with our objective of increasing our reach.

Evolving our products and services to meet the changing needs of and to make life simpler for customers is fundamental to our business. Building on our technological and service capabilities, we introduced several 'first-of-its-kind' customer-oriented solutions. On the health insurance claims front, we launched an Artificial Intelligence (AI) based claim settlement engine that reduced cashless pre-authorisation approval time from around an hour to few minutes. During the year, 6% of cashless approvals were done using the AI engine. We also introduced an AI-based solution to facilitate instant renewal of lapsed motor insurance policies. Driven by our commitment to offer better value to our customers, we will continue to harness the latest technologies and risk mitigation tools.

During the year, we made further progress on our community outreach

efforts, spending more than 2% of our average profit of the last three years on Corporate Social Responsibility, thereby going beyond the statutory requirements. We expanded the scope of our 'Ride to Safety' initiative, being executed in seven cities, by introducing ISI-marked helmets for parents, in addition to offering helmets to the children. In a unique endeavour, we organised a gathering of 4,999 children to spread road safety awareness and in the process, created a new Guinness World Record for the 'largest gathering of people wearing helmets at one location'. Our employees continued to voluntarily lead the 'Caring Hands' programme as we screened more than 36,000 underprivileged children for deficiency of vision and provided spectacles free of cost to over 5,500 children diagnosed with poor vision.

We were honoured to receive several accolades at domestic and international levels for our customer-focused initiatives. Our initiatives in best business practices, product innovation,

talent development and CSR, among others, were recognised on leading platforms. These awards serve as a testament to the high standards with which we operate and reflect the hard work and dedication of our team.

As we look ahead, we are excited about the continued long-term growth potential of the non-life insurance industry and our business prospects. Even as we pursue new business milestones, we will stay focused on creating long-term value for our stakeholders.

Best Regards,

Bhargav Dasgupta
Managing Director & CEO

The important aspect of our management philosophy has been our relentless focus on long-term value creation.

14.4%

GDPI CAGR[#]

23.5%

PAT CAGR[#]

[#]CAGR (FY2008-FY2019)



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



Vishal Mahadevia

Non-executive, Independent Director



Ashvin Parekh

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



JV Prasad
Appointed Actuary



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

Vishal Mahadevia, Director
(w.e.f. April 25, 2018)

Ashvin Parekh, Director

Vishakha Mulye
(w.e.f. October 17, 2018)

Sandeep Batra
(w.e.f. October 17, 2018)

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

Vishal Mahadevia

Ashvin Parekh

Vishakha Mulye

Audit Committee

Ashvin Parekh, Chairman

Uday Chitale

Lalita D. Gupte

Sandeep Batra

● Investment Committee

Suresh Kumar, Chairman

Sandeep Batra

Bhargav Dasgupta

JV Prasad

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

Bhargav Dasgupta

● Corporate Social Responsibility Committee

Uday Chitale, Chairman

Ved Prakash Chaturvedi

Bhargav Dasgupta

● Stakeholders Relationship Committee

Suresh Kumar, Chairman

Ved Prakash Chaturvedi

Bhargav Dasgupta

Sanjeev Mantri

● Strategy Committee

Uday Chitale, Chairman

Vishal Mahadevia

Ashvin Parekh

Vishakha Mulye

Bhargav Dasgupta

● Statutory Auditors

Chaturvedi & Co.
Chartered Accountants
PKF Sridhar & Santhanam LLP
Chartered Accountants

● Secretarial Auditors

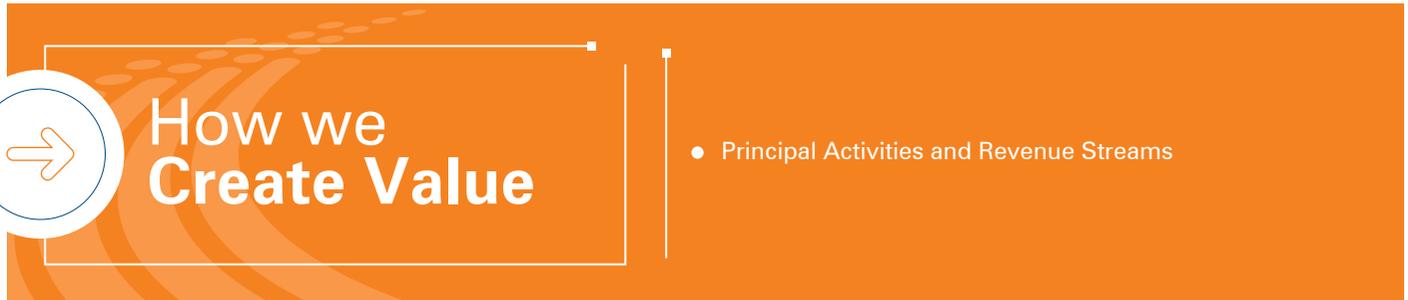
Dholakia & Associates LLP

● Company Secretary

Vikas Mehra

How we Create, Sustain and Deliver Value

The <IR> aims to capture how is the organisation creating, sustaining and delivering value over the short, medium and long term horizons:



How we Create Value

- Principal Activities and Revenue Streams



How we Sustain Value

- Vision, Mission, Ethos, Vishvas philosophy
- Employer of Choice - attracting the right talent, building their capability, creating an enabling environment and retaining talent
- Governance Framework and Policies
- Stakeholder Engagement
- Risk Management & Opportunities
- Sustainability, Business Responsibility and CSR



How we Deliver Value

- Disciplined approach to value creation
- Customised technology-enabled solutions and products
- Customer engagement with high value proposition – commitment to customers with a fast, friendly, fair approach
- Happy and motivated employees with long-term career prospect and plans
- Consistent financial performance and long-term wealth creation for investors – through its strong capitalisation level, prudent underwriting and reinsurance strategy, and a satisfactory underwriting performance
- Regular contribution to the state and national exchequer
- Responsible use of environment and natural resources

Business Model showing Principal Activities

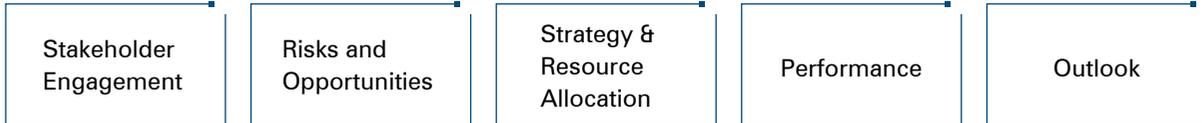


Governance

**Mission, Vision,
Values, Code of
Conduct and
Policy Framework**



Key Aspects



Principal Activities



Insurance activities

Investment activities



Business Groups

Service Groups

Support Groups

Fixed Income Investments

Equity Investments

Alternative Asset Investments



Interlinkages of Multiple Types of Capital in

Inputs

FINANCIAL CAPITAL¹

Total Capital Employed Equity (Share Capital + Share Premium)	₹ 20.24 billion
Total Capital Employed Subordinated Debt	₹ 4.85 billion

MANUFACTURED CAPITAL¹

Capex for New Offices & Branches	₹ 4.48 billion
No. of call centre facilities	2
- No. of call centre executives	371

INTELLECTUAL CAPITAL¹

Capex on Technology Infrastructure	₹ 4.46 billion
------------------------------------	----------------

Specialised Resources

- Inhouse Claims Managers-Motor	593
- Inhouse Claims Managers-Health	130
- Actuarial Team	22

HUMAN CAPITAL¹

Functional diversity

- Top Management and Leadership	10
- Business Groups	5,076
- Service, Support and Corporate Groups	3,358

Gender diversity-employees

- Male (83.2%)	7,030
- Female (16.8%)	1,414

Age groupwise bifurcation

- Below 30 (37.5%)	3,170
- 30-45 (61.2%)	5,162
- Above 45 (1.3%)	112

Training, learning & development

Total Training Hours	283,046
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SOCIAL CAPITAL²

CSR Spend

- Direct	₹ 0.04 billion
- Through ICICI Foundation	₹ 0.14 billion

Social Focus areas

- Road safety initiatives (Workshops to influence behavioural change on Road Safety)	250+ direct contact workshops to raise awareness on road safety
- Caring Hands (Eye check-up camps for eye screening of underprivileged children)	288 eye check-up camps across 105 locations pan-India
- Wellness (Camps on promoting the cause of Safe Drinking Water)	Camps in 50 schools
- NGO Partnerships	9

RELATIONSHIP CAPITAL¹

Individual Agents (including POS)	35,729
Corporate Agents	95
Network Hospitals	5,025
Network Garages	7,800
Analyst / Investor meets held	300

Note: 1. As on March 31, 2019 2. For FY2019

Business Model and Value Creation

Outputs

Number of Policies issued in FY2019*:
26,484,078

Number of Claims Settled in FY2019:
1,567,596

Investment Assets:
₹ 222.31 billion

*on GDPI basis

Outcomes

FINANCIAL CAPITAL

Gross Direct Premium Income	₹ 144.88 billion
Market Share	
- Overall	8.5%
- Private Sector	15.6%
Combined Ratio	98.5%
PAT	₹ 10.49 billion
EPS (Basic)	₹ 23.11
ROAE	21.3%
Solvency Ratio	2.24 times
Dividend Payout Ratio	21.64%
Investment Leverage	4.09x
Credit Rating	Rated iAAA by ICRA on the Claims paying ability AAA/Stable by Crisil and ICRA, for Subordinated Debt
CAGR#	GDPI - 14.4% PAT - 23.5%

MANUFACTURED CAPITAL

Number of Branches	265
Virtual Offices	910
First Call Resolution Rate	81.5%

INTELLECTUAL CAPITAL

New Products approved during the year	16
Policies Processed Electronically	97.4%
In-housing of Motor Claims	89.2%
In-housing of Health Claims	95.6%
No. of Customers receiving VAS	1,752
Net Promoter Score	40

HUMAN CAPITAL

Revenue generated per headcount	₹ 0.01 billion (GDPI basis)
Code Maroon, Code Maroon+, Code Blue certified employees	1,414

SOCIAL CAPITAL

Lives Impacted with CSR interventions (Caring Hands)	36,517 children screened, 5,582 children provided with spectacles
Ride To Safety - Helmets distributed	25,000
Wellness - Water Purifiers installed	50
Rural and social sector obligations	0.76 million policies covering 10.4 million lives

RELATIONSHIP CAPITAL

Total taxes paid to Government (Direct & Indirect)	₹ 23.63 billion
Premium contribution through channel partners (individual agents + corporate agents)	23.5% ³

Note: 3. % of Total GDPI # FY2008-FY2019

Our Operating Environment

The Indian Insurance sector has seen a major growth over the last two decades since it was liberalised in fiscal 2000. The sector is divided into two categories – life insurance and non-life insurance. Both segments are governed by the Insurance Regulatory and Development Authority of India (IRDAI).

The non-life insurance sector offers financial protection for cargo, travel, health, motor vehicles, equipment, homes and buildings, amongst others, against risks such as accidents, theft, damages, fire and natural calamities. New products such as mobile insurance, cyber liability are being launched to meet the evolving customer requirements. The insurance sector is also reshaping with the penetration of internet and the emergence of new technologies. For instance, artificial intelligence, blockchain technology and machine learning are facilitating the assessment of real-time risk, enabling instant policy renewals and real-time claim processing. Purchase of online insurance has also increased as new-age customers prefer the speed, convenience of online policies that match their changing lifestyle.



The non-life insurance industry has grown at a CAGR of approximately 17% for the last 18 years. While the development has been impressive, there is ample headroom for further growth as non-life insurance penetration in India is about 0.93% against the world average of 2.80%. India's favourable demographic dividend, with 65% of the population below the age of 35, is a strong driver of growth for the coming years.

(Source: GI Council & Sigma 2017 Swiss Re)

During FY2019, the non-life industry registered a growth of 12.9%. This was driven by broad-based growth across motor third party, retail health and crop insurance segments. Motor third party, retail health and crop insurance segments grew by approximately 15.4%, 15.7% and 11.7%, respectively for FY2019. The industry also witnessed several regulatory changes during the year.

ICICI Lombard is the fourth largest non-life insurer and the largest private-sector non-life insurer in India based on Gross Direct Premium Income (GDPI) in FY2019. We offer our customers a comprehensive and

well-diversified range of products, including motor, crop, health, fire, personal accident, marine, engineering and liability insurance. Our key distribution channels are direct sales, individual agents, corporate agents - banks, other corporate agents, brokers, MISPs and digital, through which we serve individual, corporate and government customers.

During FY2019, we issued 26.5 million* policies and our GDPI stood at ₹ 144.88 billion. Our strong performance enabled us to capture a market share of 8.5% among all non-life insurers in India and 15.6% among private sector non-life insurers in India. We have maintained a leadership position among private sector non-life insurers in India across motor (own damage and third-party liability), health and personal accident, crop, fire, engineering and marine segments in FY2019.

*on GDPI basis

Strategic Objectives

At ICICI Lombard, we aim to grow our business and sustain long-term value for our customers, channel partners, employees, shareholders, community and all other stakeholders. Aligned with this overarching purpose, our strategic intent is to strengthen our overall position in the non-life insurance space and grow our profitability. This strategic intent is being pursued through an unwavering focus on the following objectives:



Reinforce market leadership

- Leverage our strong brand and competitive advantage
- Expand customer base and offerings
- Capitalise on our broad network of distribution partners



Deliver excellence in customer-centricity

- Continuous product innovation to meet evolving needs
- Deliver Value-Added Services and customised solutions
- Leverage technology to facilitate customer convenience
- Empower and enable employees and channel partners



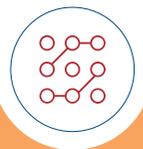
Capture new opportunities

- Focus on cross-sell opportunities
- Expand footprint in small towns and rural areas
- Increase penetration in the digital eco-system
- Monitor emerging risk segments



Ensure robust risk selection and management

- Embed data-driven risk selection
- Follow prudent underwriting practices
- Drive best practices in reserving and quality reinsurance



Maintain technology leadership

- Harness AI, Robotic Processes and Data Analytics tools for best-in-class customer experience
- Use of digital platforms to increase distribution and servicing capabilities
- Use of new and emerging technologies to increase operational efficiency

Our Stakeholder Engagement

Customers



What Matters to Them

- Innovative products
- Customised solutions
- Value-Added Services
- Customer service and experience
- Competitive prices
- Efficient claim settlement
- Simplification of processes

Engagement Methods

- Reaching out through different channels
- Regular engagement at all stages of the product life cycle through multiple direct contact options such as email, SMS, app, telephone calls, postal communication, and call centre
- Toll free number, trained customer relationship managers
- Sales, service and claims processes on digital platform
- Special engagement services for senior citizens, women customers etc.
- Customer relationship management platforms
- Regular measurement of customer satisfaction

Business Partners



What Matters to Them

- Partnership/relationship
- Quick and efficient reimbursement
- Product and value proposition
- Speedy response to queries

Engagement Methods

- Channel partner meets, workshops, conferences and forums
- One-to-one meetings
- Telephonic and email communication
- Channel partner management portals

Employees



What Matters to Them

- Career development opportunities
- Availability of training and mentoring
- Work atmosphere
- Enabling culture

Engagement Methods

- Senior leaders' communication/talk
- Town hall briefings
- Performance updates
- Workshops, learning and training interventions
- Wellness initiatives
- Intranet
- Internal publications and circulars
- Employee perception survey

Shareholders and Investors



What Matters to Them

- Clear and consistent business strategy
- Strong governance, ethics and transparency
- Long-term business value

Engagement Methods

- Quarterly results
- Investor presentations
- Annual Report
- Annual General Meeting
- Investor/analysts meet
- Media releases

Regulators



What Matters to Them

- Statutory and legal compliance
- Transparent and full disclosures of business activities
- Effective and efficient management of regulatory change
- Responsible development of insurance sector
- Insurance inclusion

Engagement Methods

- Meetings
- Written communication
- Presentations
- Business associations
- Workshops

Rating Agencies



What Matters to Them

- Stable, consistent and conservatively-managed balance sheet
- Robust risk management and risk mitigation

Engagement Methods

- Written Communication
- Presentations

Communities



What Matters to Them

- Proactive engagement
- Contribution to community welfare
- Safety and health matters

Engagement Methods

- Direct CSR interventions
- Employee volunteerism towards community welfare
- Awareness workshops

Materiality

Materiality is one of the underlying concepts of integrated thinking and reporting and a differentiating factor compared to financial reports. Under materiality, we periodically evaluate our material issues. Material matters are those that are most important to the business and its key stakeholders, and which can affect our ability to create value over the short, medium and long term. In order to continue creating a positive impact on the society, materiality serves as a compass to guide us through our journey and helps to establish our priorities.

The first step in determining material issues is stakeholder identification, followed by the development of an engagement mechanism in order to communicate with them on a regular basis. The stakeholder responses are

filtered on the basis of their needs, demands and expectations. These issues are further rated by the level of importance, by us and our stakeholders. Basis this, we arrive at the materiality matrix for our business.

Our ability to create value is impacted by a multitude of factors ranging from customer-centricity to economic to responsible business practices.





Materiality Matrix

Parameters of high importance		
Customer-centricity	Economic	Responsible business practices
<ul style="list-style-type: none"> • Customer service and claim settlement • Customer privacy and data protection • Stability of system and processes • Innovation and IT deployment 	<ul style="list-style-type: none"> • Product pricing • Risk modelling • Reserving • Financial performance 	<ul style="list-style-type: none"> • Ethical practices, anti-bribery and corruption • Transparency • Responsible underwriting, finance and investment policies • Sustainable future

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.

Post becoming the first company in India to achieve the ISO 31000:2018 Risk Management certification last year, ICICI Lombard successfully renewed the prestigious globally recognised certification in Risk Management for FY2020. This reflects the continual commitment of the Company to have Risk Management embedded in its strategy and operations.



We have developed a risk universe consisting of 29 enterprise-wide risk areas, broadly categorised into 5 distinct groups

I. Risk Management Framework

We have developed a risk universe consisting of 29 enterprise-wide risk areas, broadly categorised into 5 distinct groups of Credit Risk, Market Risk, Underwriting Risk, Operational Risk & Strategic 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 we are exposed to on account of our 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 the exposure we face on our assets, liabilities, income and expenditure on account of market movements. These risks 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.

An internal committee for Market Risk Management is also in place to evaluate and identify key market risks with appropriate mitigation plans.

3. Underwriting Risk:

Underwriting Risk refers to the risk associated with terms of selection and retention of risks on our books and product offerings.

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.

We have 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
- Strategies/Plans/Mechanisms for monitoring and mitigation of Operational Risk

Our Enterprise Risk Management (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 the C-Suite executives of the Company.

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

Fraud Prevention is managed by the IC & LM (Internal Control and Loss Minimisation) function.

IC & LM was established in fiscal year 2006, with following objectives:

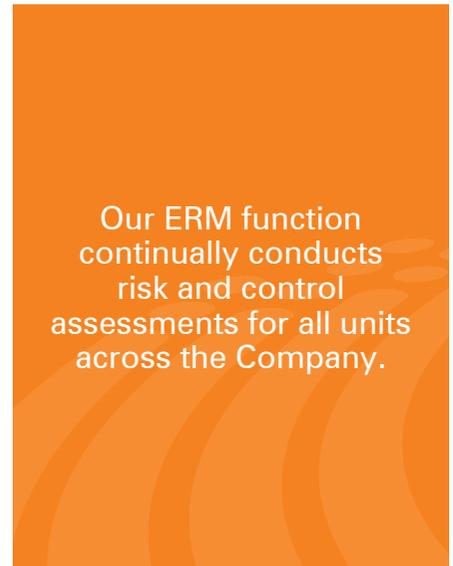
- To check claims and premium related leakages
- Prevention, Detection, Correction of internal irregularities and frauds
- Support claims team with loss minimisation efforts

The approach is to have an objective driven team with domain experts to manage various risks emanating from different Lines of Business (LoBs).

The claims investigation teams are specialised at managing claims across LOBs. In addition, there is 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.



Enterprise Risk Management – Framework & Approach



Over a period of time,
we have introduced
various technology-led
innovative services.

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.

We are committed to providing secure services to customers and safeguarding of customer's information. Over a period of time, we have 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, we

did not only consider the available technology, but also involved human factors and implemented necessary policies and procedures to detect, mitigate and prevent 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:
 - Vulnerability Assessment (VA) of applications
 - 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 and manage new and emerging risks

The Enterprise Risk Management (ERM) 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.

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 those previously classified as very high, high, medium or low, to assess the latest position of the risks. The review has four important steps:

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.

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 and verifying the efficacy of mitigation plans, including undertaking controls testing, as applicable

Reserving Disclosures

Insurance companies are required to establish 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 business and the development of the claim 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, the 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 the loss reserving process. Significant reporting lag may exist between the occurrence of an insured event and the time it is actually reported. The 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 tends 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.





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 is yet to be settled. These are a combination of case reserves for reported claims and IBNR provisions.

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:

Incurred Losses and Allocated Expenses (Ultimates movement)

	(in ₹ billion)										
As at March 31, 2019	Prior*	AY 10	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19
End of First year	39.01	15.13	20.66	22.53	27.97	35.96	34.16	39.13	49.49	52.41	65.27
One year later	39.86	15.23	20.44	21.97	27.02	34.63	33.95	38.58	49.20	51.10	
Two years later	39.88	15.39	20.41	21.74	26.52	34.37	33.53	38.07	48.84		
Three years later	40.49	15.52	20.36	21.85	26.40	34.29	32.91	37.78			
Four years later	41.18	15.55	20.47	21.83	26.46	33.85	32.73				
Five years later	41.30	15.66	20.48	21.81	26.21	33.73					
Six years later	41.88	15.91	20.53	21.83	26.18						
Seven years later	42.11	15.96	20.67	21.83							
Eight years later	42.23	16.02	20.67								
Nine years later	42.38	16.05									
Ten years later	42.42										
Deficiency/ (Redundancy) (%)	8.8%	6.1%	0.1%	-3.1%	-6.4%	-6.2%	-4.2%	-3.5%	-1.3%	-2.5%	

AY – Accident Year

*For AY 09 and prior, End of first year implies valuation of all accident years for AY 09 and prior as at March 31, 2009 and so on.

Reserving Disclosures

Unpaid Losses and Loss Adjustment Expenses

(in ₹ billion)

As at March 31, 2019	Prior*	AY 10	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19
End of First year	7.74	5.31	7.18	7.98	12.01	17.32	17.10	20.44	26.84	32.58	37.37
One year later	3.85	1.83	2.67	3.33	6.11	9.70	11.58	14.06	16.86	18.03	
Two years later	2.67	1.34	2.00	2.46	4.72	7.92	9.61	11.46	13.04		
Three years later	2.40	1.15	1.58	2.12	3.84	6.73	7.80	9.69			
Four years later	2.44	0.96	1.39	1.76	3.39	5.58	6.77				
Five years later	2.06	0.90	1.13	1.47	2.77	4.82					
Six years later	2.22	0.83	1.00	1.28	2.42						
Seven years later	2.08	0.76	0.97	1.08							
Eight years later	1.89	0.69	0.84								
Nine years later	1.74	0.63									
Ten years later	1.53										

AY – Accident Year

*For AY 09 and prior, End of first year implies valuation of all accident years for AY 09 and prior as at March 31, 2009 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, 2019	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	
Eight years later	2.95	6.69	6.55	5.45		
Nine years later	3.00	6.98	6.55			
Ten years later	3.09	6.98				
Eleven years later	3.09					
Deficiency/ (Redundancy) (%)	18.4%	13.2%	12.9%	21.3%	32.8%	16.7%

AY – Accident Year

Unpaid Losses and Loss Adjustment Expenses

						(in ₹ billion)
As at March 31, 2019	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	
Eight Years later	0.65	1.23	1.39	1.03		
Nine Years later	0.55	1.19	1.07			
Ten Years later	0.52	0.89				
Eleven Years later	0.43					

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.

Organisation Structure

ICICI Lombard caters to its key stakeholders – customers, shareholders, employees, channel partners and other stakeholders – through a well-defined operating matrix. The matrix broadly revolves around three major pillars, namely Business Groups (Corporate, Retail etc.), Support Groups (Investments, Marketing, Finance, HR etc.) and Service Groups (Underwriting and Claims, Reinsurance, Actuarial etc.).



Corporate Solutions Group

Integrated solutions are provided to body corporates, small, micro and medium enterprises. Tailored solutions such as fire, marine, engineering, liability, group health insurance schemes and personal accident covers enable client requirements to be precisely met.



Government Business Group

Insurance solutions are provided to State, Central governments and rural customers. The product category includes cover for crop, cattle, mass health and personal accident among others.



Retail Group

Insurance solutions are provided to individuals and small enterprises in the health, home, motor, travel, cyber and personal accident space. Agents, brokers, bancassurance, telesales, direct alliances, MISPs and online platforms are influential to connect with and serve customers.



Shared Services

This unit includes a suite of services that are leveraged across the entire organisation, such as underwriting and claims, customer relationship, technology, operations, reinsurance, finance and accounts, human resources, legal and compliance, actuarial, marketing, business analytics unit, administration and fraud control. Providing support to other functions, Shared Services improve business efficiency.



Corporate Solutions Group

The Corporate Solutions Group caters to body corporates across industries and provides every client with customised solutions. It comprises four divisions:

Corporate Solutions Group to provide insurance solutions to body corporates across industries

Specialised Industry Group to cater to large clients in specialised business segments

Small, Micro and Medium Enterprises Group to serve MSMEs

International Business Group to cover international risks of Indian business interests

Increased market share across product lines



Fire

Our market share increased from 8.5% in FY2018 to 9.2% in FY2019 for this segment. The increase in market share was led by our focused approach in large and mid-sized accounts and investments in emerging geographies.



Engineering

Our market share increased from 11.1% in FY2018 to 11.5% in FY2019 for this segment. This was achieved through extensive direct engagement and domain-driven expertise complemented by continuing opportunities in the Indian infrastructure space.



Marine

Our market share increased from 12.7% in FY2018 to 13.7% in FY2019 for this segment. This was achieved by leveraging innovations under the aegis of our Marine Value-Added Services (VAS), including anti-theft and anti-hijacking programmes, monitoring of temperature-sensitive cargo, supply-chain solutions, and through our proprietary Marine Loss Control Engineering (MLCE).



Liability

Our market share increased from 14.4% in FY2018 to 14.8% in FY2019 for this segment because of our ability to envisage new-age risks and structure complex solutions.

Organisation Structure

Corporate Solutions Group

The Corporate Solutions Group is focused on enhancing client engagement by providing value-added services.



Health Value-Added Services

Wellness

We offer primary healthcare and specific disease management programmes to clients and implement wellness activities across corporate accounts.



Cashless OPD 'IL TakeCare'

Cashless OPD has been made more convenient by making it available on an application, 'IL TakeCare'. The unique platform facilitates easy access to doctors, diagnostics labs, pharmacies and provides real-time claim approval making it a truly cashless experience. It also stores health records digitally for future reference. This offering is currently available in metro cities and will be scaled up gradually.



Emergency Services

We provide ambulance services to our clients, in collaboration with a global leader operating in 46 countries and having 4,000+ 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 services are available in 28 cities.



Marine Value-Added Services

The marine segment is among our most important business drivers. Our value proposition lies in our loss control consulting services and the ability to customise our solutions to meet the needs of our clients. These are underpinned by extensive experience in logistics planning and execution of Over Dimensional Consignments (ODC) across India for several industries. Anti-hijacking cover (using GPS devices), tracking services to minimise delay and losses due to accidents or unforeseen events, cover for ODCs irrespective of

the complexity or length of the journey, and strategic solutions for project material handling and multi-modal ODC logistics are some of our value-added offerings in this segment.

During the year, integrated insurance and risk engineering solutions for reducing high-frequency losses resulted in significant risk improvement for clients. Complex cargo claims were settled in a prompt and hassle-free manner.

Additionally, our logistic specialists shared detailed recommendations based on in-depth analysis.



Property Value-Added Services

Property risk visits, management of risk measures and customised solutions such as anti-fire and anti-theft are provided to lessen the client's risk exposure in the property segment. We also extend customised coverage to multiple corporate clients. Our risk management solutions such as First Notification of Loss (FNOL) system and fire mitigation infrastructure have proven to be beneficial for many clients.

IoT (Internet of Things) in Insurance

Keeping pace with advanced solutions, we have been leveraging IoT technology to continuously monitor the efficacy of critical fire-fighting systems in manufacturing units. 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 emergency. The monitoring system comes with a unique inbuilt communication module to transfer the information to the monitoring platform and advanced diagnostic for swiftly identifying the problem areas.



Drone-Based Inspection

We offer advanced drone-based technology for inspection of wind turbines and solar PV modules. The entire activity of identifying defects is carried out in a matter of a few hours as compared to days in a traditional method with greater accuracy.



Account Level Planning

We continue to invest in training of sales personnel to help them make the transition from product selling to solution selling. Our firm focus on solution selling has reinforced our corporate relationships and established ICICI Lombard as the 'Risk Engineering' Company.

Organisation Structure

Government Business Group

Our Government Business Group (GBG) provides solutions in the areas of crop, cattle and motor insurance to rural India. While crop insurance premium is subsidised by the Government under its flagship scheme Pradhan Mantri Fasal Bima Yojana (PMFBY), cattle insurance operates on both, subsidised and non-subsidised models. Our endeavour is to deliver effective risk management solutions by creating awareness, leveraging technology and public-private collaboration.



As CSCs provide last-mile service delivery in rural India, they present a significant opportunity to expand our footprint in the non-subsidised rural segment.

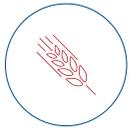


Crop Insurance

PMFBY provides coverage to both loanee and non-loanee farmers. Under this scheme, the farmers are eligible for crop insurance for both crop seasons, i.e. Kharif and Rabi. FY2019 marked the third year of operations of the government-sponsored crop insurance scheme.

We have been a participant in the crop insurance segment since its launch with

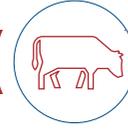
around 6.9% market share currently and around 17% of the overall GDPI. In the Kharif 2018 season, our Company was the implementing agency in Maharashtra (9 districts), Madhya Pradesh (10 districts), Uttarakhand (7 districts) and J&K (4 districts) and enrolled 27.08 Lakh farmers. In the Rabi 2018-19 season, our Company was the implementing agency in Madhya Pradesh (10 districts) and J&K (4 districts) and enrolled 9.90 lakh* farmers.



Crop Insurance



CSC



Cattle Insurance



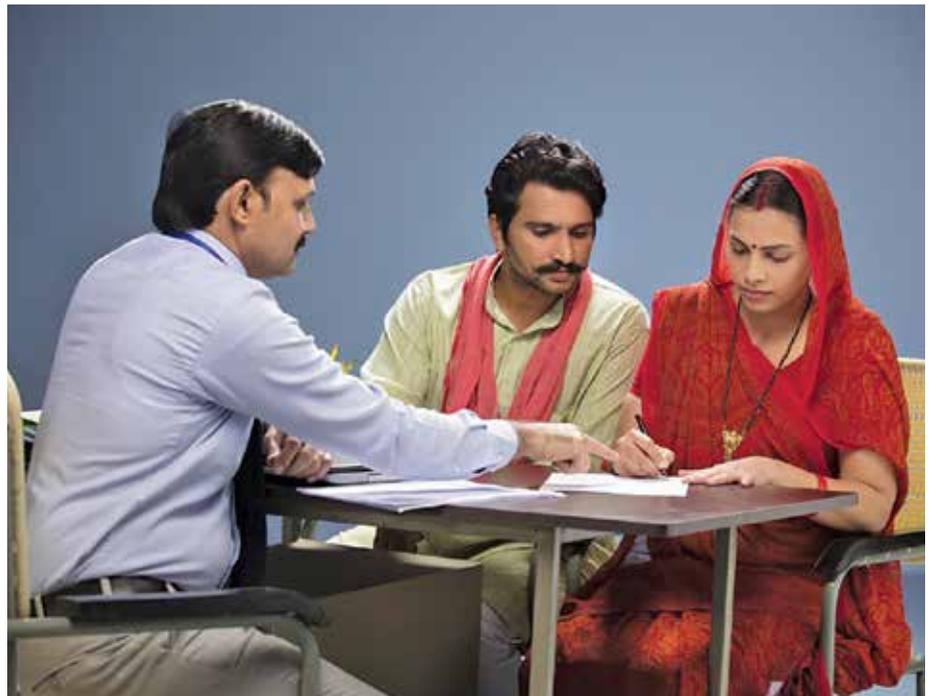
Cattle Insurance

Cattle insurance is another emerging business segment for our Company. The business registered a growth of almost 100.7% in FY2019 on the back of increasing funding by partner banks and Micro Finance Institutions (MFIs) in this segment. New technology like Radio Frequency Identification (RFID) along with strong vendor partnerships are our key differentiators in this business. This year, our exposure was in as many as 13 states, with major states being Rajasthan, Karnataka and Punjab.



Common Services Centres (CSC)

CSC e-Governance Service
India Limited is a Special Purpose Vehicle (CSC SPV) incorporated by the Ministry of Electronics and Information Technology (MeitY), Government of India to monitor the implementation of Common Services Centres (CSC) scheme. It provides a centralised collaborative framework for delivery of e-governance services to rural citizens, thereby contributing to the mandate of a digital India. As CSCs provide last-mile service delivery in rural India, they present a significant opportunity to expand our footprint in the non-subsidised rural segment. During the year, we focused on increasing CSC engagement and simplifying the policy issuance process to drive sourcing.



Organisation Structure

Retail Group



Motor Insurance



Travel Insurance



37.9%

MOTOR INSURANCE SHARE OF THE OVERALL GENERAL INSURANCE PREMIUM

12.9%

MARKET SHARE IN THE MOTOR OWN DAMAGE SEGMENT



Motor Insurance

Motor insurance continues to be among the most dominating segment in the non-life insurance sector. Motor insurance contributed to 37.9% of the overall general insurance premium. Within this, motor own damage segment contributed to 15.6% of the industry GDPI in FY2019. Our Company holds 12.9% market share in the motor own damage segment.

The year witnessed regulatory changes in the motor insurance segment, which had a direct impact on the motor insurance portfolio.

1. With effect from September 1, 2018, third-party insurance was made compulsory for new four-wheelers and two-wheelers. The coverage is applicable for a period of three years for new four-wheelers and five years for new two-wheelers.
2. The minimum sum insured under Compulsory Personal Accident cover (CPA) for owner-driver liability was enhanced to ₹ 1.5 million, effective September 20, 2018. The tariff for compulsory personal accident cover was de-tariffed, effective January 1, 2019.

Amidst these industry developments, we continued to invest in enhancing our distribution network in the motor segment with a balanced focus on the channels of automobile dealers, agency, direct business and MISPs. Our focus is to build a sustainable motor portfolio driven by loss cost based micro-segmentations which results in profitable business from the market.

We continue to leverage technology for driving customer-centricity. An

AI-based solution for instant renewal of expired or lapsed motor insurance policies was launched during the year. The solution empowers customers to capture images of their vehicle and upload it using ICICI Lombard's 'Insure' mobile application. Each image is analysed further by the cloud-hosted AI module to detect the damages in the vehicle, after which the break-in policy proposal is either accepted by the Company or recommended for verification. This industry-first feature has been developed in collaboration with Microsoft.



Travel Insurance

The travel insurance portfolio of the Company stood at a GDPI of ₹ 1.73 billion for FY2019. During this period, we issued 10.0 million policies including both domestic and overseas policies. With 21% market share, we have maintained our position as a leading insurer in travel insurance space. We have continued our focus on profitable growth in the

We continue to leverage technology for driving customer-centricity. An AI-based solution for instant renewal of expired or lapsed motor insurance policies was launched during the year.



Home Insurance



Health Insurance



SME



Our existing products are under revision for which regulatory approval is awaited. The proposed enhancements have been made keeping customer-centricity in focus and will make the products more comprehensive.

We had experienced a positive trend for our 'Group Safeguard' product. This encouraged us to explore similar avenues to boost our B2B2C business. Accordingly, we launched two new products, 'Income Protect' and 'Hospifund', to enable us to cater to the various customer segments.

Analysing and ideating for innovative products remains a constant process to build a product basket that contributes to our topline.

domestic travel insurance segment and registered a growth of nearly 16% in terms of GDPI compared to the previous financial year.



Home Insurance

The Home Insurance segment at an industry level grew as customer awareness and realisation for the need of this type of product increased. The number of policies issued have gone up consistently over the years, marking a 68% increase in FY2019. The same was a result of the growing significance of Home Insurance throughout the country after severe floods in Kerala in August 2018.



Health Insurance

With the strategic approach of our channels to capitalise on varied markets, we grew our indemnity business from ₹ 4.23 billion in FY2018 to ₹ 4.83 billion in FY2019, registering an increase of 14.3%. The number of policies saw an increase of 11.8%, of which a large portion is now sourced digitally by harnessing our robust mobile application. FY2019 witnessed relatively slower growth on the benefit health insurance segment in view of muted loan disbursements by Non-Banking Financial Companies (NBFCs) in the second half of the year.

We had experienced a positive trend for our 'Group Safeguard' product. This encouraged us to explore similar avenues to boost our B2B2C business.

Organisation Structure

Retail Group

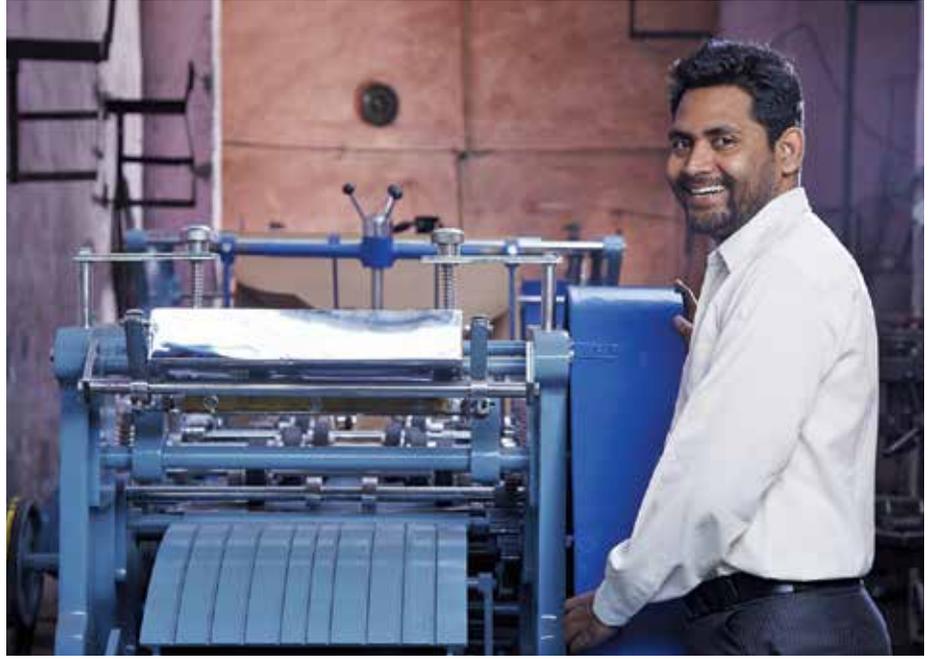


SME

The SME sector has witnessed robust growth over the past decade and continues to offer huge opportunities. The emergence of digitisation and new technology has provided the much-needed impetus to this sector. At ICICI Lombard, mindful of the unfolding sector opportunities, we have made SME among our key focus areas.

As part of our focus on the SME sector, we are continually enhancing our product and service offerings to seize the market potential and increase customer satisfaction. We continue to engage with our customers through multiple channels, i.e. agents, brokers and bancassurance. Additionally, aligned with customers' preference for a quick turnaround time, we have embedded technology across our business functions. These technology solutions have also been made available to our partners so that they can respond

At ICICI Lombard, mindful of the unfolding sector opportunities, we have made SME among our key focus areas.



to customer requirements in the most efficient and effective manner.

During the year, we were well-equipped to fully capture the market opportunity with several initiatives. The success of our efforts is reflected in the 26.7% increase in the SME portfolio growth in FY2019, over the previous year. The different business aspects that we focused on include:

New Products: An innovative basket of products like mobile insurance, business shield, cyber insurance and title insurance enables us to serve the new needs of the market. This has helped us to penetrate varied customer segments.

Customisation: We leveraged technological and digital advancement to customise our solutions. For instance, we are using the digital platform for the issuance of quotes and

policy. This empowers customers to decide on the offerings while reducing operational expenses and saving time in policy issuance at our end.

Empowering through Knowledge: In our journey to move from policy sales to solutions sales, we have been imparting product and process knowledge, including digital advancement, to channel partners. Transmitted through a series of webinars, this knowledge sharing empowers our partners to provide a superior customer experience.

Shared Services



Reinsurance

During FY2019, our reinsurance programme continued to be a combination of proportional and non-proportional programmes for both conventional and specialty lines of business. Our reinsurance programme has been structured by maintaining the philosophy of buying an adequate cover to protect value at risk at all times. A well-defined retention limit for each product segment that defines its maximum 'per risk' and 'per event' exposure has been formulated. We continued to buy appropriate risk and catastrophe reinsurance as a shield against single large losses and natural disasters. Our net retained exposures were modelled by international agencies to ensure the adequacy of the limit of catastrophe reinsurance. We maintained our association with top global reinsurers for our key reinsurance programme, with General Insurance Corporate of India (GIC Re) being our largest reinsurance partner.

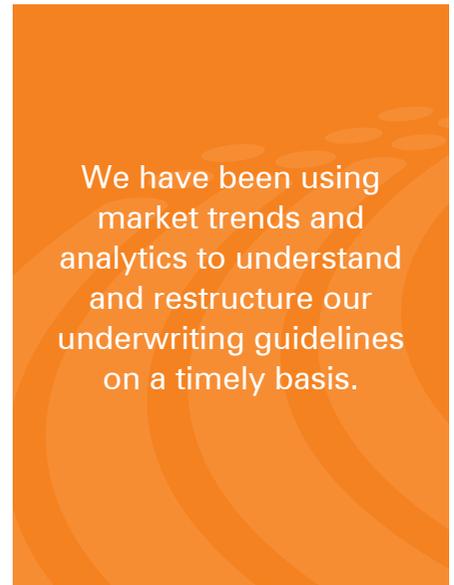


Underwriting

In motor insurance, we continue to practice risk-based pricing and maintain an appropriate mix of models and geographies through selective sourcing. In private motor class, there has been a change wherein market share for some of the brands have increased thereby changing the overall mix. A sizeable portion of the business is also garnered from the premium segment cars. We also review and set an appropriate target mix of new vis-à-vis renewal portfolios based on the make, model and geographical performance on a periodic basis. We introduced long-term policy for private cars and two-wheelers from September 2018. In FY2019, we

also introduced the industry's first AI-based solution to facilitate instant renewals of expired or lapsed motor insurance policies. In FY2019, we continued with our centralised approach for underwriting retail health products.

In the group health insurance segment, we launched the Health Endorsement Module to empower our partners - intermediaries as well as clients - to initiate online endorsement requests. A "Do it Yourself" model with the necessary checks built within the system, the new module facilitates endorsements on a seamless basis. The first-of-its-kind initiative in the industry, the module has improved our operational efficiency and will further strengthen customer relationships.



Organisation Structure

Shared Services



In motor insurance, we continue to practice risk-based pricing and maintain an appropriate mix of models and geographies through selective sourcing.

We have been using market trends and analytics to understand and restructure our underwriting guidelines on a timely basis. Additionally, robust underwriting practices backed by advanced technology continue to be of prime importance.

In crop insurance, selection of a well-diversified portfolio is of prime importance. At ICICI Lombard, we take utmost care to select clusters which ensure our presence in diversified agro-climatic areas within the state. Selection of risk is done by analysing different agro-climatic conditions as well as agricultural parameters like soil type, vegetation, irrigation facilities, rainfall, temperature, relative humidity and wind speed. In addition, calamity history such as drought, flood, hailstorm, pest and disease occurrence are also considered. The cluster selection model plays an important role in pricing optimisation.

In the property space, to further strengthen the risk selection process, we are keenly monitoring the technological changes in the construction and manufacturing process of the major mid-size industry segments. Based on our claim experience and the technological advancement in these industries, we have done sub-segmentation of the occupancies as defined in tariff to optimise risk selection. Further, we have adopted a solution-based approach of customising the policies with appropriate risk-based add on covers and are working with our customers for the implementation of suitable risk mitigation measures. For high hazard occupancies, a specialised underwriting team is in place, focused on building quality risk selection.

In liability, we launched a new product Title Insurance. The Real Estate (Regulation and Development) Act, 2016 has mandated that all developers obtain title insurance for their projects. The policy may additionally be purchased by the land owners, society or owners' associations, plot purchasers, lenders and any other third parties with an interest in the title to the insured property.

The Marine Cargo book for FY2019 witnessed double-digit business growth, exceeding the industry performance and placing ICICI Lombard at number one position among private players and at second position at an industry level.



Claims

In health insurance, we processed over 45,000 health claims during the year using ICR/OCR data extraction, resulting in faster settlement of claims. We also processed more than 8,200 group health cashless approvals in the year using artificial intelligence for medical and surgical treatments, an initiative started in FY2018. Cashless approvals' time is reduced from one hour to few minutes from the request received time. Automated approval of claims will continue to be our focus by onboarding retail health claims and reimbursement claims on the new technology platform. We also maintained our attention on reasonable and customary charges, case management and management of length of stay to positively impact our claims cost.

In motor insurance, we continued our strong performance, settling more than 1 million claims in the year, with



more than 90% settled within one month. We serviced more than 200,000 claims during the year through 'InstaSpect'. We were the first to launch the live video streaming feature for motor claims. Adding to the portfolio of innovative solutions for servicing claims, we also launched 'eClaims', a feature enabling the motor insurance customer to fill and submit a digital claim form and upload relevant documents. This feature allows the insured to authenticate the submission with an OTP, allowing for a completely paperless claim process.

Remote sensing technology was used for crop health monitoring along with tracking the progress of area covered under crop insurance. This helps in early detection of pest, disease attack and sowing failure.

In commercial lines of insurance, we processed over 78,000 claims in property and casualty insurance

portfolios, settling over 82% of the outstanding claims within one month.

Augmentation of technology, as always, remains a key focus area to tackle the increased volume of claims and also to improve efficiencies so as to reduce the claim settlement turnaround time. 'I-Claim', a robotic process automation initiative along with ICR/OCR was introduced specifically for the Marine Cargo portfolio. The technology intervention has enabled us to process nearly 8,000 claims in FY2019 with an average of 5 claims per hour. 'I-Claim' was also used for monitoring the shipment status of various logistics companies, previously carried out manually, thereby increasing the efficiency manifold. It has taken us to a different level to identify duplications and frauds in voluminous frequency losses driven proposals, leading to improved efficiency in the working environment for both the insurer and insured.

In health insurance, we processed over 45,000 health claims during the year using ICR/OCR data extraction, resulting in faster settlement of claims.

Organisation Structure

Shared Services



Risk Management

We continue to drive innovation and leverage the latest technology across all our products to better manage risks. Be it AI chatbots enabling us to deliver instant health status to our customers or innovative way of conducting onsite breast cancer screening helping in early detection and management of malignancies, we are deploying advanced solutions to drive timely medical intervention. In the corporate sector, risk management through onsite medical clinic ensures early diagnosis and treatment of acute diseases, which if delayed could have led to hospitalisation.

In motor insurance, through 'InstaSpect', we are encouraging customers to connect with a claims manager immediately upon meeting with an accident, enabling the expert to advise the customer on-the-spot. This is a step towards ensuring the customer's safety and reducing the chances of aggravating any damage to the vehicle.

In commercial lines of insurance, we devised innovative ways of identifying and mitigating key risk parameters around electrical and process safety. Various risk safety indices such as Electrical Risk Safety Index and Advanced Mathematical models have been deployed to identify the improvement areas in the key processes of the clients and partner with them to improve the same. Internet of Things (IoT) technology has been further utilised to control and monitor critical risk parameters. These advances in analytics and technology has helped us work closely with



clients and provide risk management solutions to them.

In marine insurance, we are using GPS for tracking the movement of consignments to monitoring the variation of ambient temperature of high-value pharma consignments. Deployment of advanced technology to provide infrastructure monitoring (in the form of route survey), along with risk management for high-value large projects and other cargoes, demonstrate our formidable strength as a complete logistical risk solution company.



Cost Management

The Cost Management Team is keenly driven to improve on its past performance and deliver better value to all stakeholders. Cost optimisation is achieved through the methodologies of cost planning, coordination, control and reporting

of cost data. We also promote the use of latest and sophisticated cost-effective tools to improve functionality and to reduce costs, energy usage and environmental impact. Raising awareness of cost control among employees has also helped to lower organisational and marketing overheads.

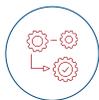
During the year, the Company introduced a new application to carry out e-bidding, which enabled us to make 7% savings on our budgeted marketing spends.



Investments

As on March 31, 2019, ICICI Lombard had one of the largest total investment assets among the private-sector non-life insurers in India. We had ₹ 222.31 billion in total investment assets with an investment leverage of 4.09x. The investment policy is

designed with the objective of capital preservation and achieving superior total returns within identified risk parameters. Listed equities made up 10.8% of the Company's total investment assets, by carrying value, as at March 31, 2019. Since FY2004, our listed equity portfolio has returned an annualised total return of 27.8% as compared to an annualised return of 16.9% on the benchmark S&P NIFTY index.



Operations

During the year, we continued to invest in building scale and capability in the operations function to facilitate business growth and serve various business verticals. We also focused on enhancing the quality of our services by aggressive usage of digital platforms. User-friendly interfaces and developments were introduced to improve overall transaction experience and empower the end-user. 'Direct Client Interaction' platform was launched in which the customer or intermediary can directly coordinate for policy service requests. Further, in order to focus on SME products and increase penetration, online policy renewal was made available. Communication through SMS and mails has been further extended for timely information. The increased use of digital technology has helped to reduce processing Turn Around Time (TAT) and improve overall customer and business partners' experience.

A key long-term strategy for us is to continuously improve agent servicing and widen our distribution network. Aligned with this strategy, we introduced a mobile application

for new recruitments at the agent level and also started a separate Agent Help Desk module in our branches for providing product and industry level knowledge.

This will not only help us to increase ground water availability, but also improve the quality of water through dilution when recharged to ground water.



Process Excellence Group (PEG)

With the new world being hyper-connected, our constant endeavour is to increase customer engagement by integrating operational efficiencies with omni-channel customer experience solutions to provide real-time responses, faster resolutions and best-in-class service. We also work towards understanding our

We continue to drive innovation and leverage the latest technology across all our products to better manage risks.

customer's perceived value to create a competitive advantage in this digitised world.



Organisation Structure

Shared Services



During the year, we launched #DoTheDigital, an innovative campaign to bolster our presence in the digital ecosystem of the general insurance market. The campaign aimed at inviting ideas with differentiated digital product offerings and new digital business sourcing techniques. We received 346 ideas in a span of 15 days with active participation from employees, who suggested ideas in the new and existing product categories. #DoTheDigital focused on providing employees an opportunity to lead the change that they wanted to make in the organisation. The top seven ideas were presented to the Managing Committee and winners were felicitated at the Frontier Award ceremony.

We successfully completed the second periodic audit cycle of our quality management system post-upgradation to the most recent ISO 9001:2015 standard. This demonstrates our continued commitment to conform to

internationally established standards for quality systems and assurance.

Our commitment to excellence was recognised and lauded by the Institute of Directors where we won the Golden Peacock Award for Business Excellence.

Information Technology Artificial Intelligence & Machine Learning for Health Claims

ICICI Lombard has become the first Indian non-life insurance company to pioneer the use of artificial intelligence and machine learning in health claim processing. Understanding medical diagnosis is a significantly complex activity, we have deployed the use of AI technology for this difficult task. This has resulted in reducing cashless claim request approval time from the earlier average of 60 minutes to few minutes. This response time improvement is extremely helpful in cases requiring emergency medical attention, since the cashless request can be processed without any time lapse and treatment can start immediately. Also, with AI taking over the medical admissibility decisioning currently done by doctors, it will enable our doctors to focus on more complex jobs. In March 2019, over 9,000 cashless requests were received, out of which 2,200 requests, almost 25% cases, were successfully adjudicated by the AI engine.

Framework-based configurable product development

We successfully developed and deployed a framework that is highly configurable for quick deployment of products to our customers. The platform is being used for building simple sachet products where

the requirement is to have a minimum time to market with highly customised rating parameters. The platform also provides an out-of-the-box solution for channel partner integration. An easy-to-use and well-developed application programming interface (API) facilitates partners to integrate standard cancellation/endorsement/renewal modules and batch processing capability for offline processing.

Long-Term Motor Policy

During the year, IRDAI made it mandatory for new vehicles to get long-term third-party motor insurance (three years for new four-wheelers and five years for new two-wheelers). The formation of small sprint teams enabled us to speed up the product development cycle. Further, the Business, Technology and Product Teams worked in close collaboration to deliver in agile mode. The system development ensured that customers were provided with the flexibility to avail multiple year own damage and third-party policy as well as bundled cover with a three or five-year term for the third-party component and a one-year term for own damage, as permitted by the regulator. Further, the development supported policy selection through various channels and platforms such as OEM, branch, agent portal, customer portal, mobile and chatbots.

BOT Journey

Robotics is being used across verticals to automate manual / repetitive tasks. This helps to improve TAT, drive error-free operations and promote self-help option for internal and external users. As of date, 150 BOTs have been implemented across verticals.

To promote frictionless business and service, AI solutions have been implemented along with automation. This results in further reduction in TAT and manual errors. For instance, claim processing is data intensive with the information needed to be sourced from several documents. The implementation of AI solutions has removed manual intervention in the task of data collection, leading to fewer inconsistencies and faster processing of claims.

On Cloud

With a long-term strategy and vision for the future, we are moving to a new operating model and culture by adopting a cloud-based solution. By moving our technology workload on the cloud, we will add more agility and speed to innovation. It will also help to ensure that our customers have access to the latest technology, improvement of our IT security posture, boosting enterprise productivity and enhancing user experience.

Customer Engagement

We are using a dedicated, scalable and integrated contact centre platform to offer a seamless experience to our customers. The incorporation of easy-to-use new communication channels enables us to engage with our customers through the medium and at a time they prefer, respond accurately and increase internal efficiency. This, in turn, has helped us to build stronger relationships with our customers.

Artificial Intelligence Break-In Process

We launched an AI-based break-in inspection solution during the year to facilitate real-time policy issuance for expired motor insurance policies. A break-in inspection is generally

conducted for policy proposals where there is a lapse in continuous policy insurance. Before the launch of this solution, around 14,000 monthly inspections were being handled by our team for lapsed policies. The replacement of manual inspection with AI processing enables immediate approval and policy issuance, significantly enhancing the customers' policy purchase experience. The AI solution, developed in partnership with Microsoft, operates in the following way:

- Vehicle inspection photos/videos are uploaded by the customer
- Automatic computer vision-based inspection
- Machine learning algorithms to detect damages in break-in cases
- If affirmative AI feedback, then policy copy is generated; else, if AI detects damages, then the case is recommended to the technical expert

Robotics is being used across verticals to automate manual / repetitive tasks. This helps to improve TAT, drive error-free operations and promote self-help option for internal and external users.

Nurturing and Leveraging Human Capital for Organisational Goals



Human capital is the collective knowledge, skills, experience and abilities of employees working together with the other critical growth drivers to accomplish organisational goals. At ICICI Lombard, our human capital plays a pivotal role in the achievement of our organisational goals. We have an ongoing robust talent management process to facilitate grooming, building and effective deployment of human capital. The methodology includes aspects such as acquiring talent, building their capabilities, engaging them, developing a collective mindset to align with stakeholder expectations and deploying talent in the right roles to drive high performance. As an outcome, the process enables talent to realise its full potential while enabling the organisation to achieve its goals.

Measuring the progress

While an ongoing process is necessary for human capital development, it is equally important to review and monitor the progress made. Metrics help track the outcomes and course-correct if

required. Several tangible outcomes such as diversity and mix of talent, average tenure of employees, internal talent occupying leadership positions, average experience of leadership team and senior management, employees who have been retained, time invested in learning, skill and leadership

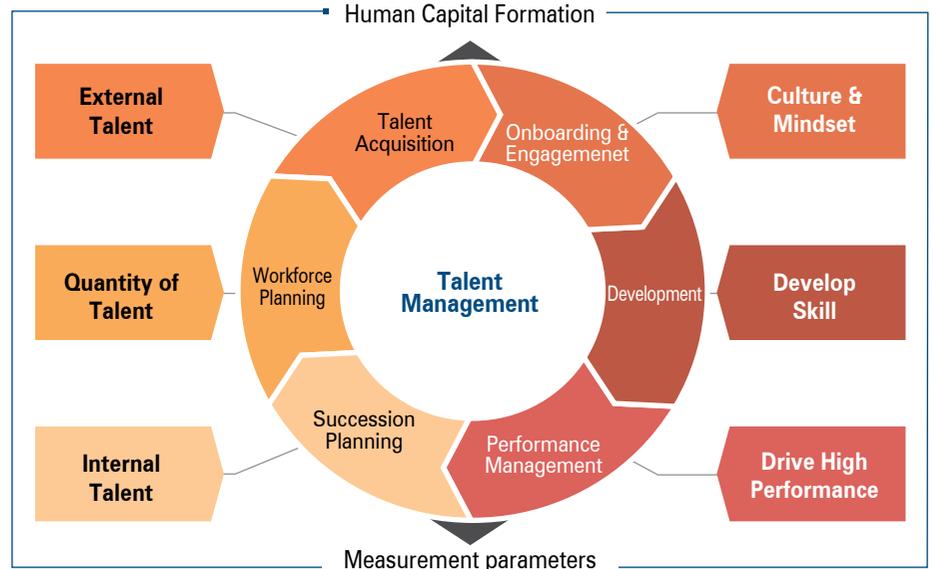
certification of employees, employee satisfaction scores, culture surveys, and employee cost, among others are tracked.

Talent management processes are designed to attract, develop, motivate and retain productive, engaged employees to enable them to perform and thereby contribute to meeting our operational and strategic goals and objectives.

The following important steps are involved in developing our organisational talent pool:

- Review of business plans and capabilities needed to deliver our organisation goals
- Assessment of existing talent to identify the strengths and gaps needed to meet our business plans
- Develop a talent strategy to leverage the strengths and address the gaps
- Create a robust plan and framework to deploy the strategy and measure the progress

Human Capital Formation at ICICI Lombard



Talent management sub-processes and outcomes

1. Acquiring internal and external talent

Based on the business plans, there is an assessment of existing talent to identify key strengths and gaps. Understanding these requirements is essential to develop talent plans at a business and functional level. This involves acquiring the right talent from within and outside the organisation.

Workplace diversity is our key differentiator enabling us to win in the marketplace. It is manifested in our efforts towards building an inclusive and multi-dimensional workforce, leading to increased profitability and opportunities for employees. Diversity ensures that the work environment promotes acceptance, respect, and teamwork even though there are differences in race, age, gender, native language, political beliefs, religion, sexual orientation, or communication styles among employees. Our endeavour to have a young and diverse workforce is reflected in the fact that 37.6% of our team are millennials and 16.8% of our workforce are women. The average age of our employees is below 31.8 years.

2. Building capabilities

A focused and structured approach to talent development is fundamental to enable employees to perform. This involves investment in employee learning—primarily through the 70-20-10 development approach with the majority of the learning happening while they are on-the-job, followed by structured classroom learning and e-learning. During the year, we invested in 283,046 training hours across

employees. Apart from these certifications, structured induction for new recruits and skill development programmes for employees in expanding business segments were also carried out.

Talent Councils comprising leaders from cross-functional teams review the quality of talent and the adequacy of the internal talent pipeline at every level. The Councils deliberate on the quality of talent and their readiness for critical roles using 360° feedback and other inputs to agree on succession plans for these roles. Appropriate developmental feedback is shared to groom and prepare talent and improve their readiness for such positions.

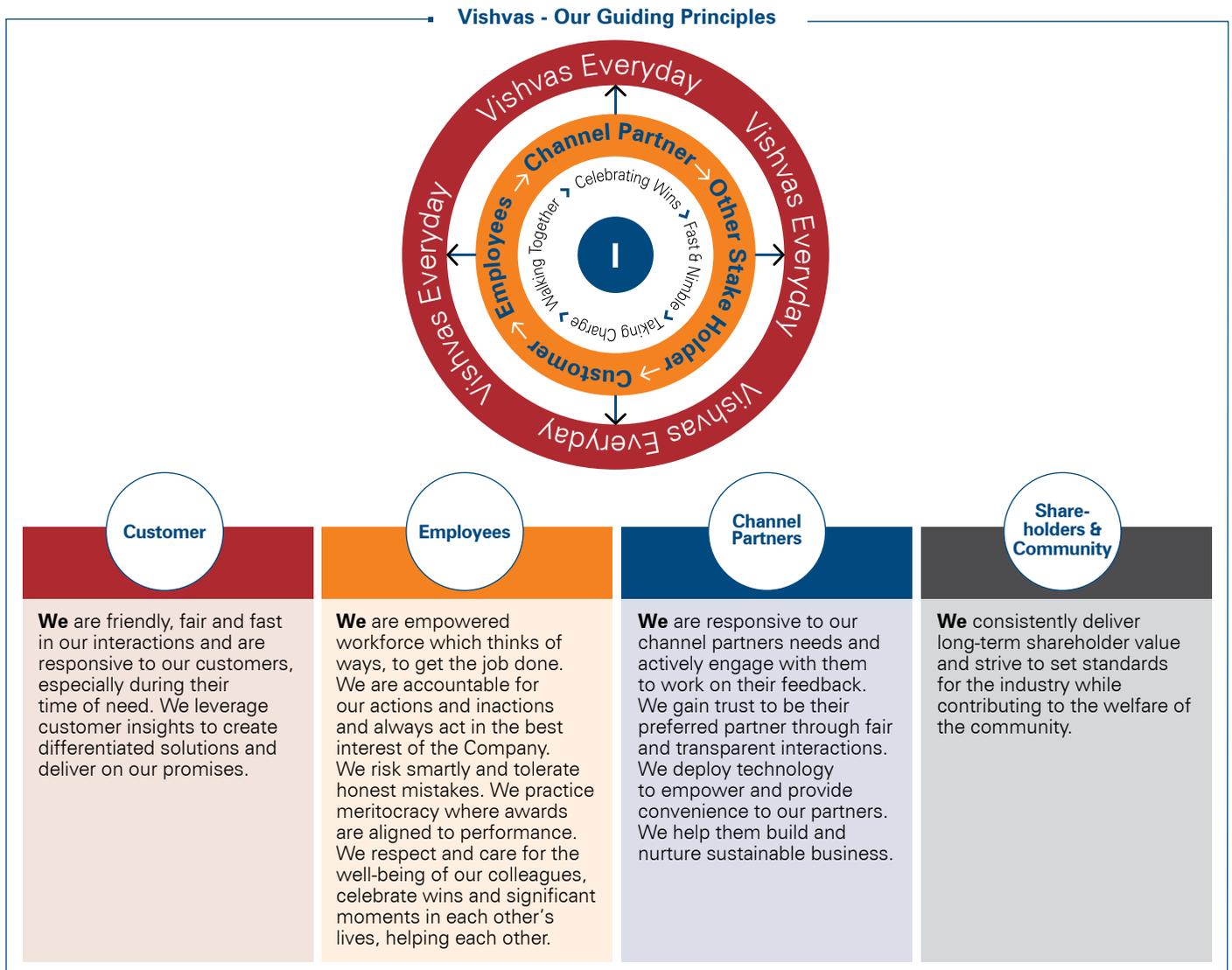
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Nurturing and Leveraging Human Capital for Organisational Goals

3. Building culture and mindset

Overall alignment of employees to organisation priorities and stakeholder expectations and building a collective mindset is a key enabler to drive the common organisational goals. This collective mindset and ethos are reflected in Vishvas - our guiding principles with respect to all our key stakeholders. Vishvas was co-created with all employees.



Vishvas is brought to life on a day-to-day basis through employees demonstrating the behavioural standards for the four pillars of our guiding principles – Fast and Nimble, Taking Charge, Working Together and Celebrating Wins. Teams demonstrating the Vishvas behaviours for successfully achieving organisational priorities are recognised, which reinforces Vishvas. Annual Vishvas surveys and interim dipstick surveys measure employee's perception and feedback on the four pillars and how these behaviours are being demonstrated. Action plans to address the issues highlighted by employees are rolled out, thereby aligning the employees collectively to the changing needs and expectations of the stakeholders.

4. Employee Engagement

Employee engagement is all about creating the right work environment for all members of an organisation to give their best each day, stay committed to their organisation's goals and values, stay motivated to contribute to organisational success, with an enhanced sense of their well-being.

Employee engagement initiatives are refreshed and strengthened every year based on employee feedback, evolving engagement practices and business needs. The annual business plans to deliver the organisational goals are reviewed and cascaded to employees. In addition, various strategic projects and initiatives are also deliberated and co-created with senior employees through a forum called Ignite. Apart from strategic priorities, the forum also covers action planning on the employee satisfaction survey results. The outcomes are cascaded to the rest of the organisation through another forum called Ignite Wave. In this forum, employees also share their inputs and suggestions for action planning on the survey results. Under the 'Great Place for All' initiative, based on employee survey scores and action planning, multiple initiatives are launched on an ongoing basis. These include initiatives relating to work-life harmony, periodic recognition events, employee assistance programmes for well-being, emergency services for assistance and leave donations and smoother new employee joining and onboardings, among others. The line manager is critical for ongoing engagement and to strengthen the bond between the manager and employee, there are several initiatives such as Skip meetings, Gift at Work and Town Halls.

5. Delivering superior performance

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

Besides driving individual performance, employee development and growth are other vital aspects. 'Sarvottam' is an initiative for capability building of every

employee, which equips them to meet their in-year deliverables as well as the medium- and long-term career goals through an Individual Capability Plan (ICP). Performance improvement plans are also rolled out to enable underperforming employees to get their performance back on track. Differentiation of performance and linkage to reward along with recognition of top performers at national and regional levels help in driving and reinforcing the performance culture.



Corporate Social Responsibility

At ICICI Lombard, our continuous endeavour is to go beyond our business focus and contribute to the well-being of all our stakeholders, including the community at large. As a responsible corporate citizen, we undertake interventions in the areas of Preventive Healthcare, Road Safety and Wellness.

Our CSR projects are underpinned by the voluntary contributions of our people, an approach we encourage and support year-round. Further, we have successfully implemented several projects in coordination with ICICI Foundation in the tribal districts of India. These programmes demonstrate our commitment to promote non-profit humanitarian work to bring a positive change in the society

Caring Hands

'Caring Hands' is an initiative launched by ICICI Lombard aimed at providing preventive healthcare services to underprivileged children. Our employees volunteer with pride

200,000

NO. OF LIVES IMPACTED THROUGH THE CARING HANDS INITIATIVE.

70,000

SPECIALLY-DESIGNED ISI-MARK HELMETS WERE DISTRIBUTED TO THE PARENTS AND CHILDREN ATTENDING THE WORKSHOPS TO DATE.



and passion for this initiative as it is extremely close to their heart. In eight years since its inception in 2011, the campaign, with the support of thousands of our employee volunteers, has been a catalyst in affecting the lives of 2,00,000 children in more than 300 schools in over 100 locations across the country.

Approximately, 50% of our employees volunteer for this activity every year, which reflects the overall support that the initiative has garnered within the Company. In FY2019, our volunteers identified 5,582 cases of poor vision and provided these children with corrective lenses. We have distributed almost 25,000 spectacles to underprivileged children so far.

Although the activity demands equipment and ophthalmologists, the employees successfully organised all the aspects to conduct eye check-up camps in December on a scheduled date. This day is now earmarked as the

'Caring Hands Day' at ICICI Lombard. The campaign has grown tremendously over the years and has been instrumental in building a sense of social responsibility and camaraderie among the employees.

Ride to Safety

'Ride to Safety' is a nationwide initiative launched by ICICI Lombard to generate awareness on road safety in India. In a country where a life is lost every 4 minutes in a road accident*, inculcating sensible road behaviour among parents and their children is necessary to make them responsible citizens.

To promote understanding of road safety at the formative ages, workshops targeted at children are initiated by us every year. The workshops impart appropriate road safety values to the young generation so as to inculcate safe road practices throughout their lives. Child-specific helmets are also given to children riding as pillion riders on two-wheelers.

More than 500 workshops have been conducted in Mumbai, Pune, Delhi, Nagpur, Chennai, Bengaluru and Ahmedabad since September 2015, touching the lives of over 1,00,000 children and their parents. ISI-marked specially-designed helmets have been given to 70,000 children post the workshops. In FY2019, we introduced ISI-marked helmets for both children and their parents, thereby ensuring protection to the family while riding a two-wheeler. During the year, we thus distributed 25,000 specially-designed ISI-marked helmets to the parents and children attending the workshops. The response of the attendees to our intervention was heartening, and their attitude encourages us to conduct such workshops frequently.

This year, we set a new Guinness World Record with our 'Ride to Safety' initiative. The record was set by 4,999 kids who assembled at an open ground to form the shape of a helmet. The children wore specially designed

ISI-marked helmets that had been distributed during our Ride to Safety workshops. The earlier record for the largest gathering of people wearing helmets at one location was 3,921, held by the Ministry of Interiors in Abu Dhabi. This recognition will help us further the cause of road safety among Indian children.

Niranjali

'Niranjali' is an initiative under Wellness providing clean and pure drinking water for school children. According to a survey, India has one of the world's highest rate of child mortality due to diarrhoea with more than 100,000 under-five deaths reported on account of it in 2015*. Our intervention aims at providing better access to clean water to prevent such deaths. Niranjali was initiated in FY2017 and has been well-received in schools. We have tied-up with Eureka Forbes for water purifiers and installed these water purifiers in schools where drinking water is scarce. Dedicated sessions are conducted

in these schools on the importance of drinking clean water. An annual maintenance contract is also done to ensure smooth functioning of the machines. We installed 75 purifiers in schools in Mumbai and around 20,000 kids benefited through this initiative in FY2019.

**Source: Study published in the medical journal Lancet and Ministry of Roads Transportation Highways.*



We installed 75 purifiers in schools in Mumbai and around 20,000 kids benefited through this initiative in FY2019.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of ICICI Lombard General Insurance Company Limited ("the Company") along with the audited financial statements for the year ended March 31, 2019.

INDUSTRY OVERVIEW

The gross direct premium income ("GDPI") of the industry grew from ₹ 1,506.62 billion in FY2018 to ₹ 1,701.12 billion in FY2019, a growth of 12.9% (Source: IRDAI). The Company's GDPI increased from ₹ 123.57 billion in FY2018 to ₹ 144.88 billion in FY2019, a growth of 17.2%. The Company led the private players (including standalone health insurers) in the general insurance sector with a market share of 15.6% and had an overall industry market share of 8.5%. The Company is the 4th largest player in the general insurance sector at March 31, 2019 and continued to lead the private players in General Insurance Sector.

FINANCIAL HIGHLIGHTS

The financial performance for FY2019 is summarised in the following table:

	(₹ billion)	
	FY2018	FY2019
Gross written premium	126.00	147.89
Earned premium	69.12	83.75
Income from investments	14.82	17.55
Profit before tax	11.96	15.98
Profit after tax	8.62	10.49
EPS- Basic (₹)	19.01	23.11
EPS- Diluted (₹)	18.99	23.06

APPROPRIATIONS

The profit after tax for the year ended March 31, 2019 is ₹ 10.49 billion. The profit available for appropriation is ₹ 35.26 billion after taking into account the balance of profit of ₹ 24.77 billion brought forward from the previous year. The Company had declared and paid ₹ 2.50 per equity share as a final dividend for FY2018 and interim dividend for FY2019 respectively aggregating to ₹ 2.74 billion including dividend distribution tax. The Board of Directors at its meeting held on April 18, 2019 had recommended a final dividend of ₹ 3.50 per equity share for FY2019 to the shareholders' for their approval.

SECRETARIAL STANDARDS

During FY2019, 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 devised proper systems to ensure compliance with its provisions and is in compliance with the same.

CAPITAL

The total capital invested by shareholders till March 31, 2019 including share premium was ₹ 20.24 billion. The net worth of the Company increased from ₹ 45.41 billion at March 31, 2018 to ₹ 53.20 billion at March 31, 2019. The solvency position of the Company at March 31, 2019 was 2.24 times as against minimum of 1.50 times prescribed by IRDAI.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 ("CA2013") requiring disclosure in the financial statements of the 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 utilized by the recipient of the loan or guarantee or security are 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 OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company at March 31, 2019 consisted of eleven (11) Directors, out of which six (6) are Non-executive, Independent Directors, two (2) are Non-executive, Non-independent Directors and three (3) are Whole-time Directors. Lalita D. Gupte was designated as Non-executive, Chairperson of the Company by the Board of Directors at its meeting held

on October 20, 2018. None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the CA2013 and Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

All the Directors of the Company have confirmed that they meet the criteria of 'fit and proper' as laid down under Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India ('IRDAI').

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

Name of Director	Resignation/Cessation	With effect from
Vishal Mahadevia Non-executive, Independent Director	Appointment	April 25, 2018
N. S. Kannan Non-executive, Non-independent Director	Resigned due to appointment as MD & CEO of ICICI Prudential Life Insurance Company Limited	June 19, 2018
Sandeep Bakhshi Non-executive, Non-independent Director	Appointment	June 26, 2018
Chanda Kochhar Non-executive, Non-independent Director	Resigned due to early retirement from ICICI Bank Limited	October 5, 2018
Sandeep Bakhshi Non-executive, Non-independent Director	Resigned due to appointment as MD & CEO of ICICI Bank Limited	October 5, 2018
Sandeep Batra* Non-executive, Non-independent Director	Appointment	October 17, 2018
Vishakha Mulye* Non-executive, Non-independent Director	Appointment	October 17, 2018

*Vishakha Mulye and Sandeep Batra were appointed as Additional Directors in the category of "Non-executive, Non-independent" w.e.f. October 17, 2018. The resolutions seeking shareholders' approval for their appointment forms a part of the Notice.

Further, the Board of Directors at its meeting held on January 18, 2019 approved the following:

1. Re-appointment of Bhargav Dasgupta as Managing Director & CEO of the Company for a period of five (5) years, effective from May 1, 2019.
2. Re-appointment of Ashvin Parekh as Non-executive, Independent Director of the Company for a second term of five (5) consecutive years, effective from April 18, 2019.

The above re-appointments were approved by the Members of the Company on March 7, 2019 by an Ordinary and Special resolution respectively through Postal Ballot. Subsequently, IRDAI vide its letter dated April 15, 2019 had approved the re-appointment of Bhargav Dasgupta, as Managing Director & CEO of the Company for a period of five (5) years, effective from May 1, 2019.

Pursuant to the provisions of Section 203 of the CA2013, the Key Managerial Personnel ("KMP") of the Company as on March 31, 2019 are as follows:

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

Further, in accordance with Corporate Governance Guidelines issued by IRDAI the Company has eleven (11) Key Management Persons including above mentioned KMPs.

Common Directorships

Section 48A of the Insurance Act, 1938, necessitates an approval from the IRDAI for continuation of common

Directors' Report (Contd.)

directorships between insurance companies and insurance intermediaries. Pursuant to the provisions, the Company had made an application to the IRDAI seeking continuation of directorships of Ashvin Parekh, having common directorship with ICICI Securities Limited (being corporate agent of the Company) and Vishakha Mulye & Uday Chitale, having common directorships with ICICI Bank Limited (being corporate agent of the Company) vide its letter dated November 19, 2018, which was approved by the IRDAI on March 26, 2019.

Further, a similar application was made to the IRDAI for Vishal Mahadevia, common directorship with IDFC First Bank Limited (being corporate agent of the Company) & Ashvin Parekh (due to his re-appointment for a second term with the Company) vide letter dated February 25, 2019 and March 15, 2019 respectively. The approval from IRDAI is awaited as on the date of this report.

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) of the CA2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Retirement by rotation

In terms of Section 152 of the CA2013, Sanjeev Mantri would retire by rotation at the forthcoming Annual General Meeting ("AGM") and is eligible for re-appointment. Sanjeev Mantri has offered himself for re-appointment.

Performance Evaluation of the Board, Committees and Directors

Pursuant to the provisions of the CA2013, Guidelines for insurance companies issued by IRDAI and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance as a whole and that of its statutory committees and of its 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.

DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 73 of the CA2013.

AUDITORS

Statutory Auditors

IRDAI vide its circular dated May 18, 2016, had issued Corporate Governance Guidelines ("CG guidelines") wherein criteria for appointment of statutory auditors for insurance companies had been stated. Pursuant to the CG guidelines, the provisions of appointment of auditors are aligned with the provisions of the CA2013.

The Members of the Company in the Eighteenth AGM held on July 12, 2018 had approved re-appointment of M/s. 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 M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants as the Joint Statutory Auditors of the Company till conclusion of twenty-first AGM i.e. for 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 CA2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of 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 its 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

During FY2019, the total fees for the statutory audit and other services rendered by the Joint Statutory Auditors are given below:

Particulars	(₹ Million)
	Amount
Joint Statutory Audit Fees	18.00
Tax Audit	1.30
Other Certification Fees	0.88

Auditor's Report

There is no qualification, reservation, adverse remark or disclaimer made by the auditors in their report.

Secretarial Auditors

Pursuant to provisions of Section 204 of the CA2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Listing Regulations, the Company had appointed M/s. Dholakia & Associate LLP, a firm of practising company secretaries, to conduct the secretarial audit of the Company for FY2019. The Secretarial Audit Report is annexed herewith as Annexure A. There are no qualification, reservation or adverse remark or disclaimer made by the secretarial auditor in their report save and except disclaimer made by them in discharge of their professional obligation.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 of CA2013 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 is given in an Annexure and forms part of this report. Pursuant to the provisions of Section 136 of the CA2013 the Directors' Report is being sent to the shareholders of the Company excluding the aforesaid Annexure. Any shareholder

interested in obtaining a copy of the Annexure may write to the Company Secretary at the registered office of the Company.

RELATED PARTY TRANSACTIONS

The Company undertakes various transactions with related parties in the ordinary course of business. The Company has a Board approved Policy on Related Party Transactions.

The transactions entered into by the Company with related parties were in the ordinary course of the business and in all material aspects, on an arm's length basis as defined under the CA2013. The details of related party transactions are disclosed under Note No. 5.2.12 of the Notes to Financial Statements for FY2019.

All materially significant 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 and can be viewed at <https://www.icicilombard.com/docs/default-source/shareholding-pattern/policy-on-related-party-transactions.pdf>

Particulars of Contracts or Arrangements with Related Parties

All the transactions with related parties are in the ordinary course of business and on arm's length basis and there are no 'material' contracts or arrangement or transactions with related parties and thus disclosure in Form AOC-2 [Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014] is not required.

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

EXTRACT OF ANNUAL RETURN

Pursuant to prescribed provisions of CA2013 and rules framed thereunder extract of annual return in Form MGT-9, is annexed as Annexure C to this report and the same has been hosted on the website of the Company

Directors' Report (Contd.)

and can be viewed at <https://www.icicilombard.com/docs/default-source/shareholding-pattern/extract-of-annual-report-in-form-mgt-9.pdf>

RISK MANAGEMENT FRAMEWORK

A statement indicating development and implementation of risk management policy 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.

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

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

Details of complaints are as follows:

Sr. No.	Particular	No.
a.	Number of complaints filed during the financial year	11
b.	Number of complaints disposed of during the financial year	9
c.	Number of complaints pending as on end of the financial year	2

RURAL AND SOCIAL RESPONSIBILITY

The Company had issued 761,664 policies in rural areas and covered 10,408,643 lives falling within the norms of rural and social responsibility, as prescribed by IRDAI.

DIVIDEND AND DIVIDEND POLICY

The operations have resulted in a profit after tax of ₹ 10.49 billion as compared to a profit after tax of ₹8.62 billion for the previous year. The Board had approved payment of interim dividend of ₹ 2.50 per equity share for FY2019 at its meeting held on October 20, 2018. Further, the Board at its Meeting held on April 18, 2019, has recommended a final dividend of ₹ 3.50 per equity share to the shareholders' for their approval at the forthcoming AGM of the Company.

In terms of Regulation 43A of Listing Regulations the Dividend Policy of the Company has been hosted on the Company's website and can be viewed at, <https://www.icicilombard.com/docs/default-source/shareholding-pattern/dividend-policy8c0003ff45fd68ff8a0df0055e698361.pdf>

UNPAID/UNCLAIMED DIVIDEND

Pursuant to Section 124 & 125 of CA2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had transferred ₹ 1,296 of unpaid/unclaimed dividend to the Investor Education and Protection Fund in FY2019.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the CA2013. The CSR Committee was constituted comprising of members of the Board of Directors of the Company. The Committee presently consists of 3 Directors with majority being 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.

CREDIT RATING

During the year, the Company has maintained credit rating of "ICRA AAA/Stable", issued by ICRA Limited and "Crisil AAA/Stable" issued 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 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.

BUSINESS RESPONSIBILITY REPORTING

In accordance with the Listing Regulations, the Business Responsibility Report (BRR) has been hosted on the Company's website and can be viewed at <https://www.icicilombard.com/docs/default-source/shareholding-pattern/business-responsibility-report8c0003ff45fd68ff>

[8a0df0055e7720e6.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 REPORTING

The SEBI vide its Circular dated February 6, 2017 had recommended the top 500 listed entities to voluntarily prepare their Annual Report adopting the principles of Integrated Reporting prescribed by the International Integrated Reporting Council.

The Company has voluntarily adopted the principles and has prepared its first Integrated Report FY2019 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 and other Senior Management members participate in structured conference calls and periodic investor/analyst interactions including one-on-one meeting, investor conferences & quarterly earnings calls. The Company conducted 300 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 at the Company's website. The financial information includes Financial Statement, Press Release, Investor Presentation, Earnings call transcript and Annual Report.

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, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing shareholders' value legally, ethically and on a sustainable basis.

The Company's Corporate Governance architecture has been strengthened through various Policies 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 the 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.

Directors' Report (Contd.)

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/shareholding-pattern/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 the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had formulated a "Code of Conduct to regulate, monitor and report trading in equity shares and debt securities by its Employees and Other Connected Persons" ("the Code"). Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company had amended the Code and also renamed the Code as "Code of Conduct to regulate, monitor and report trading in equity shares and debt securities by its Directors, Designated Employees and Immediate Relatives". The amended Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company w.e.f. April 1, 2019. The Company has also amended '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/shareholding-pattern/code-for-fair-disclosure.pdf>

CODE OF CONDUCT

The Company is committed to conduct its business with highest standards of compliance and ethical conduct. The Company has in place a Code of Conduct ("the Code") to summarize the standards of business conduct that must 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.

The Code has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/shareholding-pattern/code-of-conduct.pdf>

Pursuant to Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and Members of Senior Management forms part of this report.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

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 for financial reporting for the year ended March 31, 2019 has been obtained.

MANAGEMENT STRUCTURE

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

- i) Strategic supervision is provided by the Board;
- ii) Control and implementation of Company's strategy is achieved effectively;
- iii) Operational management remains focused on implementation;
- iv) Information regarding the Company's operations and financial performance is made available to stakeholders;
- v) Delegation of decision making with accountability is achieved;

- vi) Financial and operating control and integrity are maintained at an optimal level;
- vii) Risk is suitably evaluated and dealt with;
- viii) Compliance with applicable acts and regulations is achieved;
- ix) Corporate culture that recognizes 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 of Directors constituted in compliance with the provisions of the CA2013 and rules made thereunder, Regulation 17 of Listing Regulations, the Articles of Association of the Company and Corporate Governance Guidelines prescribed for insurance companies by IRDAI and in accordance with good governance practices.

The Directors of the Company are eminent personalities having diverse experience and significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance 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 three (3) are Whole-time Directors including Managing Director & CEO. The Board has two (2) Non-executive women directors including one (1) women independent director.

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, qualification, 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.

The Company has obtained certificate from M/s. Dholakia & Associates LLP, Company Secretaries in Practice dated April 17, 2019 certifying that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019.

During the year under review, the members of the Company approved the re-appointment of Ashvin Parekh as 'Non-executive, Independent director' for a second term of five consecutive years effective from April 18, 2019. The members have also approved the re-appointment of Bhargav Dasgupta as 'Managing Director & CEO' for a period of five years effective from May 1, 2019.

Directors' Report (Contd.)

Composition of the Board of Directors

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.), MMS-Master of Management Studies	Banking & Finance
Ved Prakash Chaturvedi (DIN: 00030839)	Non-executive, Independent Director	Bachelor of Engineering, PGDM (IIM Bangalore)	Finance & Investment
Uday Chitale (DIN: 00043268)	Non-executive, Independent Director	B. Com, Fellow Chartered Accountant	Finance & Audit
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
Vishal Mahadevia ¹ (DIN: 01035771)	Non-executive, Independent Director	B.S. (Economics) B.S. (Electrical Engineering)	Finance & Investment
Ashvin Parekh (DIN:06559989)	Non- executive, Independent Director	FCA, AICWA, AICSA, Exec, MBA, INSEAD	Business Strategy, Corporate Planning, Business Transformation across various industries
Vishakha Mulye ² (DIN: 00203578)	Non-executive, Non-independent Director	B.Com, Chartered Accountant	Banking, Investments & Finance
Sandeep Batra ² (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	PGDBA- IIM Bangalore, B.E. (Mechanical)	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	Fellow Chartered Accountant, Institute of Cost and Works Accountants of India	Banking & Insurance

¹ Appointed w.e.f. April 25, 2018.

² Appointed w.e.f. October 17, 2018.

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other board businesses. The Board met six (6) times during the year under review on April 25, 2018, July 17, 2018, October 17, 2018, October 20, 2018 and January 18, 2019. The Board also met on March 13, 2019 to discuss business and other strategic initiatives. 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 held

by them at March 31, 2019 are set out in the following table:

Name of the Director & Appointed Actuary	Board meetings attended/held during the year	Attendance at last AGM held on July 12, 2018
Non-executive, Independent Directors		
Lalita D. Gupte ¹ Chairperson	6/6	Present
Ved Prakash Chaturvedi	6/6	Present
Uday Chitale	6/6	Present
Suresh Kumar	6/6	Present
Vishal Mahadevia ²	4/5	Absent
Ashvin Parekh	6/6	Present
Non-executive, Non- independent Directors		
Chanda Kochhar ³	1/2	Absent
N. S. Kannan ⁴	1/1	NA
Sandeep Bakhshi ⁵	1/1	Absent
Vishakha Mulye ⁶	3/3	NA
Sandeep Batra ⁶	3/3	NA
Executive Directors		
Bhargav Dasgupta	6/6	Present
Alok Kumar Agarwal	6/6	Present
Sanjeev Mantri	6/6	Present
Appointed Actuary		
J. V. Prasad ⁷	5/5	Present

1 Appointed as Non-executive, Chairperson of the Board of Directors of the Company w.e.f. October 20, 2018.

2 Appointed as a Non-executive, Independent Director of the Company w.e.f. April 25, 2018.

3 Ceased to be a Chairperson, Non-executive, Non-independent Director of the Company w.e.f. October 5, 2018.

4 Ceased to be a Non-executive, Non-independent Director of the Company w.e.f. June 19, 2018.

5 Appointed on June 26, 2018 as Non-executive, Non-independent director and ceased to be a Director of the Company w.e.f. October 5, 2018.

6 Appointed as a Non-executive, Non-independent Directors of the Company w.e.f. October 17, 2018.

7 Appointed Actuary of the Company is a permanent invitee to the Board Meeting.

Directors' Report (Contd.)

Memberships of other Boards

Name of the Director	Number 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	5	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	4	-	India Infradebt Limited	Independent Director	5	2
			ICICI Bank Limited	Non-Executive - Independent Director		
Suresh Kumar	2	4	Aster DM Healthcare Limited	Non-Executive - Independent Director	2	1
Vishal Mahadevia	3	4	IDFC First Bank Ltd	Non-Executive - Non Independent Director	1	-
			PVR Limited	Non-Executive - Non Independent Director		
Ashvin Parekh	2	-	ICICI Securities Limited	Non-Executive - Independent Director	2	2
Vishakha Mulye	1	1	ICICI Bank Limited	Executive Director	-	-
Sandeep Batra	2	2	ICICI Prudential Life Insurance Company Limited	Non-Executive - Non Independent Director	2	-
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 Stakeholder 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 Listing

Regulations, for all the Directors of the Company. The number of directorships of each Independent Director is also within the limits prescribed under Listing Regulations as amended from time to time.

Details of Equity shares held by the Non-executive Directors as on March 31, 2019:

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.	Vishal Mahadevia	-
6.	Ashvin Parekh	-
7.	Vishakha Mulye	275,000
8.	Sandeep Batra	-

Board Committees ('the 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, 2019. The role and composition of these

Committees, along with the number of meetings held during FY2019 and the attendance of the members are provided below:

i) Board Nomination and Remuneration Committee

Terms of reference

- i) 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.
- ii) To consider and approve employee stock option schemes and to administer and supervise the same.
- iii) 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.
- iv) 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.
- v) 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.
- vi) To ensure that the proposed appointments/re-appointments of key managerial personnel or directors are in conformity with the Board approved policy.
- vii) To recommend re-constitution of Board Constituted Committees to the Board.
- viii) Approval of the policy for and quantum of bonus/ long term performance pay (LTTP) payable to the members of the staff.
- ix) To devise a policy on diversity of the Board.
- x) To recommend to the Board all remuneration, in whatever form, payable to senior management.

Directors' Report (Contd.)

xi) 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 CA2013 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 the provisions of CA2013 and Listing Regulations, the Board Nomination and Remuneration Committee ("the Committee") comprises of five (5) Non-executive Directors, four (4) of whom are independent Directors. The Committee is chaired by Uday Chitale, a Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met four (4) times during the year under review on April 25, 2018, July 17, 2018, October 17, 2018 and January 18, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Uday Chitale, Chairman	4	4
Lalita D. Gupte	4	4
Ashvin Parekh	4	4
Vishal Mahadevia ¹	1	1
Vishakha Mulye ¹	1	1
Chanda Kochhar ²	1	2

¹ Inducted as members of the Committee w.e.f. October 17, 2018.

² Ceased to be a member of the Committee w.e.f. October 5, 2018.

Performance Evaluation of Board, Committees and 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 Committees. The evaluations for the Directors, the Board, Chairperson of the Board and the Committees is carried out through circulation of four (4) 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 select 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 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.

Familiarisation Programme for Independent 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 familiarization programmes have been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/default-document-library/familiarisation-programme.pdf>

ii) Audit Committee

Terms of reference

(i) Accounts and Audit:

a. 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.

- b. 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.
- c. Evaluation of internal financial controls and risk management systems
- d. 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.
- e. Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
- f. 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.
- g. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
 - h. 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.
 - i. Scrutiny of inter-corporate loans and investments, if any.
 - j. Valuation of undertakings or assets of the Company, wherever it is necessary.
 - k. 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:

- a. 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.
- b. 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.
- c. Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.

Directors' Report (Contd.)

- d. Discussion with internal auditors of any significant findings and follow up there on.
- e. 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.
- f. Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- g. Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- h. Review the functioning of the Whistle Blower/Vigil mechanism.

(iii) Compliance & Ethics:

- a. 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 measures in place to help detect and address the same.
- b. 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.
- c. 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.
- d. Review of policy on appointment of insurance agents.
- e. To review and recommend appropriate policy to the Board as may be prescribed by IRDAI from time to time.
- f. Review key transactions involving conflict of interest.
- g. Monitor the directives issued/penalties imposed/penal action taken against the Company under various laws and statutes and action taken for corrective measures.

- h. 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.
- i. 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.
- j. Review of disclosure under stewardship policy.
- k. 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 CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), or by any other regulatory authority.

Composition

In terms of the provisions of CA2013 and Listing Regulations, the Audit Committee ("the Committee") comprises of four (4) Non-executive Directors, three (3) of whom are Independent Directors.

The Committee is chaired by Ashvin Parekh, a Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met nine (9) times during the year under review on April 19, 2018, April 25, 2018, June 28, 2018, July 16, 2018, July 17, 2018, October 19, 2018, October 20, 2018, January 17, 2019 and January 18, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Ashvin Parekh, Chairman	9	9
Lalita D. Gupte	9	9
Uday Chitale	9	9
N. S. Kannan ¹	2	2
Sandeep Batra ²	4	4

1 Ceased to be a member of the Committee w.e.f. June 19, 2018.

2 Inducted as a member of the Committee w.e.f. October 17, 2018.

iii) Investment Committee

Terms of reference

- i) Overseeing the implementation of the investment policy approved by the Board from time to time.
- ii) Reviewing the investment policy.
- iii) Periodically updating to the Board with regard to investment activities of the Company.
- iv) Reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.
- v) Reviewing the broker policy and making suitable amendments from time to time.
- vi) Reviewing counter party/intermediary exposure norms.
- vii) Supervising the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy.
- viii) Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company.
- ix) Reviewing the stewardship policy of the Company

Composition

In terms of Corporate Governance Guidelines issued by IRDAI, the Investment Committee ("the Committee") comprises of two (2) Non-executive Directors, one (1) Whole-time Director, Appointed Actuary of the Company, the Chief-Investment Officer and the Chief Financial Officer. The Committee is chaired by Suresh Kumar, a Non-executive, Independent Director of the Company.

The composition of the Committee is given below along with the attendance of the members. The Committee met four (4) times during the year under review on April 19, 2018, July 17, 2018, October 19, 2018 and January 17, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Suresh Kumar, Chairman	4	4
Sandeep Batra ¹	2	2
N. S. Kannan ²	1	1
Sandeep Bakhshi ³	0	1
Bhargav Dasgupta	4	4
Gopal Balachandran	4	4
J. V. Prasad	4	4
S. Gopalakrishnan ⁴	2	2
Vinod Mahajan ⁵	2	2

- 1 Inducted as a member of the Committee w.e.f. October 17, 2018.
- 2 Ceased to be a member of the Committee w.e.f. June 19, 2018.
- 3 Inducted as a member of the Committee w.e.f. June 26, 2018 and ceased to be a member w.e.f. October 5, 2018.
- 4 Ceased to be a member of the Committee w.e.f. September 30, 2018.
- 5 The Board of Directors at its meeting held on October 17, 2018 re-constituted the Investment Committee pursuant to which Vinod Mahajan, Deputy Chief Investment Officer was inducted as a member of the Committee which was subject to his appointment as a Chief Investment Officer of the Company. Subsequently, the Board at its meeting held on October 20, 2018 appointed Vinod Mahajan as Chief Investment Officer of the Company.

iv) Risk Management Committee

Terms of reference

- i) Assisting the Board in effective operation of the risk management programme by performing specialised analysis and quality reviews.
- ii) Reporting to the Board details on the risk exposures and the actions taken to manage the exposures.
- iii) Advising to the Board with regard to risk management decisions in relation to strategic and operational matters.
- iv) Review of the Company's risk management and operational risk related policies/frameworks including those relating to cyber security.
- v) Review of status update on deviation cases under framework on IIB rates.
- vi) To review the Company's risk-reward performance to align with overall policy objectives.

Directors' Report (Contd.)

- vii) To review the solvency position of the Company on a regular basis.
- viii) To monitor and review regular updates on business continuity.
- ix) 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.
- x) 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.
- xi) 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 categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.
- xii) 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 Listing Regulations and Corporate Governance Guidelines issued by IRDAI, the Risk Management Committee ("the Committee") comprises seven (7) members of which five (5) are Non-executive, Independent Directors, one (1) Non-executive, Non-independent Director, one (1) Whole-time Director. The Committee is chaired by Lalita D. Gupte, a Non-executive, Independent Director of the Company.

The composition of the Committee is given below along with the attendance of the members. The Committee met five (5) times during the year under review on April 19, 2018, April 25, 2018, July 16, 2018, October 19, 2018 and January 17, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Lalita D. Gupte, Chairperson	5	5
Ved Prakash Chaturvedi	5	5
Uday Chitale	5	5
Suresh Kumar	4	5
Ashvin Parekh	5	5
N. S. Kannan ¹	2	2
Sandeep Batra ²	2	2
Bhargav Dasgupta	5	5

1 Ceased to be a member of the Committee w.e.f. June 19, 2018.

2 Inducted as a member of the Committee w.e.f. October 17, 2018.

v) Policyholders Protection Committee

Terms of reference

- i) Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- ii) Ensuring compliance with the statutory requirements as laid down in the regulatory framework.
- iii) Reviewing the mechanism at periodic intervals.
- iv) 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.
- v) Reviewing the status of complaints at periodic intervals.
- vi) Details of grievance at periodic intervals in such formats as may be prescribed by the authority.
- vii) Providing details of insurance ombudsman to the policyholders.
- viii) Monitoring of payments of dues to the policyholders and disclosure of unclaimed amount thereof.
- ix) Review of regulatory reports to be submitted to various authorities.
- x) To review the standard operating procedures for treating the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof.

- xi) 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.
- xii) To review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefore and report the same to the Board for initiating remedial action, where necessary.
- xiii) To review claim report including status of outstanding claims with ageing of outstanding claims.
- xiv) To review repudiated claims with analysis of reasons.

Composition

In terms of Corporate Governance Guidelines issued by IRDAI, the Policyholders Protection Committee (“the Committee”) comprises of three (3) Non-executive Directors and one (1) Whole-time Director. The Committee is chaired by Ashvin Parekh, a Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met four (4) times during the year under review on April 19, 2018, July 16, 2018, October 19, 2018 and January 18, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Ashvin Parekh, Chairman	4	4
Ved Prakash Chaturvedi	4	4
Uday Chitale ¹	2	2
N. S. Kannan ²	1	1
Bhargav Dasgupta	4	4

- 1 Inducted as a member of the Committee w.e.f. October 17, 2018.
- 2 Ceased to be a member of the Committee w.e.f. April 25, 2018.

vi) Corporate Social Responsibility Committee

Terms of reference

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

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

Composition

In terms of the provisions of CA2013, the Corporate Social Responsibility Committee (“the Committee”) comprises of two (2) Non-executive, Independent Directors and one (1) Whole-time Director. The Committee is chaired by Uday Chitale, a Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met two (2) times during the year under review on April 19, 2018 and July 16, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Uday Chitale, Chairman	2	2
Ved Prakash Chaturvedi	2	2
N. S. Kannan ¹	1	1
Bhargav Dasgupta	2	2

- 1 Ceased to be a member of the Committee w.e.f. April 25, 2018.

vii) Stakeholders Relationship Committee

Terms of reference

- i) 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.
- ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
- iii) Redemption of securities and the listing of securities on stock exchanges.
- iv) Allotment of shares and securities.
- v) Review of measures taken for effective exercise of voting rights by shareholders.

Directors' Report (Contd.)

- vi) 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.
- vii) 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.
- viii) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Listing Regulations, or by any other regulatory authority.

Composition

In terms of the provisions of CA2013 and Listing Regulations, the Stakeholders Relationship Committee ("the Committee") comprises of two (2) Non-executive, Independent Directors and two (2) Whole-time Directors. The Committee is chaired by Suresh Kumar, a Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met four (4) times during the year under review on April 19, 2018, July 17, 2018, October 19, 2018 and January 17, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings attended	Number of Meetings held
Suresh Kumar, Chairman	4	4
Ved Prakash Chaturvedi ¹	3	3
N. S. Kannan ²	1	1
Bhargav Dasgupta	4	4
Sanjeev Mantri	4	4

1 Inducted as a member of the Committee w.e.f. April 25, 2018.

2 Ceased to be a member of the Committee w.e.f. April 25, 2018.

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

Number of Complaints

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

Details of Investors Complaints:

Sr No.	Particular	No.
1.	No. of investor complaints pending as on April 1, 2018	1
2.	No. of investor complaints received during the year	2
3.	No. of investor complaints resolved during the year	3
4.	No. of investor complaints pending as on March 31, 2019	-

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 three (3) Non-executive, Independent Directors, one (1) Non-executive, Non-independent Director and one (1) Whole-time Director. The Committee is chaired by Uday Chitale, Non-executive, Independent Director of the Company. The composition of the Committee is given below along with the attendance of the members. The Committee met once during the year on April 19, 2018.

Name of Member	Number of Meetings attended	Number of Meetings held
Uday Chitale, Chairman	1	1
Vishal Mahadevia ¹	0	0
Ashvin Parekh	1	1
Vishakha Mulye ¹	0	0
N. S. Kannan ²	1	1
Bhargav Dasgupta	1	1

1 Inducted as members of the Committee w.e.f. October 17, 2018.

2 Ceased to be a member of the Committee w.e.f. April 25, 2018.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company with the approval of its Board Nomination and Remuneration Committee ("the 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 Board at its Meeting held on January 14, 2010 had approved adoption of Policy on appointment and compensation of employees [including Whole-time Directors, Key Managerial Personnels (KMP) and senior management]. The sitting fee payable to Independent Directors (other than Non-executive, Non-independent Directors) as prescribed under the CA2013 for attending Board and Committee Meetings was approved by the Board at its Meeting held on April 18, 2014. Further, the Board at its Meeting held on March 31, 2015 approved the criteria for appointment of a Director, KMP and senior management. The Compensation Guidelines forming part of the Policy on appointment and compensation of employees and framework for Remuneration to Non-executive Directors was approved by the Committee at its Meeting held on October 18, 2016.

The remuneration payable to Independent Directors is governed by the provisions of the CA2013 and related rules to the extent applicable and IRDAI guidelines issued in this regard. The remuneration for the Independent Directors 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 Companies Act and related rules. IRDAI vide its guidelines dated August 5, 2016 had permitted payment of profit related commission upto ₹ 1,000,000 p.a. each for Non-executive Directors, effective from October 1, 2016. Accordingly, the proposal of payment of profit related commission to Non-executive, Independent directors of the Company of ₹ 10,00,000 p.a. each (exclusive of applicable taxes) was approved by the Members of the Company at the Extra-Ordinary General Meeting held on November 10, 2016.

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/shareholding-pattern/remuneration-policy-of-icici-lombard.pdf>

INDEPENDENT DIRECTOR'S MEETING

The Code of Conduct for Independent Directors prescribed vide Schedule IV of the CA2013, 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 management.

All the Independent Directors of the Company met on April 25, 2018 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.

DETAILS OF MANAGERIAL REMUNERATION FOR FY2019:

(i) Whole-time Directors:

The Board based on the recommendation of the Board Nomination and Remuneration Committee approved revision in the remuneration, performance bonus and long term performance pay, payable to the whole-time Directors. In terms of provisions of Insurance Amendment Act, 2015, prior approval of IRDAI is obtained to effect the remuneration of whole-time directors.

Directors' Report (Contd.)

The details of remuneration of Whole-time Directors' for FY2019 are as under:

Particulars	Details of Remuneration (₹ 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 FY2019	41.73	24.02	25.32
Variable pay paid in FY2019 including deferred variable pay for previous years ¹	18.69	8.90	10.81
Value of perquisites u/s 17(2) Income-tax Act, 1961 ²			
Perquisites	0.17	0.03	1.34
Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
Stock Options - ICICI Bank (Nos.)	502,500	62,200	201,000
Stock Options - ICICI Lombard General Insurance Company Limited	120,500	15,800	48,000
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profit			
- others, specify			
Others-Retirals (PF)	2.80	1.28	1.48

Note: For the year-ended March 31, 2019 the numbers indicated are the amounts paid/options granted during the year FY 2019 as per IRDAI approvals.

- The Variable pay includes deferred variable pay of previous years as approved by IRDAI and paid during FY2019.
- Value of perquisites exclude stock options exercised during FY2019 which does not constitute remuneration paid to the Whole Time Directors for FY2019.

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 the 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 CA2013. The Board of Directors have approved the payment of ₹ 100,000 as sitting fees for each Meeting of Board and ₹ 30,000 as sitting fees for each Meeting of Committee attended for FY2019 other than Audit Committee meeting. The Board has approved ₹ 50,000 as sitting fees for attending every Audit Committee meeting. This amount is within the limits prescribed as per Rule 4 of the Companies (Appointment & Remuneration) Rules, 2014 of the CA2013.

The details of sitting fees and Profit-related commission paid to Non-executive Independent Directors during FY2019 are as follows:

Names of the Director	Sitting fees (in ₹)	(₹ million)
		Profit Related Commission ² (in ₹)
Ved Prakash Chaturvedi	1.02	1.00
Uday Chitale	1.42	1.00
Lalita D. Gupte	1.31	1.00
Suresh Kumar	0.96	1.00
Ashvin Parekh	1.42	1.00
Vishal Mahadevia ¹	0.43	0.93

1 Vishal Mahadevia was appointed as a Non-executive, Independent Director of the Company w.e.f. April 25, 2018.

2 Profit related Commission for FY2019 will be paid in FY2020.

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

Non-executive, Non-Independent Directors were not paid any sitting fees and profit related commission during FY2019.

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 their 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), followed 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 will strive 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:

➤ 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 organizational performance as well as the individual performance for WTDs. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and bonus for employees, including senior management and key management personnel.

➤ 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, being group company of ICICI Bank, the Company has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants and/or deferred cash that vest over a period of time to senior management and WTDs. 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.

Directors' Report (Contd.)

The Company's Remuneration Policy was reviewed by the BNRC and the Board on April 25, 2018. There was 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.

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 WTDs, 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 organizational 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 WTDs, 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. The BNRC takes into consideration all the above aspects while assessing organizational 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 organizational and

individual performance and making compensation-related recommendations to the Board regarding the level of performance bonus for employees and the performance assessment of WTDs. 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.

- 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 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/claw back on none, part or all of the unvested deferred variable compensation.

(ii) Quantitative disclosures (WTD, CEO/MD)

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

Particulars	At March 31, 2019
Number of MD/CEO/WTDs 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 (₹ million)	
Fixed ¹	101.82
Variable	52.68
Deferred	21.07
Non-deferred	31.61
Share-linked instruments	
ICICI Bank ²	769,700
ICICI Lombard General Insurance Company Limited	184,300
Total amount of deferred remuneration paid out during the year (₹ million)	6.80
Total amount of outstanding deferred remuneration	
Cash (₹ million)	33.52
Shares (nos.)	NIL
Shares-linked instruments	
ICICI Bank ²	2,729,647
ICICI Lombard General Insurance Company Limited	184,300
Other forms	NIL

- Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Company.
- Pursuant to the issuance of bonus shares by ICICI Bank 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.

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

Directors' Report (Contd.)

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 on a quarterly basis. 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. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

(iii) Risk Management Framework

The objective of the Risk Management Framework ("the 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 (5) broad groups namely Credit Risk, Market Risk, Underwriting Risk, Operational Risk and Strategic Risk. The broad structure of the 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 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 Internal Audit Department is responsible for review of 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 Company's Reinsurance Program 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 risk related to market and operations. The Operational Risk 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.

Stress testing is conducted to identify and quantify the overall impact of different stress scenarios on the Company's financial position. These tests do not predict what will happen, but are useful for examining what might happen.

The Company has successfully retained its Certificate of Compliance for the ISO 31000:2018 for ERM. The Company was the first Indian Company to be certified

by the British Standard Institution (BSI) for acting in accordance with the revised guidelines that were released in February 2018.

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.

GENERAL BODY MEETINGS:

i) Annual General Meetings

The details of the Annual General Meetings ("AGMs") held in previous three financial years are given below:

Annual General Meeting	Day, Date	Time	Venue
Eighteenth AGM	Thursday, July 12, 2018	2.30 p.m.	Swatantrya Veer Savarkar Auditorium, 252, Shivaji Park, Dadar (West), Mumbai - 400 028
Seventeenth AGM	Monday, July 10, 2017	3.30 p.m.	ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Sixteenth AGM	Friday, July 1, 2016	11.00 a.m.	ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025

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

General Body Meeting	Day and Date	Resolution
Eighteenth AGM	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 AGM	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.
Sixteenth AGM	Friday, July 1, 2016	-

Directors' Report (Contd.)

Postal Ballot:

Special Resolution was passed through postal ballot during FY2019 vide Postal Ballot Notice dated January 25, 2019 under Section 110 of the CA2013 for the Re-appointment of Ashvin Parekh (DIN: 06559989), as a Non-executive, Independent Director of the Company.

The Company follows the procedure as prescribed under Section 108 and Section 110 of the CA2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standards-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 postal ballot. The Board of Directors of the Company, appointed Mr. Mitesh Dhaliwala (FCS 8331) of M/s. Parikh & Associates, Practising Company Secretaries as the Scrutinizer for conducting the postal ballot voting process. The Scrutinizer 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 resolution was approved on March 7, 2019. The results were declared March 8, 2019 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:

Re-appointment of Ashvin Parekh (DIN: 06559989), as an Non-executive Independent Director of the Company – Special Resolution

Total No. of shareholders	244,055	
Total No. of equity Shares	454,064,444	
Particulars	Number of Votes	% of votes
Total No. of equity Shares	454,064,444	
No. of Votes-in favour	367,655,847	96.65
No. of Votes-against	12,742,762	3.35

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

The Company in its ordinary course of business receives 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 Listing Regulations are filed electronically with NSE and BSE through NSE Electronic Application Processing (NEAP) System and through BSE Listing Centre respectively and are also available on their respective websites in addition to the Company's website. Additionally information is also disseminated to BSE/NSE where 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

GENERAL SHAREHOLDER INFORMATION

Registration No.	11-129408
Corporate Identification Number (CIN)	L67200MH2000PLC129408
Financial Year	2018-19
Board meeting for adoption of Audited Financial Accounts	April 18, 2019
Day, Date and Time of 19 th Annual General Meeting	Thursday, June 27, 2019, 11:30 a.m.
Venue	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025
Financial Year	April 1- March 31
Book Closure	Friday, June 21, 2019 to Thursday, June 27, 2019
Date of Dividend Payment	On or before July 26, 2019
Company's Website	www.icicilombard.com

i) 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	Script Code/Symbol	
	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, 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 periods to BSE and NSE where its Equity Shares and Non-Convertible Debentures are listed.

ii) 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 April 1, 2018 to March 31, 2019:

Month	BSE			NSE			Total Volume on BSE & NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
2018							
April	802.65	741.00	650,123	804.70	739.95	3,462,192	4,112,315
May	770.00	715.50	131,761	774.70	712.00	3,197,368	3,329,129
June	750.00	683.00	473,308	746.00	683.50	3,767,799	4,241,107
July	799.00	688.80	147,541	800.00	688.00	5,934,885	6,082,426
August	820.60	731.55	139,647	823.95	725.50	3,618,763	3,758,410
September	936.00	790.00	5,010,948	932.40	790.00	15,111,581	20,122,529
October	820.00	703.40	1,183,063	819.60	638.80	8,456,567	9,639,630
November	863.80	787.00	14,436,997	865.00	785.00	3,200,092	17,637,089
December	923.00	813.65	593,444	927.00	802.10	7,651,503	8,244,947
2019							
January	900.00	809.60	310,553	902.00	806.95	4,931,111	5,241,664
February	940.00	850.10	605,459	940.00	850.75	5,251,434	5,856,893
March	1,037.00	929.95	701,378	1,036.95	931.55	7,166,058	7,867,436

Directors' Report (Contd.)

iii) Share Transfer System

Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Transfer Agent, Karvy Fintech Private Limited at the addresses given below. The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent provided all the documents are in order. 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. However, as per 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, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders holding shares in physical form are requested to take action to dematerialise the Equity Shares of the Company, promptly.

iv) 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, 2019. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE765G01017.

v) Registrar and Transfer Agents

The Registrar and Transfer Agent of the Company is Karvy Fintech Private Limited for Equity Shares. Pursuant to order of the National Company Law Tribunal, the operations of Karvy Computershare Private Limited, the Share Transfer Agents of the Company have been transferred to Karvy Fintech Private Limited with effect from November 17, 2018.

The Registrar and Transfer Agent of the Company is Link Intime India Private Limited for Non-convertible Debentures issued by the Company.

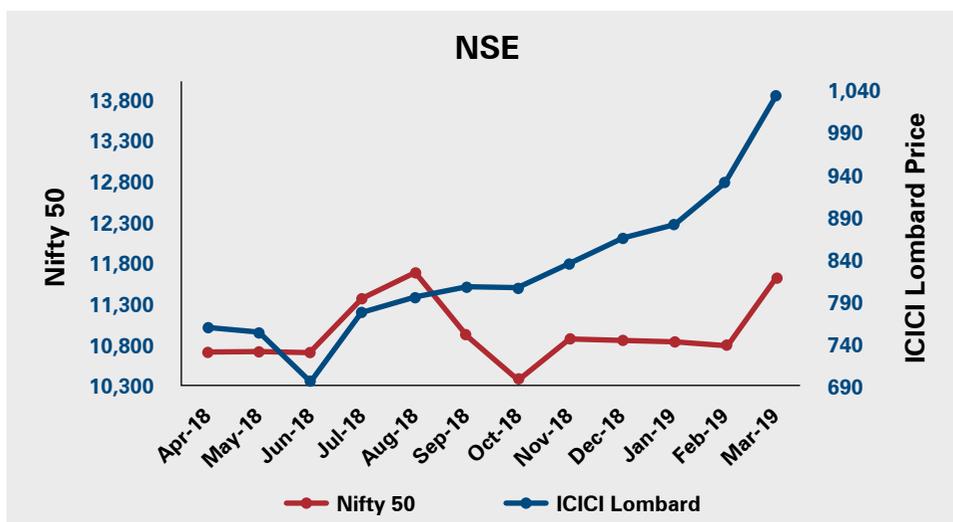
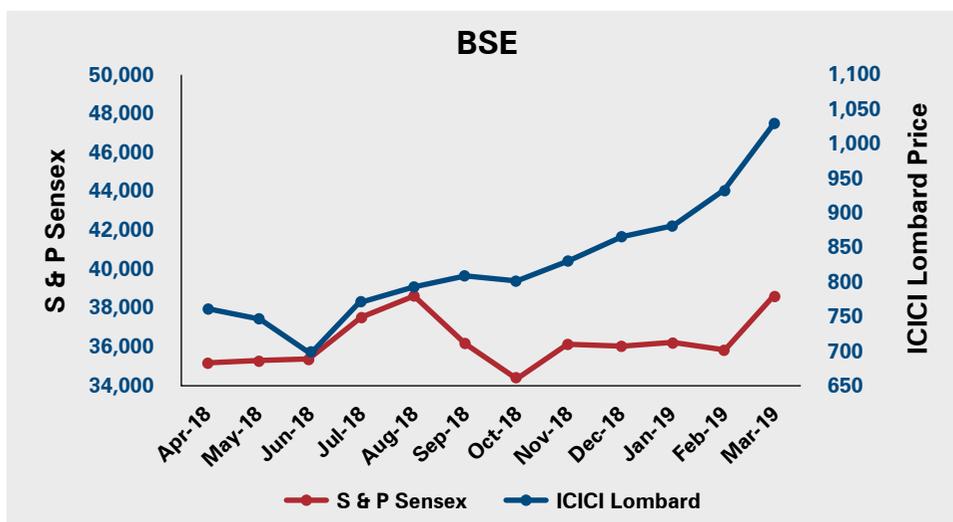
Investor services related queries/requests/complaints may be directed at the address as under:

Equity Shares

Karvy Fintech Private Limited
Karvy Selenium Tower B,
Plot 31-32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad 500 032
Contact Person: Shobha Anand
Deputy General Manager
Tel: +91-40-6716 2222
Fax: +91-40- 2343 1551
E-mail: einward.ris@karvy.com

Non-convertible Debenture

Link Intime India Private Limited
247, Lal Bahadur Shastri Marg,
Survya 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



xi) Information on Shareholding:

a. Shareholding pattern of the Company as on March 31, 2019:

Sl. No.	Category/Name of Shareholder	Number of shares on March 31, 2019	% total
1.	ICICI Bank Ltd (Promoter)	253,843,806	55.87
2.	Domestic Mutual Funds	27,003,053	5.94
3.	Alternative Investment Fund	9,033,345	1.99
4.	Foreign Institutional Investors/Foreign Portfolio Investors	60,162,436	13.24
5.	Domestic Banks/Financial Institutions	60,536	0.01
6.	NBFCs and Trusts	299,508	0.06
7.	Bodies Corporates	4,626,520	1.02
8.	Foreign Corporate Bodies	71,589,740	15.76
9.	Public And Others	27,691,000	6.11

Directors' Report (Contd.)

b. Shareholders of the Company with more than 1% holding as on March 31, 2019

(other than promoters of the Company):

Sr. No.	Name	No. of shares	% of total Number of shares
1.	FAL Corporation	44,978,770	9.90
2.	Red Bloom Investment Ltd	26,610,970	5.86
3.	Kotak Mutual Fund through its various schemes	4,811,292	1.06

c. Distribution Schedule of shareholding of the Company as on March 31, 2019

Sr. No.	Distribution Schedule As on March 31, 2019				
	Category	No. of Cases	% of cases	Amount (₹)	% of Amount
1.	1-5000	227,249	98.62	105,969,730	2.33
2.	5001- 10000	1,656	0.72	10,592,510	0.23
3.	10001- 20000	608	0.26	8,739,850	0.19
4.	20001- 30000	188	0.08	4,582,490	0.10
5.	30001- 40000	99	0.04	3,463,910	0.08
6.	40001- 50000	74	0.03	3,516,730	0.08
7.	50001- 100000	144	0.06	10,349,920	0.23
8.	100001 & Above	401	0.17	4,395,884,300	96.76

xii) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

This is not relevant to the Company, since the Company has not issued Global Depository receipts or American Depository receipts or any convertible instruments.

xiii) Commodity price risk or foreign exchange risk and hedging activities:

As at March 31, 2019 the foreign exchange risk on account of reinsurance premium was ₹ 622.19 million (as at March 31, 2018 ₹ 243.39 million). However, the Company does not have any commodity price risk or hedging activities in foreign currency hence it is not relevant to the Company.

xiv) Plant Locations

There are no plants as the Company is not a manufacturing entity.

xv) Correspondence Address

Correspondence relating to the financial performance of the Company may be addressed to:

Rakesh Sharma/Vikas Mehra

ICICI Lombard General Insurance Company Limited

414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai 400 025

Tel No. : +91-22-6196 1100

Fax No. : +91-22-6196 1323

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

Email: response@axistrustee.com

Website: www.axistrustee.com

xvii) Credit Ratings

Rating Agency	Rating	Outlook
Non-convertible Debentures		
Crisil Limited	Crisil AAA	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 Securities and Exchange Board of India ('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 Exchanges, the Securities & Exchange Board of India (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 and some of the non-mandatory requirements pertaining to Corporate Governance stipulated under the Listing Regulations.

The Company has adopted following non-mandatory requirements:

1. Separate post of Chairperson and Chief Executive officer
The listed entity may appoint separate persons to the post of Chairperson and Managing Director or Chief Executive officer.
2. Reporting of Internal auditor
The Internal auditor may report directly to the audit committee

WEB LINK WHERE POLICY FOR DETERMINING MATERIAL SUBSIDIARIES IS DISCLOSED

This is not applicable to the Company, as the Company doesn't have any subsidiary Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3)(m) of the CA2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

relating to conservation of energy and technology absorption do not apply to the Company. The Company has, however, used information technology extensively in its operations.

During FY2019, expenditures in foreign currencies amounted to ₹ 3.14 billion and earnings in foreign currencies amounted to ₹ 2.41 billion.

EMPLOYEE STOCK OPTION SCHEME

In FY2006, the Company had instituted an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of ICICI Lombard to participate in its future growth and financial success. As per ESOS, the maximum number of options granted to any employee/Director in a year shall not, except with the approval of the Board, exceed 0.10% of the 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 the 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 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 the Company, revised Employee Stock options scheme has been approved by the Members of

Directors' Report (Contd.)

the Company and new Option were granted to the eligible employees under normal and special grant in year 2018. Options granted under normal grant for the year 2018 & 2019 will vest in a graded manner over a three year period with 30%, 30% and 40%. Options granted under Special grant will 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.

Particulars of options granted by the Company up to March 31, 2019 are given below:

Options granted	26,101,960
Options vested	18,204,108
Options exercised	14,525,088
Number of shares allotted pursuant to exercise of options	14,525,088
Options forfeited/lapsed	8,931,372
Extinguishment or modification of options*	Nil
Amount realised by exercise of options (₹)	1,171,279,960
Total number of options in force	2,645,500

* 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/shareholding-pattern/disclosure-under-sebi-\(sbeb\)-regulations-2014-as-on-march-31-2019.pdf](https://www.icicilombard.com/docs/default-source/shareholding-pattern/disclosure-under-sebi-(sbeb)-regulations-2014-as-on-march-31-2019.pdf)

FIT AND PROPER CRITERIA FOR INVESTORS AND CONTINUOUS MONITORING REQUIREMENT

The 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/shareholding-pattern/fit_and_proper_criteria8c0003ff45fd68ff8a0df0055e6983cf.pdf.

IMPLEMENTATION STRATEGY ON IND AS

IRDAI vide the circular dated March 1, 2016 had advised all Insurers to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the 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.

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 Steering Committee oversees the implementation of Ind AS and the Audit Committee is updated on a quarterly basis. Further, the Authority vide its circular no. IRDA/F&A/CIR/ACTS/146/06/2017 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 vide circular dated December 30, 2016.

Exposure draft on Ind AS 117 – Insurance contract (Internationally IFRS 17) has been issued and is expected to replace present notified Ind AS 104 – Insurance contract. A working committee group was constituted by the IRDAI and basis the recommendation of the committee, the authority has issued a revised

draft proforma Ind AS financial statement incorporating changes as per Ind AS 117. Meanwhile IASB (International Accounting Standard Board) has proposed deferral in the adoption of IFRS 17 and IFRS 9 to January 1, 2022.

The Company is continuing to submit the proforma Ind AS financial statement as per previously communicated circular dated December 30, 2016.

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 CA2013 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.

In order to support the cause, we have been regularly requesting members to register/update their e-mail ids with their Depository Participants so as to enable the Company to send various communication through electronic mode. 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.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3) (c) of the CA2013, the Board of Directors confirms that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. 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 CA2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and;
6. 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 IRDAI, Government of India, Reserve Bank of India, Securities and Exchange Board of India for their continued cooperation, 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 and their 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 organisation'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

Lalita D. Gupte
 Chairperson
 DIN: 00043559

April 18, 2019
 Mumbai

COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS

I confirm that all Directors and members of the senior management have affirmed compliance with Code of Business Conduct and Ethics for the year ended March 31, 2019.

Bhargav Dasgupta
Managing Director & CEO
DIN: 00047728

April 18, 2019
Mumbai

CERTIFICATE FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Vikas Mehra, hereby certify that the Company has, for the financial year ended March 31, 2019 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.

Vikas Mehra
Company Secretary
ACS No.: 12117

April 18, 2019
Mumbai

Annexure A

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 Siddhivinayak Temple, Prabhadevi,
Mumbai - 400 025.

We have conducted the secretarial audit 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 31st March, 2019. 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 authorized 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 31st March, 2019 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:

Annexure A (Contd.)

- 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 31st March, 2019 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, 1998; (up to 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September, 2018).
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (up to 10th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 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.

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: April 15, 2019

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) 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;

Bhargav Dasgupta, Managing Director & CEO	98:1
Alok Kumar Agarwal, Executive Director	55:1
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 was in the range of 12% to 25%.

(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 4%.

(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, 2019 were 8,444.

(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 9%, while the average percentile increase in the salaries the Key Managerial Personnel in the last financial year was in the range of 12% to 25%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company

Yes

April 18, 2019
Mumbai

Lalita D. Gupte
Chairperson
DIN: 00043559

Annexure C

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2019

[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 shares/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>Equity Shares Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Contact Person: Shobha Anand Deputy General Manager Tel: +91 40 6716 2222, Fax: +91 40 2343 1551 Email: shobha.anand@karvy.com</p> <p>Debentures Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Survy 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%

Annexure C (Contd.)

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	55.87	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, 2018				No. of Shares held at the end of the year March 31, 2019				% 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	55.92	253,843,806	-	253,843,806	55.87	(0.05)
(f)	Any Other	0	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	253,843,806	-	253,843,806	55.92	253,843,806	-	253,843,806	55.87	(0.05)
(2)	Foreign									
(a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	0	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	253,843,806	-	253,843,806	55.92	253,843,806	-	253,843,806	55.87	(0.05)
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	31,719,355	-	31,719,355	6.99	27,003,053	-	27,003,053	5.94	(1.05)
(b)	Banks/Financial Institutions	168,681	-	168,681	0.04	60,536	-	60,536	0.01	(0.03)
(c)	Alternative Investment Fund	9,679,285	-	9,679,285	2.13	9,033,345	-	9,033,345	1.99	(0.14)
(d)	Foreign Portfolio Investors	29,151,402	-	29,151,402	6.42	60,162,436	-	60,162,436	13.24	6.82
(e)	Central Govt	-	-	-	-	-	-	-	-	-
	State Govt(s)	-	-	-	-	-	-	-	-	-
(f)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	FIs	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	70,718,723	-	70,718,723	15.58	96,259,370	-	96,259,370	21.19	5.60

Sr No.	Category of Shareholder	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% 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)
(2)	Non-Institutions									
(a)	Bodies Corp.									
i)	Indian	5,141,616	-	5,141,616	1.13	4,626,520	-	4,626,520	1.02	(0.11)
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	14,875,235	50,339	14,925,574	3.29	12,783,716	34,697	12,818,413	2.82	(0.47)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	12,336,947	-	12,336,947	2.72	11,636,794	-	11,636,794	2.56	(0.16)
(c)	Others(specify)									0.00
(i)	Trust	234,900	-	234,900	0.05	101,375	-	101,375	0.02	(0.03)
(ii)	Directors & their Relatives (Resident)	832,798	-	832,798	0.18	1,220,798	-	1,220,798	0.27	0.09
(iii)	Non-Resident Indian Directors	-	-	-	-	-	-	-	-	-
(iv)	Non-Resident Indians(include NRI Non-Repartriable)	1,169,720	-	1,169,720	0.26	1,142,740	-	1,142,740	0.25	(0.01)
(v)	Clearing Member	144,183	-	144,183	0.03	341,576	-	341,576	0.08	0.05
(vi)	Hindu Undivided Families	602,140	-	602,140	0.13	530,679	-	530,679	0.12	(0.01)
(vii)	Foreign Companies	-	-	-	-	-	-	-	-	-
(viii)	Foreign Bodies-DR	93,080,157	-	93,080,157	20.50	71,589,740	-	71,589,740	15.76	(4.74)
(ix)	NRI-DR	-	-	-	-	-	-	-	-	-
(x)	NBFC regitered with RBI	917,740	-	917,740	0.20	198,133	-	198,133	0.04	(0.17)
	Sub-Total B(2) :	129,335,436	50,339	129,385,775	28.50	104,172,071	34,697	104,206,768	22.94	(5.56)
	Total B=B(1)+B(2) :	200,054,159	50,339	200,104,498	44.09	200,431,441	34,697	200,466,138	44.13	0.04
	Total (A+B) :	453,897,965	50,339	453,948,304	100.00	454,275,247	34,697	454,309,944	100.00	0.00
(C)	Shares held by custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C) :	453,897,965	50,339	453,948,304	100.00	454,275,247	34,697	454,309,944	100.00	-

Annexure C (Contd.)

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% 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	55.92	-	253,843,806	55.87	-	(0.05)
		253,843,806	55.92	-	253,843,806	55.87	-	(0.05)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. 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 Ltd.	253,843,806	55.92	-	-	-	253,843,806	55.87
		253,843,806	55.92	At the End of the year			253,843,806	55.87

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year April 1, 2018		Shareholding at the end of the year March 31, 2019	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	FAL CORPORATION	44,978,770	9.91	44,978,770	9.90
2	RED BLOOM INVESTMENT LTD	40,889,791	9.01	26,610,970	5.86
3	KOTAK MUTUAL FUND THROUGH VARIOUS SCHEMES	5,224,584	1.15	4,811,292	1.06
4	AMANSA HOLDINGS PRIVATE LIMITED	4,380,432	0.96	4,380,432	0.96
5	MOTILAL OSWAL MUTUAL FUND THROUGH VARIOUS SCHEMES	6,946,745	1.53	4,139,462	0.91
6	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF ST. JA	-	-	3,751,323	0.83
7	DSP MUTUAL FUND THROUGH VARIOUS SCHEMES	4,412,802	0.97	3,649,438	0.80
8	RELIANCE CAPITAL MUTUAL FUND THROUGH VARIOUS SCHEMES	2,100,351	0.46	3,628,675	0.80
9	IIFL SPECIAL OPPORTUNITIES FUND	4,558,558	1.00	3,252,958	0.72
10	ICICI PRUDENTIAL MUTUAL FUND THROUGH VARIOUS SCHEMES	524,112	0.12	2,968,377	0.65

* 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, 2019.

(v) Shareholding of Directors and Key Managerial Personnel*

Sr No.	For Each of the Directors and KMP	Shareholding at the beginning of the year April 1, 2018		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, 2019		Cummulative Shareholding during the year	
		Name of the Director/ KMP	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of share
1	Bhargav Dasgupta	375,508	0.08	-	-	-	375,508	0.08	375,508	0.08
2	Alok Kumar Agarwal	455,000	0.10	-	-	-	-	-	455,000	0.10
		-	-	23/07/2018	25,000	Sale	-	-	430,000	0.09
		-	-	16/08/2018	75,000	ESOS	-	-	505,000	0.11
		-	-	05/02/2019	25,000	Sale	-	-	480,000	0.11
		-	-	22/02/2019	56,000	ESOS	-	-	536,000	0.12
		-	-	06/03/2019	25,000	Sale	-	-	511,000	0.11
		-	-	29/03/2019	57,000	ESOS	568,000	0.13	568,000	0.13
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	13,610	0.00	-	-	-	-	-	13,610	0.00
		-	-	24/07/2018	3,000	Sale	13,500	0.00	10,610	0.00

* Key Managerial Personnel as defined under the CA2013.

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ lacs)
				Total Indebtedness
Indebtedness at the beginning of the financial year	-	48,500	-	48,500
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	48,500	-	48,500
"Change in Indebtedness during the financial year"				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
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	-	2,686	-	2,686
Total (i+ii+iii)	-	51,186	-	51,186

Annexure C (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No	Particulars of Remuneration	Name of Director			(₹ lacs)
		Bhargav Dasgupta Managing Director & CEO	Alok Kumar Agarwal Executive Director	Sanjeev Mantri Executive Director	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	604.25	329.28	361.26	1,294.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.75	0.29	13.37	15.41
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options [#]	-	1,434.98	-	1,434.98
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others - Retirals (PF)	27.96	12.76	14.77	55.49
	Total	633.96	1,777.31	389.40	2,800.67

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. Independent Directors**

Sr. No	Particulars of Remuneration	Name of Director					(₹ lacs)
		Lalita D. Gupte	Ashvin Parekh	Uday Chitale	Suresh Kumar	Ved Prakash Chaturvedi	Vishal Mahadevia [#]
1	Fee for attending Board/ Committee Meeting	13.10	14.20	14.20	9.60	10.20	4.30
2	Profit related Commission	10.00	10.00	10.00	10.00	10.00	9.31
3	Others, please specify	-	-	-	-	-	-
	Total B (1)	23.10	24.20	24.20	19.60	20.20	13.61

Profit related Commission for FY2019 will be paid in FY2020.

Vishal Mahadevia was appointed as a Non-executive, Independent Director of the Company w.e.f. April 25, 2018.

2. Other Non Executive Directors

(₹ lacs)

Sr. No	Particulars of Remuneration						
1	Fee for attending Board/ Committee Meeting	No sitting fees for attending Board/Committee meetings or profit related commission is being paid to Non-executive, Non-independent Directors					
2	Commission						
3	Others, please specify						
	Total B (2)						
	Total B = B(1) + B(2)	23.10	24.20	24.20	19.60	20.20	13.61

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ lacs)

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary	Other KMP's*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	244.15	84.17	1,664.39	1,992.71
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.29	15.34	15.92
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options#	-	-	1,146.30	1,146.30
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, Retirals	7.15	2.62	51.22	60.99
	Total (C)	251.59	87.08	2,877.25	3,215.92

* 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

(₹ lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]
			NIL	

April 18, 2019
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 ICICI Lombard 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 ICICI Lombard website. Web-link to the CSR policy:

https://www.icicilombard.com/content/ilom-en/csr-policy/CSR_Policy.pdf

2. The Composition of the CSR Committee

The CSR Committee comprises of two non-executive independent Directors and the Managing Director & CEO of ICICI Lombard, and is chaired by an 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)

Bhargav Dasgupta (Managing Director & CEO)

The functions of the Committee include review of corporate social responsibility (CSR) initiatives undertaken by the ICICI Lombard, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by ICICI Lombard 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 Companies 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 Companies Act 2013 was ₹ 9,076.7 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR expenditure requirement for FY2019 was ₹181.5 million.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the FY2019 was ₹181.5 million.

(b) Total amount spent towards CSR during FY2019 was ₹183.7 million.

(c) Amount unspent, if any: Nil

(d) 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.	Promoting road safety education	Mumbai, Delhi, Pune, Ahmedabad, Chennai, Nagpur and Bangalore	30.0	28.8	96.9	Through NGO partners
2.	Eye check-up camps for under-privileged school kids led by employees. 36,517 children covered. 5,582 cases of poor vision provided with spectacles.	Promoting healthcare	Conducted at 288 schools across 105 locations	12.4	15.7 (including employee volunteering cost of ₹ 2.8 million)	43.2	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	3.0	3.1	4.5	Through NGO partners
4.	Projects of ICI Foundation for Inclusive Growth	Promoting education, employment enhancing vocational skills and livelihood enhancement projects	Pan-India	136.1	136.1	406.8	Amount spent through ICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR

Annexure D (Contd.)

- 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 FY2019 was ₹ 183.7 million which is higher than the budget of ₹ 181.5 million being 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

Annexure E

Independent Auditor's Certificate on Corporate Governance

To,
The Board of Directors,
ICICI Lombard General Insurance Company Limited,
ICICI Lombard House, 414, Veer Savarkar Marg
Near Siddhivinayak Temple, Prabhadevi
Mumbai - 400 025

- 1 This Certificate is issued in accordance with the terms of our engagement letter dated 01/06/2018.
- 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, 2018 to 31st March, 2019, 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 addressed to and 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
Place: Mumbai
Date: April 18, 2019

For PKF Sridhar & Santhanam LLP

Chartered Accountants
(Firm Registration
No. 003990S/S200018)
(R. Suriyanarayanan)
Partner
Membership No. 201402

Management's Discussion and Analysis

I. MACRO ECONOMIC ENVIRONMENT AND NON-LIFE INSURANCE INDUSTRY DEVELOPMENTS

Fiscal 2019 witnessed positive effect of reforms initiated in the previous fiscals including, inter-alia, Goods and Service Tax (GST) and Insolvency and Bankruptcy Code (IBC).

The GST collection for fiscal 2019 peaked to ₹ 11.75¹ trillion wherein the collection for the month of March 2019 reached a record high of ₹ 1.06¹ trillion. The collection rate continued to witness reasonable growth during the year despite various rate rationalisation measures.

India's real Gross Domestic Product (GDP) growth for the year has been estimated to be at 7.0%². The average GDP growth in the last five years was 7.5%². In recent years, growth has been primarily consumption driven as investment has fallen on the back of high leverage in the corporate sector and overload of non-performing assets (NPA) in the banking sector. However, in fiscal 2019, the declining investment has bottomed out with fixed investment increasing in proportion to GDP. The GDP growth for fiscal 2020 is expected to be 7.2%³. The Reserve Bank of India (RBI) has been successful in moderating the Consumer Price Inflation (CPI) under revised inflation targeting framework of Monetary Policy Committee (MPC). The average inflation for fiscal 2019 stood at 3.5%³ as compared to 3.6% for fiscal 2018.

The positive GDP growth outlook has attracted sizable inflows of foreign capital and increased participation of domestic retail investors in the country's stock market. The benchmark indices BSE Sensex and Nifty rose by 17.3%⁴ and 14.9%⁴ respectively in fiscal 2019.

¹ PHD Chamber of Commerce and Industry (PHDCCI)

² Ministry of Finance – Monthly Economic Report – February 2019

³ RBI Monetary Policy Statement 2019-20

⁴ Bombay Stock Exchange and National Stock Exchange

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 2019 marked a milestone year for the industry and saw a spate of regulatory changes, which, inter-alia, included the following:

- Effective September 1, 2018, basis the Supreme Court judgment, all new private cars and two-wheelers are mandated to have a long-term third-party cover. The coverage is applicable for a period of three years for private cars and five years for two-wheelers.
- The Regulator has also enhanced the minimum capital sum insured under Compulsory Personal Accident cover (CPA) for Owner-Driver liability to ₹ 1.5 million. This direction had been issued in the backdrop of the Madras High Court judgement. Subsequently, the Regulator issued a circular wherein the Compulsory Personal Accident (CPA) cover has been unbundled and de-tariffed effective January 1, 2019.
- The GST rate on third-party motor insurance premium for goods carrying vehicles was moderated from 18% to 12%. The amended rate is effective from

January 1, 2019. The reduction in tax rate is expected to lower the cost of insurance, thereby making it more affordable and hence is a positive change for the General Insurance Industry.

- In the Union Budget for fiscal 2019, the finance minister announced Ayushman Bharat - National Health Protection Scheme (NHPS), which is expected to provide insurance cover to over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries). Under NHPS, the beneficiaries can avail cashless benefits from any empaneled public/private hospitals across the country. The scheme is guided by the core principles of co-operative federalism and flexibility to States. Accordingly, it functions under three models viz. Trust Model, Insurance Model and Mixed Model. The scheme is expected to have a positive impact in improving healthcare services for all by increasing overall health insurance awareness and penetration levels.
- General Insurance Corporation of India (GIC Re) prescribed minimum rates to be charged for certain occupancies under fire segments which are higher than the prevailing market rates if they are ceded via treaty to GIC Re. These new rates are applicable with effect from March 1, 2019 on all treaties wherever GIC Re participates. Since GIC Re is the leading reinsurer, this development is expected to be positive since it could improve fire segment's profitability of primary insurers over the medium to long term horizon.

⁵ Source: GI Council

⁶ Source: Sigma 2017 Swiss Re

(B) Financial performance:

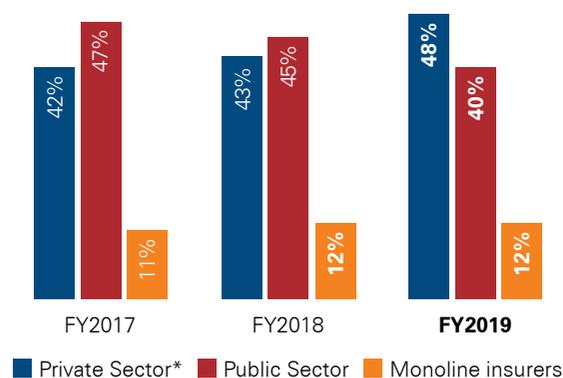
The non-life insurance industry registered a growth of 12.9%⁵ in fiscal 2019. The industry has grown at a Compound Annual Growth Rate (CAGR) of approximately 17% for the last 18 years. Despite this, non-life insurance penetration in India continues to be around 0.93%⁶ of GDP against the world average of 2.80%⁶. Given India's favourable demographic dividend, the sector is poised to reach newer heights in the coming years.



Source: IRDAI

The private multi-product players contributed to approximately 48% of the market for fiscal 2019.

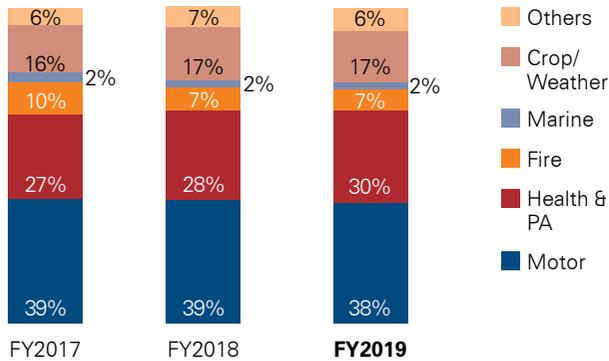
Market share of Industry Players



*excluding monoline insurers

Management's Discussion and Analysis (Contd.)

The industry growth is driven by growth in Motor Third Party, Retail Health and Crop/Weather insurance segments. Motor Third Party, Retail Health and Crop/Weather grew by approximately 15.4%, 15.7% and 11.7% respectively in fiscal 2019. The product mix for the industry is changing.



Source: GI Council

II. DISCUSSION ON FINANCIAL PERFORMANCE AND ANALYSIS OF FINANCIAL STATEMENTS

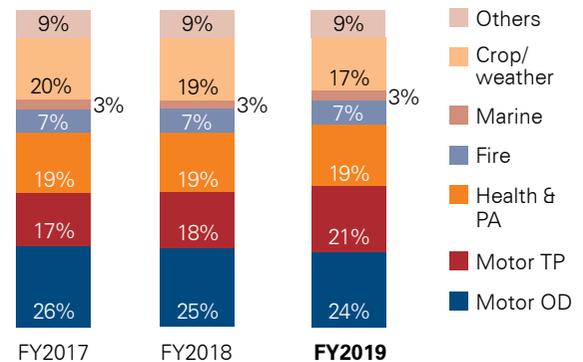
a. Overview of our business

We are the 4th largest⁷ non-life insurer and the largest private-sector non-life insurer in India based on gross direct premium income in fiscal 2019. We offer our customers a comprehensive and well-diversified range of products, including motor, crop/weather, health, fire, personal accident, marine, engineering and liability insurance, through multiple distribution channels.

For fiscal 2019, we issued 26.5 million (on GDPI basis) policies and our gross direct premium income was ₹ 144.88 billion, translating into a market share of 8.5% among all non-life insurers in India and 15.6% among private-sector non-life insurers in India. Our key distribution channels are direct sales, individual agents, corporate agents - banks, other corporate agents, MISPs, brokers and digital, through which we service our individual, corporate and government customers.

For fiscal 2019, the product mix of the company remained largely unchanged except that the share of motor third party segment as

a proportion of overall GDPI increased to 21% due to rate hike in its certain sub-segments. Further, our proportion of crop/weather segment to overall GDPI decreased to 17% for fiscal 2019, which was consistent with our cautious approach in underwriting this segment. The graph below depicts the product portfolio mix.



We have maintained leadership position among private sector non-life insurers in India across motor (own damage and third party liability), health and personal accident, crop/weather, fire, engineering and marine segments in fiscal 2019. Our GDPI market share in motor own damage segment improved to 12.9% in fiscal 2019 from 11.6% in fiscal 2018.

As of March 31, 2019, we had ₹ 222.31 billion in total investment assets with an investment leverage (net of borrowings) of 4.09x. Our investment policy is designed with the 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 annualised⁸ portfolio return of 10.4%. Listed equities made up 10.8% of our total investment assets, by carrying value, as at March 31, 2019. Since fiscal 2004, our listed equity portfolio has returned an annualised total return of 27.8%, as compared to an annualised return of 16.9% on the benchmark S&P NIFTY index.

b. Competitive Strengths

Our strategic objective is to build a sustainable organisation that remains relevant to the agenda of our stakeholders. We believe in

⁷ Source: GI Council

⁸ CAGR (FY2008-FY2019)

providing value to our clients, while creating growth opportunities for our employees and generating profitable returns for our investors.

The following competitive strengths contribute to our success and position 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 a leadership position among private sector non-life insurers in India across motor (own damage and third party liability), health and personal accident, crop/weather, fire, engineering and marine insurance.

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 to increase penetration in tier 3 and tier 4 cities. Our Virtual Offices network has increased to 910 as on March 31, 2019. Our individual agents (including Point of Sale (POS)) increased to 35,729 as on March 31, 2019.

Digital integration: In order to leverage the emerging opportunities, the company has carved out a digital arm which will be committed to new digital partners, deliver affordable and innovative policies while ensuring faster speed of delivery. The digital arm will essentially operate as an in-house but independent insurance organisation underwriting policies and managing the entire customer-services through digital tools, throughout the policy term.

Delivering excellence in customer value: Our customer-centric approach to delivering value focuses on providing convenience and customised solutions. The number of policies

written have increased to 26.5 million (on GDPI basis) for fiscal 2019 from 23.5 million for fiscal 2018.

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. 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.

Focus on investments in technology, innovation and human resources: 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. 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 our employees to deliver customer-centric solutions. As on March 31, 2019 the headcount⁹ of the company was 10,197.

Strong investment returns on diversified portfolio: Our total investments increased to ₹ 222.31 billion as of March 31, 2019 with an investment leverage of 4.09x. We have achieved an annualised realised return on total portfolio of 9.4% for fiscal 2019.

c. Strategy and Future Outlook

In fiscal 2019, 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 our technology and distribution network. The company maintained a strong capital position with the solvency ratio well above the minimum regulatory requirement.

⁹ Headcount includes employees of ICICI Lombard and Off roll employees (Trainees)

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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 on 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 referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 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 IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) 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.

Our financial statements comprise a revenue account (policyholders' account), profit and loss account (shareholders' account), statement of assets and liabilities (balance sheet), and receipts and payments account.

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.

Particulars	₹ billion	
	Fiscal 2018	Fiscal 2019
Premium earned (net) (NEP)	69.12	83.75
Income from investments (net)	11.27	13.36
Other income	0.28	0.41
Total (A)	80.67	97.52
Claims Incurred (net)	53.15	63.08
Commission paid (net)	(2.84)	2.23
Operating expenses related to insurance business	21.12	19.90
Total (B)	71.43	85.21
Operating Profit/ (Loss) C = (A-B)	9.24	12.31

The profit and loss account contains the income and expenses pertaining to shareholders.

The statement below summarises the profit and loss account.

Particulars	₹ billion	
	Fiscal 2018	Fiscal 2019
Operating profit/(loss)	9.24	12.31
Income from investments (net)	4.06	4.60
Other income	0.08	0.14
Total (A)	13.38	17.05
Provision (other than taxation)	0.68	(0.41)
Other expenses	0.74	1.48
Total (B)	1.42	1.07
Profit before tax	11.96	15.98
Provision for taxation	3.34	5.49
Profit after tax	8.62	10.49

Premium earned (net) (NEP)

Particulars	(₹ billion)	
	Fiscal 2018	Fiscal 2019
Premium from direct business written-net of GST or service tax (GDPI)	123.57	144.88
Premium on reinsurance accepted	2.43	3.01
Gross Written Premium (GWP)	126.00	147.89
Less: Premium on reinsurance ceded	47.55	52.51
Net Written Premium (NWP)	78.45	95.38
Less: Adjustment for change in reserve for unexpired risks	9.33	11.63
Premium earned (net) (NEP)	69.12	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 the company before taking into account reinsurance assumed and ceded. This is calculated net of GST or service tax on such premiums.

Our GDPI increased to ₹ 144.88 billion for fiscal 2019 from ₹ 123.57 billion for fiscal 2018, an increase of 17.2%. The increase was primarily due to growth in the GDPI from motor, health and personal accident segments 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 50.0%, 27.2% and 22.8% respectively in fiscal 2019 as against 51.3%, 30.5% and 18.2% respectively in fiscal 2018. 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 improved pricing across sub-segments in group health segment and relatively higher growth from new retail health indemnity business. Fiscal 2019 witnessed relatively slower growth on the benefit health insurance segment in view of muted loan disbursements by Non-Banking Financial Companies (NBFCs) in the second half of fiscal 2019. Retail, Group (includes corporate and others) and mass contributed to 38.3%, 61.3% and 0.4% respectively of health and personal accident GDPI for fiscal 2019 and 51.6%, 46.6% and 1.8% respectively for fiscal 2018. 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 decreased to 16.9% for fiscal 2019 from 19.2% for fiscal 2018.

Premium on reinsurance accepted is the premium received by the company due to risks that we reinsure, which we also refer to as "reinsurance inward". Premium on reinsurance accepted increased by 23.7% to ₹ 3.01 billion for fiscal 2019 from ₹ 2.43 billion for fiscal 2018. Health, personal accident and marine segments primarily contributed to increase in premium on reinsurance accepted.

Consequently, our GWP increased to ₹ 147.89 billion for fiscal 2019 from ₹ 126.00 billion for fiscal 2018, an increase of 17.4%.

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.

The premium on reinsurance ceded increased to ₹ 52.51 billion for fiscal 2019 from ₹ 47.55 billion for fiscal 2018, an increase of 10.4%. This increase in premium on reinsurance ceded was lower than the GWP growth of 17.4% as the GWP growth was

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primarily driven by growth in retail health and motor segments where the reinsurance ceding is lower.

Consequently, our NWP increased by ₹ 95.38 billion for fiscal 2019 from ₹ 78.45 billion for fiscal 2018, registering a growth of 21.6%

Our NEP increased to ₹ 83.75 billion for fiscal 2019 from ₹ 69.12 billion for fiscal 2018, an increase of 21.2%. The increase was primarily due to increase in NEP from motor and health segments.

Our segmental NEP is shown in the table below.

Particulars	(₹ billion)	
	Fiscal 2018	Fiscal 2019
Motor:		
Motor - Own Damage	23.00	27.14
Motor - Third Party	18.42	23.22
Motor - Total	41.42	50.36
Health Insurance	11.15	15.11
Crop/Weather	5.45	5.68
Marine:		
Marine - Cargo	1.91	2.31
Marine - Others	0.05	0.06
Marine - Total	1.96	2.37
Personal Accident	2.35	3.16
Fire	1.44	1.58
Engineering	0.74	0.86
Aviation	0.34	0.10
Workmen's Compensation	0.46	0.49
Public/Product Liability	0.12	0.15
Credit Insurance	0.03	0.03
Others	3.66	3.86
Total	69.12	83.75

Our NEP from motor segment increased to ₹ 50.36 billion for fiscal 2019 from ₹ 41.42 billion for fiscal 2018, an increase of 21.6%. 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 and personal accident insurance increased to ₹ 18.27 billion for fiscal 2019

from ₹ 13.50 billion for fiscal 2018, a significant increase of 35.4%. The increase in NEP is primarily due to growth in GDPI in health insurance segment that was contributed by improved pricing across sub-segments in group health segment and relatively higher growth from new retail health indemnity business. Fiscal 2019 witnessed relatively slower growth on the benefit health insurance segment in view of muted loan disbursements by NBFCs in the second half of fiscal 2019.

Our NEP from marine segment grew to ₹ 2.37 billion for fiscal 2019 from ₹ 1.96 billion for fiscal 2018, an increase of 20.9%. This growth was contributed by both marine cargo and marine others segment.

Our NEP from crop/weather insurance increased marginally to ₹ 5.68 billion for fiscal 2019 from ₹ 5.45 billion for fiscal 2018, an increase of 4.3%. 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).

Particulars	(₹ billion)	
	Fiscal 2018	Fiscal 2019
Net Profit on sale and redemption of investments	3.29	3.19
Interest, Dividend and Rent - Gross	7.98	10.16
Income from investments (net) (revenue account)	11.27	13.35

Income from investments (revenue account) increased to ₹ 13.35 billion for fiscal 2019 from ₹ 11.27 billion for fiscal 2018, an increase of 18.4%. The increase in gross interest, dividend and rent (revenue account) to ₹ 10.16 billion in fiscal 2019 from ₹ 7.98 billion in fiscal 2018 was primarily 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 terrorism pool and miscellaneous income. The table below summarises the Other income (revenue account).

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
Foreign exchange gain/(loss)	(0.02)	0.07
Investment income from pools (terrorism & nuclear)	0.28	0.30
Miscellaneous income	0.02	0.04
Other income (revenue account)	0.28	0.41

Other income (revenue account) increased to ₹ 0.41 billion for fiscal 2019 from ₹ 0.28 billion for fiscal 2018, an increase of 48.4%. For fiscal 2019, there was a foreign exchange gain of ₹ 0.07 billion as compared to foreign exchange loss of ₹ 0.02 billion for fiscal 2018. Additionally, the investment income from pools (terrorism and nuclear) increased to ₹ 0.30 billion for fiscal 2019 as compared to ₹ 0.28 billion for fiscal 2018. The miscellaneous income increased to ₹ 0.04 billion for fiscal 2019 from ₹ 0.02 billion for fiscal 2018.

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).

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
Claims paid - Direct	54.24	85.51
Claims paid on reinsurance accepted	1.08	1.93
Gross claims paid	55.32	87.44
Less: Claims recovered from reinsurance ceded	20.63	38.89
Net Claims paid	34.69	48.55
Add: Increase/ (decrease) in claims outstanding (net)	18.46	14.53
Claims incurred (net)	53.15	63.08

Claims incurred (net) increased to ₹ 63.08 billion for fiscal 2019 from ₹ 53.15 billion for fiscal 2018, an increase of 18.7%. This increase was lower than our increase in NEP of 21.2% for the same period. There was an improvement in our overall Loss ratio to 75.3% for fiscal 2019 from 76.9% for fiscal 2018. Net claims paid increased to ₹ 48.55 billion for fiscal 2019 from ₹ 34.69 billion for fiscal 2018 consequent to settlement of crop/weather insurance claims (net of recoveries from reinsurers) attributable to earlier seasons and correspondingly there is a decrease in claims outstanding to ₹ 14.53 billion in fiscal 2019 from ₹ 18.46 billion in fiscal 2018. The table below summarises the segmental loss ratios.

Particulars	Fiscal 2018	Fiscal 2019
Motor:		
Motor - Own Damage	53.7%	59.2%
Motor - Third Party	107.1%	90.8%
Motor - Total	77.4%	73.8%
Health Insurance	77.6%	85.0%
Crop/Weather	135.0%	106.5%
Marine:		
Marine - Cargo	54.1%	85.3%
Marine - Others	56.6%	32.8%
Marine- Total	54.2%	84.0%
Personal Accident	23.9%	35.8%
Fire	43.1%	83.2%
Engineering	24.0%	37.1%
Aviation	176.7%	167.0%

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Particulars	Fiscal 2018	Fiscal 2019
Workmen's Compensation	76.2%	47.8%
Public/Product Liability	117.1%	73.6%
Credit Insurance	50.0%	48.7%
Others	42.0%	45.6%
Total	76.9%	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.

Particulars	₹ billion	
	Fiscal 2018	Fiscal 2019
Commission paid-Direct	7.11	11.09
Commission paid on reinsurance accepted	0.32	0.27
Gross Commission paid	7.43	11.36
Less: Commission received from reinsurance ceded	10.27	9.13
Commission paid (net)	(2.84)	2.23

Commission paid-Direct increased to ₹ 11.09 billion for fiscal 2019 from ₹ 7.11 billion for fiscal 2018, an increase of 55.9%. The increase was due to reflection of distribution fees including rewards on motor insurance segment as "Commission Paid" consequent to implementation of Motor Insurance

Service Provider (MISP) guidelines issued by IRDAI effective November 1, 2017.

Commission paid on reinsurance accepted reduced to ₹ 0.27 billion for fiscal 2019 as compared to ₹ 0.32 billion for fiscal 2018, a decrease of 16.4%. The decrease is primarily due to higher proportion of health segment which relatively has lower commission payout on premium on reinsurance accepted.

Commission received from reinsurance ceded reduced to ₹ 9.13 billion for fiscal 2019 from ₹ 10.27 billion for fiscal 2018 primarily due to decrease in commission terms on crop/weather insurance segment on premiums ceded to reinsurers.

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.

Operating expenses related to insurance business decreased to ₹ 19.90 billion for fiscal 2019 from ₹ 21.12 billion for fiscal 2018, a decrease of 5.8%. The decrease was primarily due to a reduction in rent, rates and taxes, communication charges, repairs and maintenance, business support and miscellaneous expenses which was partly offset by increase in sales promotion expenses and reflection of distribution fees (including rewards) on motor insurance segment as "Commission Paid" consequent to implementation of MISP guidelines issued by IRDAI effective November 1, 2017.

Operating profit

Based on the above, operating profit increased to ₹ 12.31 billion for fiscal 2019 from ₹ 9.24 billion for fiscal 2018, an increase of 33.3%. Fire insurance contributed 4.6% and 14.4%, marine insurance contributed (2.9)% and 5.1%, and miscellaneous insurance (including motor insurance, health insurance and other lines of insurance) contributed 98.3% and 80.5% of our operating profit for fiscal 2019 and fiscal 2018, respectively. The increase in operating profit is largely driven by improvement

in our loss ratios across certain lines of business including crop/weather and Motor segments.

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).

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
Net profit on sale and redemption of investments	1.18	1.07
Interest, Dividend and Rent - Gross	2.88	3.53
Income from investments (net) (profit and loss account)	4.06	4.60

Income from investments (profit and loss account) increased to ₹ 4.60 billion for fiscal 2019 from ₹ 4.06 billion for fiscal 2018, an increase of 13.3%. The increase in gross interest, dividend and rent (profit and loss account) to ₹ 3.53 billion for fiscal 2019 from ₹ 2.88 billion for fiscal 2018 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.

Other income (profit and loss account) increased to ₹ 0.14 billion for fiscal 2019 from ₹ 0.08 billion for fiscal 2018, an increase of 75.5%. The interest income on tax refund increased to ₹ 0.14 billion for fiscal 2019 as against ₹ 0.08 billion for fiscal 2018.

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.

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
For diminution in the value of investments	0.11	0.01
For doubtful debts	0.59	(0.39)
For future recoverable under reinsurance contracts	(0.02)	(0.03)
Others	-	-
Provision other than taxation (profit and loss account)	0.68	(0.41)

Provisions (other than taxation) decreased to ₹ (0.41) billion for fiscal 2019 from ₹ 0.68 billion for fiscal 2018 on account of reversal of provisions consequent to recovery of amount pertaining to reinsurance balances provided in the previous years and also on account of amounts transferred to bad debts written-off.

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 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 ₹ 1.48 billion for fiscal 2019 from ₹ 0.74 billion for fiscal 2018, an increase of 100.9%. Other expenses for fiscal 2019 increased largely on account of bad debts written off (equivalent to the amount of provision on reinsurance recoverable provided in earlier periods net of recovery), CSR expenditure, loss on sale of fixed assets and penalty. Other expenses in fiscal

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2019 included ₹ 0.24 billion debited in profit and loss account being excess of IRDAI prescribed segmental limits pertaining to the miscellaneous retail segment and which 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 ₹ 15.98 billion for fiscal 2019 from ₹ 11.96 billion for fiscal 2018, an increase of 33.6%. Profit before tax includes upfront expensing of acquisition cost related to significant growth in GDPI in the second half of fiscal 2019.

Provision for taxation increased to ₹ 5.49 billion for fiscal 2019 from ₹ 3.34 billion for fiscal 2018, an increase of 64.2%. Provision of taxation includes effect of higher effective tax rate resulting from change in income tax regulations taxing long-term gains on sale of investment.

Profit after tax increased to ₹ 10.49 billion for fiscal 2019 from ₹ 8.62 billion for fiscal 2018, an increase of 21.8%.

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, 2018	At March 31, 2019
Share Capital	4.54	4.54
Reserves and Surpluses	40.88	48.66
Share application money-pending allotment	-	-
Total Equity	45.42	53.20
Current liabilities	195.11	216.23
Provisions	44.78	56.37
Fair value change account	7.34	3.38

Particulars	(₹ billion)	
	At March 31, 2018	At March 31, 2019
Borrowings	4.85	4.85
Total liabilities	252.08	280.83
Total equity and liabilities	297.50	334.03
Total investments	181.93	222.31
Fixed assets:		
- Cost/gross block	7.91	9.09
- Net block	4.06	4.65
Deferred tax asset	2.11	3.01
Cash and bank balances	5.92	4.02
Advances and other assets	103.48	100.04
Total Assets	297.50	334.03

Total assets increased to ₹ 334.03 billion at March 31, 2019 from ₹ 297.50 billion at March 31, 2018, an increase of 12.3%. This increase was primarily due to an increase in total investments to ₹ 222.31 billion for fiscal 2019 from ₹ 181.93 billion for fiscal 2018. This increase in total investments 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 ₹ 100.04 billion at March 31, 2019 from ₹ 103.48 billion at March 31, 2018, a decrease of 3.3%. Advance tax paid and taxes deducted at source (net of provision for tax) increased to ₹ 1.50 billion for fiscal 2019 from ₹ 0.66 billion for fiscal 2018 primarily due to higher effective tax rate resulting from change in income tax regulations taxing long-term gains on sale of investment and increase in PBT.

Total liabilities increased to ₹ 280.83 billion at March 31, 2019 from ₹ 252.08 billion at March 31, 2018, an increase of 11.4%. This increase was primarily due to an increase in premiums received in advance amounting to ₹ 13.44 billion for fiscal 2019 from ₹ 0.30 billion for fiscal 2018, on account of long-term motor policies wherein the premium is received upfront for future years.

Fair value change account–Shareholder funds decreased to ₹ 0.80 billion for March 31, 2019 from ₹ 1.86 billion at March 31, 2018, a decrease of 57.0%. 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 ₹ 2.59 billion at March 31, 2019 from ₹ 5.48 billion at March 31, 2018, a decrease of 52.8%. 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 ₹ 53.43 billion at March 31, 2019 from ₹ 47.28 billion at March 31, 2018, an increase of 13.0%. Investments–Policyholders increased to ₹ 168.88 billion at March 31, 2019 from ₹ 134.64 billion at March 31, 2018, an increase of 25.4%. 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 summary statement of receipts and payments account.

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
Net cash flow from (used in) operating activities (A)	23.90	29.76
Net cash flow from (used in) investing activities (B)	(18.96)	(28.56)
Net cash flow from (used in) financing activities (C)	(0.96)	(3.10)

Particulars	₹ billion)	
	Fiscal 2018	Fiscal 2019
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	3.98	(1.90)
Cash & Cash equivalents at the beginning of the year	1.94	5.92
Cash & Cash equivalents at the end of the year	5.92	4.02

Cash flows from operating activities

Net cash flows from operating activities increased to ₹ 29.76 billion for fiscal 2019 from ₹ 23.90 billion for fiscal 2018. 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 ₹ (28.56) billion for fiscal 2019 from ₹ (18.96) billion for fiscal 2018. This increase was primarily due 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 ₹ (3.10) billion for fiscal 2019 from ₹ (0.96) billion for fiscal 2018. This increase was primarily due to payment of dividend for fiscal 2019.

Management's Discussion and Analysis (Contd.)

iv. Contingent Liabilities

The statement of contingent liabilities is provided below.

Particulars	₹ billion)	
	At March 31, 2018	At March 31, 2019
Partly-paid up investments	-	-
Claims, other than those under policies, not acknowledged as debt	-	-
Underwriting commitments outstanding	NA	NA

Particulars	₹ billion)	
	At March 31, 2018	At March 31, 2019
Guarantees given by or on behalf of the company	-	-
Statutory demands/liabilities in dispute, not provided for	4.17	4.31
Reinsurance obligations to the extent not Provided for in accounts	-	-
Others	0.16	0.00

v. Borrowings

As of March 31, 2019, we had long term borrowings of ₹ 4.85 billion, total net worth of ₹ 53.20 billion and a total debt to net worth ratio of 0.09 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	Fiscal 2018	Fiscal 2019	Change	Reasons, if any
1	Gross Direct Premium Growth Rate	15%	17%	13%	Not Applicable
2	Gross Direct Premium to Net Worth Ratio	2.72	2.72	0%	Not Applicable
3	Growth rate of Net Worth	22%	17%	-22%	Not Applicable
4	Net Retention Ratio	62%	64%	4%	Not Applicable
5	Net Commission Ratio	-4%	2%	-165%	Refer Note 1
6	Expenses of Management to Gross Direct Premium Ratio	23%	21%	-6%	Not Applicable
7	Expenses of Management to Net Written Premium Ratio	36%	32%	-10%	Not Applicable
8	Net Incurred Claims to Net Earned Premium	77%	75%	-2%	Not Applicable
9	Combined Ratio	100%	99%	-2%	Not Applicable
10	Technical Reserves to Net Premium Ratio	2.59	2.31	-11%	Not Applicable
11	Underwriting balance ratio	(0.03)	(0.02)	-48%	Refer Note 2
12	Operating profit ratio	13%	15%	9%	Not Applicable
13	Liquid Assets to Liabilities Ratio	10%	10%	-1%	Not Applicable
14	Net Earnings Ratio	12%	13%	0%	Not Applicable
15	Solvency Ratio	2.05	2.24	9%	Not Applicable

Note 1: 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 ₹ 11.09 billion for fiscal 2019 from ₹ 7.11 billion for fiscal 2018, an increase of 55.9%. The increase was due to reflection of distribution fees (including rewards) on motor segment as “Commission Paid” consequent to implementation of Motor Insurance Service Provider (MISP) guidelines issued by IRDAI effective November 1, 2017. This increase in Commission paid (net) in fiscal 2019 resulted in variance in the ratio.

Note 2: 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 2019 has improved on account of improvement in loss ratio to 75.3% for fiscal 2019 from 76.9% for fiscal 2018. Accordingly, the underwriting balance ratio for fiscal 2019 is lower than the ratio in fiscal 2018.

(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 Networth (Share Capital + Reserves and Surpluses+Share application money received pending allotment). RONW increased to 19.7% for fiscal 2019 from 19.0% for fiscal 2018. The increase in RONW was largely driven by increase of 21.8% in PAT for fiscal 2019.

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.

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, 2019 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. During the previous financial year ended March 31, 2018, the Company completed its Initial Public Offering (IPO) by way of an offer for sale of 86,247,187 equity shares of ₹ 10 each at a price of ₹ 661 per equity share, by ICICI Bank Limited, the Promoter Selling Shareholder and FAL Corporation, the Investor Selling Shareholder aggregating to ₹ 57,009.4 million. The equity shares of the Company are listed on BSE Limited and National Stock Exchange from September 27, 2017 onwards. The shareholding pattern is available in Schedule 5A of the financial statements.
3. We certify that all the dues payable to the statutory authorities have been duly paid.
4. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
5. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDAI, outside India.
6. We confirm that the required solvency margin has been maintained.
7. We certify that the values of all the assets have been reviewed on the date of the balance sheet and that in our belief the assets set forth in the balance sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings - investments, agents balances, outstanding premiums, amount due from other entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipts, debt securities which are stated at cost/amortised cost.
8. 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 procedure: this includes tariff as well as non-tariff products.

While in property lines (Fire) the net retention has not exceeded ₹ 2,500.0 million on a PML basis (Previous year: ₹ 2,500.0 million) in any single risk, this also gets graded down to between ₹ 30.0 million to ₹ 2,500.0 million (Previous year: between ₹ 30.0 million to ₹ 2,500.0 million) on a case-to-case basis, depending on exposure levels and prudent underwriting standards. The excess of loss treaties protect the accumulation of the net retentions.

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

9. We confirm that there are no operations of the Company outside India.
10. a) For ageing analysis of claims outstanding during the preceding five years, Please refer Annexure 1.
b) For average claims settlement time during the preceding five years, please refer Annexure 2.
c) For details of claims intimated, please refer Annexure 3.
11. 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.

12. Investments as at March 31, 2019 amount to ₹ 222,308.2 million Refer schedule 8 & 8A (previous year: ₹ 181,926.7 million). Income from Investments amounted ₹ 17,955.3 million (previous period: ₹ 15,326.4 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.

The Company had invested ₹ 3,250.0 million in non-convertible debentures (NCD) of M/s Tata Sons Limited prior to year ended March 31, 2018. There had been a change in the legal status of M/s Tata Sons Limited to M/s Tata Sons Private Limited effective from August 6, 2018. The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, specifies that an insurer cannot invest or keep invested in any private limited company.

The company has continued to value and classify these investments as Long-term under the "Approved Investments" category and allocated this investment to shareholders funds from date of change of legal status.

During the last quarter, the Company has sold NCD's amounting to ₹ 2,250.0 million. As at March 31, 2019 the Company's investment in the said NCD's aggregated ₹ 1,000.0 million.

Subsequent to the Balance Sheet date, the Company has disposed of the remaining investment in the NCD's of Tata Sons Private Limited.

13. 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, 2019 and of the operating profit and of the profits of the Company for the year ended March 31, 2019;
 - 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;
 - the management has prepared the financial statements on a going concern basis;
 - The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

14. For payments made to individuals, firms, companies and organizations in which Directors are interested, please refer to Annexure 4.

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, April 18, 2019

Management Report (Contd.)

Details of Claims Outstanding during the preceding five years

Annexure 1

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

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

* Claims occurring on certain Personal Accident policies have been re-classified from the Others Category into the Personal Accident Category. The numbers for the financial year ended March 31, 2018 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
215	19,380.5	14	8,585.4	4,881	39,045.1	48,352	48,536.4	24	4,187.1	948	288,456.7	4,012	36,803.9	112,097	1,090,637.4
126	3,112.7	70	216.7	117	524.2	897	1,217.2	13	438.8	1,209	3,285.2	863	3,619.7	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	51,895	53,320.9	91	5,051.0	2,752	305,226.4	5,492	58,080.0	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

(₹ 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

Management Report (Contd.)

Details of Claims Outstanding during the preceding five years (Contd.)

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

As at March 31, 2015

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	445	16,375.4	1,147	6,216.5	7	1,604.4	30,272	52,827.9	1,701	233,447.2	97	2,463.2	7	429.5
30 days to 6 months	302	11,651.5	1,401	4,084.0	11	2,871.3	9,105	6,145.5	7,702	16,971.0	448	725.6	6	63.6
6 Months to 1 Year	532	15,732.7	227	1,804.2	9	1,648.2	306	839.8	7,294	16,674.3	210	255.0	6	120.4
1 Year to 5 Years	931	19,106.1	190	3,378.6	43	2,916.9	47	165.0	32,423	80,044.9	4	5.9	14	94.5
More than 5 Years	207	2,523.3	42	154.7	63	947.4	-	-	14,712	28,150.9	-	-	3	4.3
Grand Total	2,417	65,389.0	3,007	15,638.0	133	9,988.2	39,730	59,978.2	63,832	375,288.3	759	3,449.7	36	712.3

(₹ 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

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
373	7,254.7	11	2,038.3	1,094	12,959.0	60,818	31,127.8	27	456.5	2,400	14,488.2	98,399	381,688.6
192	3,091.4	30	514.0	764	2,634.3	4,223	3,971.1	9	61.3	1,334	2,342.0	25,527	55,126.6
93	1,581.4	76	1,578.8	151	520.6	1,100	429.9	7	33.2	251	6,056.5	10,262	47,275.0
309	9,366.9	229	5,406.0	444	1,702.4	411	743.8	32	237.6	781	15,290.9	35,858	138,459.5
166	1,125.9	8	93.8	-	-	-	-	7	99.9	55	581.0	15,263	33,681.2
1,133	22,420.3	354	9,630.9	2,453	17,816.3	66,552	36,272.6	82	888.5	4,821	38,758.6	185,309	656,230.9

Management Report (Contd.)

Details of Average Claim Settlement time for the preceding five years

Annexure 2

Product	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		For the year ended March 31, 2015	
	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	3,328	41	3,998	33	2,625	30	3,499	124	3,187	309
Marine Cargo	67,277	16	52,344	18	38,978	11	31,817	31	26,973	76
Marine Hull	14	515	18	757	16	479	33	785	44	842
Motor*	1,098,316	9	979,357	11	1,029,947	11	911,306	11	763,418	12
Workmen's Compensation	2,541	5	2,212	5	1,446	73	1,275	155	1,689	134
Public/Product Liability	683	295	1,262	194	342	110	110	180	212	52
Engineering	3,766	31	2,146	31	1,627	70	2,278	78	1,674	239
Aviation	809	506	375	269	345	819	199	192	135	246
Personal Accident	7,725	6	6,590	7	5,786	35	5,541	52	6,625	46
Health	320,507	5	443,790	5	1,040,618	8	611,066	6	2,584,015	9
Credit Insurance	158	33	69	20	84	107	93	122	96	270
Crop/Weather Insurance	7,312	21	3,985	35	2,096	97	2,549	38	-	-
Others	55,160	13	40,898	15	25,623	33	20,727	54	24,659	46
Total	1,567,596	9	1,537,044	10	2,149,533	10	1,590,493	10	3,412,727	11

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

Details of Claims Intimated

Annexure 3

Product	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Claims Intimated	Amount (₹ in lacs)*	Claims Intimated	Amount (₹ in lacs)*
Fire	3,631	68,410.3	3,908	95,035.4
Marine Cargo	70,658	28,445.7	53,905	21,195.4
Marine Hull	36	7,505.1	26	3,108.2
Motor OD	1,110,673	208,396.0	976,601	165,439.3
Motor TP	20,903	154,180.3	21,152	142,853.7
Workmen's Compensation	3,059	3,298.0	2,399	3,926.3
Public/Product Liability	1,504	2,188.8	2,073	3,155.3
Engineering	3,781	15,293.0	2,253	8,381.0
Aviation	678	4,571.2	927	6,740.8
Personal Accident	8,172	19,345.7	6,762	21,329.1
Health	333,617	155,353.5	400,023	136,660.3
Credit Insurance	188	3,096.9	70	1,257.3
Crop Insurance	9,271	342,322.1	3,881	122,663.7
Others	54,534	36,264.1	43,332	26,704.0
Grand Total	1,620,705	1,048,670.7	1,517,312	758,449.8

* Amount of claims intimated includes change in reserve

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, 2019	For the year ended March 31, 2018
1	Aster DM Healthcare Private Limited	Mr. Suresh Mathukrishna Kumar ¹	Member	201.0	36.7
2	Bharat Forge Limited	Mrs. Lalita D. Gupte ⁸	Director	0.4	2.4
3	FAL Corporation	Mr. Chandran Ratnaswami ³	Director	-	1,160.8
4	First Capital Insurance Limited	Mr. Chandran Ratnaswami ³	Director	-	1,261.7
		Mr. Ramaswamy Athappan ⁴	Director		
5	ICICI Bank Limited	Mrs. Chanda Kochhar ¹⁰	Director	29,265.5	11,758.5
		Mr. N.S. Kannan ²	Director		
		Mr. Sandeep Bakhshi ⁶	Director		
		Mrs. Vishakha Mulye ¹²	Director		
6	ICICI Foundation for Inclusive Growth	Mrs. Chanda Kochhar ¹⁰	Trustee	1,361.0	1,116.0
		Mr. Bhargav Dasgupta	Trustee		
		Mr. N.S. Kannan ²	Trustee		
7	ICICI Prudential Life Insurance Company Limited	Mrs. Chanda Kochhar ¹⁰	Chairperson	146.3	119.4
		Mr. N.S. Kannan ²	Director		
		Mr. Sandeep Bakhshi ⁶	Director		
		Mr. Sandeep Batra ¹¹	Director		
8	ICICI Prudential Asset Management Company Limited	Mrs. Chanda Kochhar ¹⁰	Chairperson	0.7	118.6
		Mr. N.S. Kannan ²	Director		
		Mr. Ved Prakash Chaturvedi ⁵	Director		
		Mr. Suresh Mathukrishna Kumar ¹	Director		
		Mr. Sandeep Batra ¹¹	Director		
9	ICICI Securities Limited	Mrs. Chanda Kochhar ¹⁰	Chairperson	585.8	420.3
		Mr. Uday Chitale ⁷	Director		
10	ICICI Securities Primary Dealership Limited	Mr. N.S. Kannan ²	Chairman	8.8	19.5
		Mr. Ashvin Parekh ¹³	Director		
11	Janalakshmi Financial Services Private Limited	Mr. Uday Chitale ⁷	Director	-	1.2
12	Kirloskar Brothers Limited	Mrs. Lalita D. Gupte ⁸	Director	-	4.4
13	Thomas Cook (India) Limited	Mr. Chandran Ratnaswami ³	Director	-	1,144.9
14	Vedanta Limited	Mrs. Lalita D. Gupte ⁸	Director	3.4	34.8
15	TVS Motors Limited	Mrs. Lalita D. Gupte ⁸	Director	147.3	-
16	IDFC Bank Limited	Mr. Vishal Mahadevia ⁹	Director	34.2	-
17	The Willingdon Sports Club	Mr. Bhargav Dasgupta	Member	448.4	-
18	Others ¹⁴				
	Bombay Gymkhana	Mrs. Chanda Kochhar ¹⁰	Member		
	National Collateral Management Services Limited	Mr. Chandran Ratnaswami ³	Director		
	Total Others			0.4	1.0

¹ Mr. Suresh Mathukrishna 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. Chandran Ratnaswami ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. July 02, 2017.

⁴ Mr. Ramaswamy Athappan ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. June 08, 2017.

⁵ Mr. Ved Prakash Chaturvedi appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. July 13, 2016.

⁶ 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.

⁷ Mr. Uday Chitale appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. April 19, 2016.

⁸ Mrs. Lalita D. Gupte appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. October 18, 2016.

⁹ Mr. Vishal Mahadevia appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. April 25, 2018.

¹⁰ Mrs. Chanda Kochhar ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. October 5, 2018.

¹¹ Mr. Sandeep Batra appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. October 17, 2018.

¹² Mrs. Vishakha Mulye appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. October 17, 2018.

¹³ Mr. Ashvin Parekh appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. April 18, 2014.

¹⁴ Individual payments to parties during the period and aggregate payments during the previous period are less than ₹ 1 lac.

Independent Auditors' Report

To the Members of ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

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, 2019, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue account'), the Profit and Loss account and the Receipts and Payments account for the year 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'), the Act, Insurance Act, 1938 read with Insurance Laws (Amendment) Act, 2015 (to the extent notified) (the Insurance Act"), the Insurance Regulatory and Development Act, 1999 (the "IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statement Regulations"), 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, 2019;
- b. in the case of Revenue Accounts, of the operating profit in Fire and Miscellaneous business and operating loss in Marine business for the 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 matter	How our audit addressed the key audit matter
1.	<p>Revenue recognition on crop insurance:</p> <p>Crop insurance premium is accounted based on management estimates that are progressively actualised on receipt of information.</p> <p>Further the coverage data is based on information received / updated in the Software system maintained under the schemes which may have backlogs / reconciliation issues / duplicate information. Further, the corrections to area covered under insurance and consequent premium adjustments are carried out progressively based on receipt of information which may be after the policy period ends.</p> <p>There is a risk of under/over estimation of revenue due to error or management bias.</p> <p>Refer crop segment under Schedule 1 – Premium earned (net) and Note 4.1 and 4.3 under Schedule 16 – Significant accounting policies and notes.</p>	<p>We reviewed the process adopted for policy booking for consistency in approach between accounting periods. Our tests included:</p> <ul style="list-style-type: none"> • Obtaining confirmation from concerned controlling function of the company on information received, if any, pending accounting • Carrying out substantive tests on income recognition from past data, where available. • Verification of various reconciliations carried out with the government portal system and validating reconciling items • Discussing with senior management and obtaining their confirmations on booking of policies where information has been received • Studying the impact of information under processing and ensuring financial statements are adjusted for material impacts. <p>Conclusion: Results of our tests did not indicate any material deviations.</p>
2.	<p>Long term Motor Insurance Policies accounting:</p> <p>During the year, the Company has introduced Long Term Motor Insurance Policies providing multi-year coverage which constitutes significant portion of the business segment. The Company has designed the scheme of accounting entries for recognition of revenue, advance premium, commissions and related indirect taxes based on relevant regulations.</p> <p>This implementation was major one-time activity during the year which was prone to interpretation errors/ omissions.</p> <p>Refer motor segment under Schedule 1- Premium earned (net), Premium received in advance under Schedule 13 – Current Liabilities and Note 4.1, 4.2, 4.3, 4.6 under Schedule 1 – Significant accounting policies and notes</p>	<p>We obtained thorough understating of the regulatory prescriptions and reviewed the process adopted and carried out the following tests:</p> <ul style="list-style-type: none"> • Validating the accounting policies adopted with the relevant regulatory prescriptions. • Verifying the premium allocation for sample transactions over the policy periods • Verifying the actual scheme of entries for sample period with the designed scheme. • Verifying the overall reconciliation of balance sheet amounts with related feed systems. <p>Conclusion: Our procedures did not identify any material exceptions.</p>

Independent Auditors' Report (Contd.)

Information Other than the Financial Statements and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises of 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 in the 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 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 IRDAI Financial Statement 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 judgments 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 not a guarantee that an audit conducted in accordance with Standards of Auditing 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 this 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, including any significant deficiencies in internal control that we identify during our audit.

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.

Independent Auditors' Report (Contd.)

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 Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2019 has been duly certified by the Appointed 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 Appointed 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 April 18, 2019 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 give 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 purposes of our audit.
 - b) As the Company's accounts are centralized and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
 - c) 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over 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. There has been no delay in transferring amounts, 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

Place : Mumbai
Date : April 18, 2019

**For PKF Sridhar & Santhanam
LLP**
Chartered Accountants
Firm Registration.
No 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Annexure A

Referred to in paragraph '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 31 March, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ICICI Lombard General Insurance Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 over 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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. 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 over 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over 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 over 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on “the internal control over 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”.

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 Appointed Actuary (the “Appointed Actuary”). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2019 has been duly certified by the Appointed 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, 2019. Accordingly, our opinion on the internal financial controls over 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

Place : Mumbai
 Date : April 18, 2019

For PKF Sridhar & Santhanam
 LLP
 Chartered Accountants
 Firm Registration.
 No 003990S/S200018

R. Suriyanarayanan
 Partner
 Membership No. 201402

Independent Auditors' Certificate

To,
**The Board of Directors,
 ICICI Lombard General Insurance Company Limited,
 ICICI Lombard House, 414, Veer Savarkar Marg
 Near Siddhivinayak Temple, Prabhadevi
 Mumbai - 400 025**

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 April 18, 2019)

This certificate is issued in accordance with the terms of our engagement letter 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 "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 Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (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 of the Regulations read with regulation 3 of Regulations.

We audited financial statements of the Company as of and financial year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated April 18, 2019. Our audit of these financial statements were 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 Institute of Chartered Accountants of India ('ICAI').

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 March 31, 2019, we certify that:

1. We have reviewed the Management Report attached to the financial statements for year ended March 31, 2019, 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 March 31, 2019, 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
ICAI UDIN:
19040479AAAABR1120

**For PKF Sridhar & Santhanam
LLP**
Chartered Accountants
(Firm Registration.
No 003990S/S200018)

R. Suriyanarayanan
Partner
Membership No. 201402
ICAI UDIN:
19201402AAAAAD8701

Place : Mumbai
Date : April 18, 2019

Balance Sheet

As at March 31, 2019

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	At	At
		March 31, 2019	March 31, 2018
Sources of funds			
Share capital	5	4,543,099	4,539,483
Reserves and Surplus	6	48,661,507	40,872,146
Share application money-pending allotment		-	-
Fair value change account			
Shareholders funds		798,984	1,857,474
Policyholders funds		2,585,229	5,481,242
Borrowings	7	4,850,000	4,850,000
Total		61,438,819	57,600,345
Application of funds			
Investments-Shareholders	8	53,430,757	47,283,646
Investments-Policyholders	8A	168,877,458	134,643,034
Loans	9	-	-
Fixed assets	10	4,652,318	4,059,857
Deferred tax asset (Refer note 5.2.15)		3,012,597	2,114,128
Current assets			
Cash and bank balances	11	4,016,466	5,918,164
Advances and other assets	12	100,036,611	103,477,760
Sub-Total (A)		104,053,077	109,395,924
Current liabilities	13	216,228,356	195,112,294
Provisions	14	56,359,032	44,783,950
Sub-Total (B)		272,587,388	239,896,244
Net current assets (C) = (A - B)		(168,534,311)	(130,500,320)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		61,438,819	57,600,345
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

R. Suriyanarayanan
Partner
Membership No: 201402

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Sanjeev Mantri
Executive Director

Mumbai, April 18, 2019

Vikas Mehra
Company Secretary

Gopal Balachandran
Chief Financial Officer

Profit and Loss Account

For the year ended March 31, 2019

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Year ended March 31, 2019	Year ended March 31, 2018
1. Operating profit/(loss)			
(a) Fire Insurance		567,110	1,328,111
(b) Marine Insurance		(362,609)	469,366
(c) Miscellaneous Insurance		12,109,673	7,439,615
2. Income from investments			
(a) Interest, Dividend & Rent – Gross (Refer note 5.2.5)		3,534,712	2,879,042
(b) Profit on sale/redemption of investments		1,211,076	1,715,088
Less: loss on sale/redemption of investments		(145,726)	(535,202)
3. Other income			
(a) Interest income on tax refund		139,069	80,176
(b) Profit on sale/discard of fixed assets		3,944	1,329
(c) Recovery of bad debts written off		-	-
Total (A)		17,057,249	13,377,525
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		7,729	104,125
(b) For doubtful debts		(382,880)	593,822
(c) For future recoverable under reinsurance contracts		(30,068)	(18,777)
(d) Others		-	-
5. Other expenses			
(a) Expenses other than those related to Insurance Business			
(i) Employees' remuneration and other expenses		32,226	41,735
(ii) Managerial remuneration		91,570	70,934
(iii) Directors' fees and profit commission		9,318	7,438
(iv) CSR Expenditure		183,691	149,645
(v) Interest on Non-convertible Debentures		400,125	400,125
(vi) Expense related to Investment property		13,215	64,290
(vii) Listing Fees/Other Charges		1,537	1,340
(viii) Operating expenses borne by shareholders (refer note 5.1.10)		241,920	-
(b) Bad debts written off		466,828	-
(c) Loss on sale/discard of fixed assets		19,660	517
(d) Penalty (Refer note 5.1.15)		18,214	-
Total (B)		1,073,085	1,415,194
Profit before tax		15,984,164	11,962,331
Provision for taxation:			
(a) Current tax/MAT payable		6,390,007	4,586,991
(b) Excess Tax Provision written back of earlier years		-	(578)
(c) Deferred tax (Income)/Expense (Refer note 5.2.15)		(898,469)	(1,241,839)
Profit after tax		10,492,626	8,617,757
Appropriations			
(a) Interim dividends paid during the period		1,135,186	679,988
(b) Final dividend paid		1,134,918	-
(c) Dividend distribution tax		466,626	138,430
(d) Debenture Redemption Reserve		138,572	103,929
(e) Transfer to General Reserves		-	922,347
Balance of Profit/(Loss) brought forward from last year		24,767,694	17,072,284
Balance carried forward to Balance sheet		32,385,018	24,767,694
Basic earnings per share of ₹ 10 face value (Refer note 5.2.14)		₹ 23.11	₹ 19.01
Diluted earnings per share of ₹ 10 face value (Refer note 5.2.14)		₹ 23.06	₹ 18.99
Significant accounting policies & notes to accounts	16		

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

As per our attached report of even date

For **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

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 18, 2019

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

Revenue Account

For the year ended March 31, 2019

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2018-19	2017-18
1. Premiums earned (net)	1	1,578,840	1,440,912
2. Profit on sale/redemption of investments		75,139	106,517
Less: Loss on sale/redemption of investments		(9,092)	(33,362)
3. Others -			
Foreign exchange gain/(loss)		(26,812)	4,324
Investment income from pool (Terrorism and Nuclear)		203,832	226,613
Miscellaneous Income		853	344
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		210,434	177,265
Total (A)		2,033,194	1,922,613
1. Claims Incurred (net)	2	1,313,631	620,754
2. Commission (net)	3	(259,122)	(482,064)
3. Operating expenses related to insurance business	4	411,575	455,812
4. Premium deficiency		-	-
Total (B)		1,466,084	594,502
Operating Profit/(Loss) C = (A - B)		567,110	1,328,111
APPROPRIATIONS			
Transfer to Shareholders' Account		567,110	1,328,111
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		567,110	1,328,111
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 to extent allowable under 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

SN Chaturvedi
Partner
Membership No: 040479

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn No.: 003990S/S200018

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 18, 2019

(₹ in 000's)

Marine		Miscellaneous		Total	
2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
2,367,293	1,957,559	79,807,345	65,718,877	83,753,478	69,117,348
56,208	87,025	3,498,173	4,599,119	3,629,520	4,792,661
(6,801)	(27,257)	(423,277)	(1,440,485)	(439,170)	(1,501,104)
11,091	(2,293)	89,392	(15,545)	73,671	(13,514)
-	-	93,430	48,388	297,262	275,001
1,096	445	40,634	16,331	42,583	17,120
157,415	144,827	9,796,991	7,653,854	10,164,840	7,975,946
2,586,302	2,160,306	92,902,688	76,580,539	97,522,184	80,663,458
1,988,567	1,060,780	59,778,978	51,465,704	63,081,176	53,147,238
317,876	247,683	2,170,298	(2,605,164)	2,229,052	(2,839,545)
642,468	382,477	18,843,739	20,280,384	19,897,782	21,118,673
-	-	-	-	-	-
2,948,911	1,690,940	80,793,015	69,140,924	85,208,010	71,426,366
(362,609)	469,366	12,109,673	7,439,615	12,314,174	9,237,092
(362,609)	469,366	12,109,673	7,439,615	12,314,174	9,237,092
-	-	-	-	-	-
-	-	-	-	-	-
(362,609)	469,366	12,109,673	7,439,615	12,314,174	9,237,092

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

Schedules

forming part of the financial statements

Schedule: 1

Premium Earned (net)

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
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

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Premium from direct business written-net of service tax and GST	9,165,035	2,878,747	783,192	3,661,939	30,622,414	21,872,270	52,494,684	539,994
Add: Premium on reinsurance accepted	665,089	118,787	16,945	135,732	24,535	-	24,535	-
Less: Premium on reinsurance ceded	8,253,424	995,223	764,482	1,759,705	4,610,167	1,209,642	5,819,809	64,701
Net premium	1,576,700	2,002,311	35,655	2,037,966	26,036,782	20,662,628	46,699,410	475,293
Adjustment for change in reserve for unexpired risks	135,788	89,032	(8,625)	80,407	3,037,858	2,239,672	5,277,530	15,011
Total premium earned (net)	1,440,912	1,913,279	44,280	1,957,559	22,998,924	18,422,956	41,421,880	460,282

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Miscellaneous					Others	Total - Miscellaneous	Total
			Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance				
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	22,671,629	411,349	24,517,532	7,951,926	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	7,403,652	377,949	18,836,273	3,295,096	40,753,411	52,506,537	
159,727	944,731	93,599	4,342,405	16,924,685	33,400	5,681,283	4,769,459	91,020,196	95,385,568	
7,928	71,639	(3,320)	1,178,945	1,818,270	(1,332)	(4)	911,417	11,212,851	11,632,090	
151,799	873,092	96,919	3,163,460	15,106,415	34,732	5,681,287	3,858,042	79,807,345	83,753,478	

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Miscellaneous					Others	Total - Miscellaneous	Total
			Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance				
2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	
308,122	2,480,854	670,307	4,530,364	18,488,310	440,071	23,710,568	7,078,298	110,741,572	123,568,546	
2,700	373,920	237,939	8,838	887,453	-	-	95,994	1,631,379	2,432,200	
191,888	2,004,844	632,177	1,295,320	6,320,783	405,989	18,271,876	2,532,673	37,540,060	47,553,189	
118,934	849,930	276,069	3,243,882	13,054,980	34,082	5,438,692	4,641,619	74,832,891	78,447,557	
2,462	106,482	(63,488)	896,429	1,909,188	1,641	(8,536)	977,295	9,114,014	9,330,209	
116,472	743,448	339,557	2,347,453	11,145,792	32,441	5,447,228	3,664,324	65,718,877	69,117,348	

Schedules

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				
	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	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	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	1,313,631	1,969,311	19,256	1,988,567	16,069,343	21,085,446	37,154,789	232,046

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Claims paid- Direct	3,352,732	1,955,970	266,290	2,222,260	14,883,180	8,086,500	22,969,680	198,228
Add: Re-insurance accepted	47,215	20,827	5,579	26,406	-	-	-	-
Less: Re-insurance ceded	2,677,897	622,953	218,299	841,252	3,094,261	2,499,505	5,593,766	10,821
Net Claims paid	722,050	1,353,844	53,570	1,407,414	11,788,919	5,586,995	17,375,914	187,407
Add: Claims outstanding at the end of the year	1,796,467	1,271,360	253,160	1,524,520	5,209,443	61,037,924	66,247,367	608,224
Less: Claims outstanding at the beginning of the year	1,897,763	1,589,498	281,656	1,871,154	4,657,076	46,887,278	51,544,354	444,746
Total claims incurred	620,754	1,035,706	25,074	1,060,780	12,341,286	19,737,641	32,078,927	350,885

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Miscellaneous					Others	Total- Miscellaneous	Total
			Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance				
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	12,327,620	222,075	33,723,574	2,314,374	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	1,464,477	201,498	25,531,492	760,063	34,051,225	38,893,147	
63,157	311,857	334,074	848,470	12,348,155	20,577	8,192,275	1,554,313	46,009,073	48,546,594	
217,650	758,844	628,794	2,301,020	3,881,261	41,547	6,750,707	2,723,297	99,209,351	103,295,015	
169,107	746,629	800,975	2,018,374	3,392,523	45,222	8,892,597	2,518,428	85,439,446	88,760,433	
111,700	324,072	161,893	1,131,116	12,836,893	16,902	6,050,385	1,759,182	59,778,978	63,081,176	

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Miscellaneous					Others	Total- Miscellaneous	Total
			Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance				
2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	
218,631	990,783	314,079	745,992	9,623,984	199,292	11,736,375	1,668,135	48,665,179	54,240,171	
-	161,481	478,484	-	354,950	-	6,110	760	1,001,785	1,075,406	
110,001	842,168	303,756	108,551	804,540	180,382	8,712,063	440,791	17,106,839	20,625,988	
108,630	310,096	488,807	637,441	9,174,394	18,910	3,030,422	1,228,104	32,560,125	34,689,589	
169,107	746,629	800,975	2,018,374	3,392,523	45,222	8,892,597	2,518,428	85,439,446	88,760,433	
141,383	878,630	689,728	2,095,940	3,916,841	47,912	4,568,255	2,206,078	66,533,867	70,302,784	
136,354	178,095	600,054	559,875	8,650,076	16,220	7,354,764	1,540,454	51,465,704	53,147,238	

Schedules

forming part of the financial statements

Schedule: 3

Commission

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

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Commission paid								
-Direct	400,769	283,205	8,676	291,881	3,580,233	2,664	3,582,897	53,806
Add: Commission on re-insurance Accepted	71,652	22,301	3,752	26,053	50	-	50	-
Less: Commission on re-insurance Ceded	954,485	57,814	12,437	70,251	1,912,165	54,693	1,966,858	8,824
Net Commission	(482,064)	247,692	(9)	247,683	1,668,118	(52,029)	1,616,089	44,982

Schedule: 3A

Commission Paid-Direct

(₹ in 000's)

Particulars	2018-19	2017-18
Agents	1,408,665	1,147,816
Brokers	6,547,267	3,531,668
Corporate agency	2,412,556	2,252,173
Motor Insurance Service Providers	549,315	182,761
Point of Sale	160,502	4,006
Insurance Marketing Firm	1,127	-
Web aggregator	15,181	-
Referral	-	-
Total	11,094,613	7,118,424

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Personal Accident	Miscellaneous				Others	Total- Miscellaneous	Total
				Health Insurance	Credit Insurance	Crop/ Weather Insurance				
				2018-19	2018-19	2018-19	2018-19			
16,653	191,087	9,387	545,445	1,891,918	40,494	6,880	624,159	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	4,642,276	57,845	574,158	268,695	8,191,153	9,130,103	
5,560	(193,319)	6,291	35,502	(2,684,869)	(17,351)	(567,273)	363,335	2,170,298	2,229,052	

(₹ in 000's)

Public/ Product Liability	Engineering	Aviation	Personal Accident	Miscellaneous				Others	Total- Miscellaneous	Total
				Health Insurance	Credit Insurance	Crop/ Weather Insurance				
				2017-18	2017-18	2017-18	2017-18			
13,393	140,561	11,549	460,996	1,571,184	38,750	1,804	550,834	6,425,774	7,118,424	
608	57,236	45,042	1,360	109,876	-	-	4,689	218,861	316,566	
11,506	243,102	5,133	887,402	4,558,153	63,313	1,358,904	146,604	9,249,799	10,274,535	
2,495	(45,305)	51,458	(425,046)	(2,877,093)	(24,563)	(1,357,100)	408,919	(2,605,164)	(2,839,545)	

Schedules

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
	2018-19	Marine-Cargo 2018-19	Marine-Others 2018-19	Marine-Total 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	12,095	18,000	297	18,297	178,098	177,727	355,825	3,099
Service tax and 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 off rental income of ₹ 19,624 thousand (previous period ₹ 20,155 thousand)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
	2017-18	Marine-Cargo 2017-18	Marine-Others 2017-18	Marine-Total 2017-18	2017-18	2017-18	2017-18	2017-18
Employees' remuneration & welfare benefits	214,671	167,816	3,084	170,900	1,037,740	1,037,227	2,074,967	33,309
Travel, conveyance and vehicle running expenses	23,716	14,322	307	14,629	68,266	79,140	147,406	3,017
Training expenses	2,352	1,879	31	1,910	16,354	14,680	31,034	271
Rents, rates & taxes *	20,420	24,296	443	24,739	326,956	266,315	593,271	5,854
Repairs & Maintenance	13,316	11,202	275	11,477	161,979	151,368	313,347	3,956
Printing & stationery	1,822	2,195	40	2,235	33,939	28,777	62,716	565
Communication	11,322	8,123	148	8,271	113,619	101,182	214,801	2,054
Legal & professional charges	21,345	22,840	387	23,227	279,895	243,868	523,763	4,828
Auditors' fees, expenses etc								
(a) as auditor	361	458	8	466	5,954	4,725	10,679	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	39	40	2	42	179	145	324	5
Advertisement and publicity	25,240	16,051	204	16,255	436,859	441,726	878,585	4,683
Interest & Bank Charges	1,224	1,398	15	1,413	71,252	58,734	129,986	601
Others								
(a) Business support services	16,832	23,709	38	23,747	3,281,562	2,194,808	5,476,370	22,489
(b) Sales promotion	81,798	57,662	315	57,977	855,093	996,566	1,851,659	27,845
(c) Miscellaneous expenses	10,613	12,068	142	12,210	28,157	26,233	54,390	1,108
Depreciation	10,741	12,753	226	12,979	165,935	133,564	299,499	3,008
Service tax and GST on premium account	-	-	-	-	-	-	-	-
Total	455,812	376,812	5,665	382,477	6,883,739	5,779,058	12,662,797	113,702

* Rent expense is net off rental income of ₹ 20,155 thousand (previous period ₹ 27,999 thousand)

(₹ in 000's)

Public/Product Liability	Engineering	Aviation	Personal Accident	Miscellaneous				Others	Total-Miscellaneous	Total
				Health Insurance	Credit Insurance	Crop/Weather Insurance				
				2018-19	2018-19	2018-19	2018-19			
45,104	56,622	6,945	568,147	1,373,177	11,235	190,376	319,419	5,207,900	5,718,753	
7,354	5,522	590	42,311	102,849	1,397	51,778	26,414	454,530	508,684	
163	958	155	5,743	21,351	43	4,041	4,837	85,707	91,806	
1,437	6,804	637	46,217	137,818	280	254,851	37,191	940,126	973,084	
2,030	6,057	837	42,490	113,978	379	29,086	29,775	525,530	549,597	
279	1,058	123	8,627	27,569	62	5,903	4,722	112,211	116,899	
1,143	3,442	345	65,290	93,024	228	13,864	39,346	378,596	395,291	
2,526	21,862	1,289	81,812	262,656	34,196	337,367	126,885	1,451,057	1,534,506	
34	203	20	935	3,642	7	1,223	871	19,433	20,373	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
11	30	10	35	223	1	26	53	756	859	
765	5,663	269	88,389	276,456	168	875	204,259	1,824,102	1,856,087	
129	1,128	66	17,743	48,511	30	2,744	23,297	285,950	290,761	
249	1,750	100	9,045	26,060	43	6,330	6,212	120,843	127,558	
7,793	64,589	1,500	787,157	1,273,942	778	25,524	505,005	6,825,093	7,063,967	
143	954	50	2,418	24,211	84	1,700	4,798	47,271	54,531	
1,142	5,949	585	27,740	108,730	212	33,844	27,508	564,634	595,026	
-	-	-	-	-	-	-	-	-	-	
70,302	182,591	13,521	1,794,099	3,894,197	49,143	959,532	1,360,592	18,843,739	19,897,782	

(₹ in 000's)

Public/Product Liability	Engineering	Aviation	Personal Accident	Miscellaneous				Others	Total-Miscellaneous	Total
				Health Insurance	Credit Insurance	Crop/Weather Insurance				
				2017-18	2017-18	2017-18	2017-18			
41,558	113,080	15,368	456,889	1,168,300	9,394	193,238	444,337	4,550,440	4,936,011	
5,685	12,487	2,116	34,447	103,124	980	39,353	36,307	384,922	423,267	
163	1,184	231	3,271	12,330	28	2,172	4,613	55,297	59,559	
1,734	10,915	3,837	53,411	167,131	503	70,521	67,531	974,708	1,019,867	
2,332	7,183	2,322	40,855	121,510	436	37,652	41,967	571,560	596,353	
206	989	317	5,808	20,610	42	5,891	5,506	102,650	106,707	
1,097	5,755	1,058	55,590	124,636	252	18,725	84,079	508,047	527,640	
2,789	11,018	2,626	44,742	190,817	33,925	246,982	86,850	1,148,340	1,192,912	
28	194	63	742	2,985	8	1,244	1,061	17,113	17,940	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
12	30	12	31	148	-	37	59	658	739	
606	9,022	1,023	100,055	363,844	272	25,464	338,289	1,721,843	1,763,338	
51	771	72	9,515	30,232	19	896	19,076	191,219	193,856	
1,009	18,953	201	75,673	117,591	75	3,447	51,951	5,767,759	5,808,338	
3,715	40,435	1,881	374,768	846,762	686	42,522	538,709	3,728,982	3,868,757	
157	3,380	(2,978)	9,422	20,182	271	1,858	(16,576)	71,214	94,037	
795	5,778	1,726	21,381	86,915	226	33,482	32,822	485,632	509,352	
-	-	-	-	-	-	-	-	-	-	
61,937	241,174	29,875	1,286,600	3,377,117	47,117	723,484	1,736,581	20,280,384	21,118,673	

Schedules

forming part of the financial statements

Schedule: 5

Share Capital

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Authorised Capital		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	4,750,000	4,750,000
Issued Capital		
454,309,944 (previous year : 453,948,304) Equity Shares of ₹ 10 each	4,543,099	4,539,483
Subscribed Capital		
454,309,944 (previous year : 453,948,304) Equity Shares of ₹ 10 each	4,543,099	4,539,483
Called up Capital		
454,309,944 (previous year : 453,948,304) Equity Shares of ₹ 10 each	4,543,099	4,539,483
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	4,543,099	4,539,483

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]

Shareholder	(₹ in 000's)			
	At March 31, 2019		At March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	253,843,806	55.87%	253,843,806	55.92%
Others				
- Indian	68,231,813	15.02%	76,703,219	16.90%
- Foreign	132,234,325	29.11%	123,401,279	27.18%
Total	454,309,944	100.00%	453,948,304	100.00%

Schedule: 6

Reserves and Surplus

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.17)		
Opening balance	15,666,881	15,335,510
Additions during the period	33,465	331,371
Deductions during the period- share issue expenses	-	-
Closing balance	15,700,346	15,666,881
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 utilized for Buy-back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves		
Debenture Redemption Reserve		
Opening balance	103,929	-
Additions during the period	138,572	103,929
Deductions during the period	-	-
Closing balance	242,501	103,929
7. Balance of Profit in Profit and Loss Account	32,385,018	24,767,694
TOTAL	48,661,507	40,872,146

Schedule: 7

Borrowings

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
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

forming part of the financial statements

Schedule: 8

Investments-Shareholders

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	15,399,197	13,784,821
2. Other Approved Securities (note 3 below)	-	-
3. Other Investments		
(a) Shares		
(i) Equity (note 4 below)	5,014,781	6,572,485
(ii) Preference	86,774	12,353
(b) Mutual Funds	-	-
(c) Debentures/Bonds (note 5 below and note 5.2.24 in Schedule 16)	11,970,366	9,581,511
(d) Investment Properties-Real Estate (note 6 below)	257,896	1,415,907
(e) Other Securities (note 8 below)	1,696,484	1,333,342
4. Investments in Infrastructure and Housing	14,906,807	11,020,771
Total Long Term Investments	49,332,305	43,721,190
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	517,618	-
2. Other Approved Securities (note 7 below)	2,124,105	775,491
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	247,649	1,007,030
(c) Debentures/Bonds	424,942	544,090
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	784,138	1,235,845
Total Short Term Investments	4,098,452	3,562,456
Total Investments	53,430,757	47,283,646

Notes:

- Aggregate book value of investments (other than listed equities) is ₹ 47,758,816 thousand (previous year: ₹ 40,078,436 thousand).
- Aggregate market value of investments (other than listed equities) is ₹ 47,551,020 thousand (previous year: ₹ 40,126,619 thousand).
- Long term other approved securities include fixed deposit amounting to ₹ NIL (previous year: ₹ NIL).

4. Includes investments qualifying for Infrastructure and Housing investments of ₹ 556,518 thousand (previous year ₹ 473,190 thousand).
5. Includes investments in Perpetual Bonds of ₹ 3,825,955 thousand (previous year ₹ 3,661,663 thousand).
6. Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 23,114 thousand (previous year: ₹ 94,140 thousand). The fair value of Real Estate is ₹ 306,915 thousand (previous year: ₹ 1,699,752 thousand) which is based on a valuation report.
7. Short term other approved securities includes 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 (previous year: Certificate of Deposits amounting to ₹ 475,729 thousand, Fixed deposits amounting to ₹ 63,276 thousand, Commercial Paper amounting to ₹ 236,486 thousand and TREPS amounting to ₹ NIL).
8. Includes investment in Fixed deposit amounting to ₹ 35,413 thousand (previous year: ₹ NIL).
9. Investment in mutual fund has been reclassified as approved investment to be in conformity with the IRDAI regulations (Refer note 5.2.27 in Schedule 16).
10. Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8 in Schedule 16).

Schedules

forming part of the financial statements

Schedule: 8A

Investments-Policyholders

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	49,827,179	40,678,131
2. Other Approved Securities (note 3 below)	-	-
3. Other Investments		
(a) Shares		
(i) Equity (note 4 below)	16,226,327	19,394,985
(ii) Preference	280,774	36,452
(b) Mutual Funds	-	-
(c) Debentures/ Bonds (note 5 below)	35,496,809	28,274,431
(d) Investment Properties-Real Estate (note 6 below)	834,476	-
(e) Other Securities (note 8 below)	4,753,191	3,263,269
4. Investments in Infrastructure and Housing	48,233,951	32,521,594
Total Long Term Investments	155,652,707	124,168,862
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	1,674,855	-
2. Other Approved Securities (note 7 below)	6,872,968	2,288,423
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	764,710	2,933,276
(c) Debentures/Bonds	1,374,985	1,605,574
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	2,537,233	3,646,899
Total Short Term Investments	13,224,751	10,474,172
Total Investments	168,877,458	134,643,034

Notes:

- Aggregate book value of investments (other than listed equities) is ₹ 150,524,802 thousand (previous year: ₹ 113,380,965 thousand).
- Aggregate market value of investments (other than listed equities) is ₹ 150,071,298 thousand (previous year: ₹ 112,685,496 thousand).
- Long term other approved securities include fixed deposit amounting to ₹ NIL (previous year Fixed deposits of ₹ NIL).
- Includes investments qualifying for Infrastructure and Housing investments of ₹ 1,800,726 thousand (previous year ₹ 1,396,354 thousand).
- Includes investments in Perpetual Bonds of ₹ 12,379,640 thousand (previous year ₹ 10,812,754 thousand).
- Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 74,789 thousand (previous year ₹ NIL). The fair value of Real Estate is ₹ 993,085 thousand (previous year ₹ NIL) which is based on a valuation report.
- Short term other approved securities includes 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 (previous year Certificate of Deposits amounting to ₹ 1,403,847 thousand, Fixed deposits amounting to ₹ 186,724 thousand, Commercial Paper amounting to ₹ 697,852 thousand and TREPS amounting to ₹ NIL).
- Includes investment in Fixed deposit amounting to ₹ 114,587 thousand (previous year: ₹ NIL).
- Investment in mutual fund has been reclassified as approved investment to be in conformity with the IRDAI regulations (Refer note 5.2.27 in Schedule 16).
- Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8 in Schedule 16)

Schedule: 9

Loans

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Security wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	-	-
Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
Performance wise classification		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
Maturity wise classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	-	-

Note:- There are no loans subject to restructuring (previous year ₹ NIL).

Schedules

forming part of the financial statements

Schedule: 10

Fixed Assets

Particulars	Cost/Gross Block			March 31, 2019
	April 01, 2018	Additions	Deductions	
Goodwill	-	-	-	-
Intangibles-Computer Software	3,562,930	236,796	5,739	3,793,987
Land-Freehold	2,411,770	-	-	2,411,770
Leasehold Property	-	-	-	-
Buildings (note 1 below)	237,611	267,302	6,678	498,235
Furniture & Fittings (note 2 below)	686,806	375,474	141,655	920,625
Information Technology Equipment	507,155	194,960	36,845	665,270
Vehicles	104,920	48,344	3,120	150,144
Office Equipment (note 3 below)	399,236	303,691	55,552	647,375
Others	-	-	-	-
Total	7,910,428	1,426,567	249,589	9,087,406
Work in Progress (note 4 below)				
Grand total	7,910,428	1,426,567	249,589	9,087,406
Previous year	7,481,493	472,196	43,261	7,910,428

Note:

- Includes transfer of ₹ 267,302 thousand at cost less accumulated depreciation of ₹ 18,516 thousand from Investment properties for self/own use as approved by IRDAI
- Includes transfer of ₹ 25,993 thousand at cost less accumulated depreciation of ₹ 6,258 thousand from Investment properties for self/own use as approved by IRDAI
- Includes transfer of ₹ 6,094 thousand at cost less accumulated depreciation of ₹ 1,234 thousand from Investment properties for self/own use as approved by IRDAI
- Net of provision for doubtful advances of ₹ 1,475 thousand (Previous period : ₹ NIL)

Schedule: 11

Cash and Bank Balances

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Cash (including cheques, drafts and stamps)	430,522	312,780
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months) *	1,941,828	3,044,078
(bb) Others	-	-
(b) Current Accounts	1,644,116	2,561,306
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	4,016,466	5,918,164

* Other than Fixed Deposits forming part of Investment assets which is reflected under Schedule 8 and Schedule 8A - Investments

* Includes Fixed Deposit of ₹ 540,100 thousand (previous year ₹ 540,100 thousand) placed with BSE Ltd as a part of Listing Obligation and ₹ 1000 thousand (previous year ₹ NIL) placed with SBI bank for issuance of bank guarantee (refer note 5.1.2).

(₹ in 000's)

April 01, 2018	Depreciation		March 31, 2019	Net Block	
	For the year ended	On Sales/ Adjustments		March 31, 2019	March 31, 2018
-	-	-	-	-	-
2,849,561	328,237	5,739	3,172,059	621,928	713,369
-	-	-	-	2,411,770	2,411,770
-	-	-	-	-	-
52,134	15,641	(17,848)	85,623	412,612	185,477
593,923	91,351	133,971	551,303	369,322	92,883
465,013	60,226	36,685	488,554	176,716	42,142
17,449	25,409	950	41,908	108,236	87,471
256,848	52,397	41,900	267,345	380,030	142,388
-	-	-	-	-	-
4,234,928	573,261	201,397	4,606,792	4,480,614	3,675,500
				171,704	384,357
4,234,928	573,261	201,397	4,606,792	4,652,318	4,059,857
3,765,986	509,493	40,551	4,234,928	4,059,857	

Schedules

forming part of the financial statements

Schedule: 12

Advances and Other Assets

Particulars	(₹ in 000's)			
	At March 31, 2019		At March 31, 2018	
Advances				
Reserve deposits with ceding companies		1,473		1,473
Application money for investments		-		-
Prepayments		144,343		267,133
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		1,501,312		659,582
MAT credit entitlement		-		-
Others				
- Sundry Advances & Deposits	1,126,101		943,766	
- Provision for doubtful debts	(9,199)		(6,166)	
- Surplus in Gratuity fund	-		-	
- Advance to Employees against expenses	113	1,117,015	522	938,122
Total (A)		2,764,143		1,866,310
Other Assets				
Income accrued on investments/deposits		5,989,124		4,677,873
Outstanding Premiums	23,147,596		20,009,217	
Less: Provisions for doubtful debts	1,081,876	22,065,720	679,489	19,329,728
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	67,668,687		77,092,786	
Less : Provisions for doubtful debts	423,265	67,245,422	1,213,040	75,879,746
Due from subsidiaries/holding company		-		-
Assets held for unclaimed amount of policyholders	1,625,595		1,286,156	
Add: investment income accruing on unclaimed amount	281,425	1,907,020	138,002	1,424,158
Others				
- GST paid in advance		-		-
- Unsettled investment contract receivable		-	259,010	
- Margin deposit	41,200		40,100	
- Sundry receivable	23,982	65,182	835	299,945
Total (B)		97,272,468		101,611,450
Total (A+B)		100,036,611		103,477,760

Schedule: 13

Current Liabilities

Particulars	(₹ in 000's)			
	At March 31, 2019		At March 31, 2018	
Agents' Balances		141,308		119,752
Balances due to other insurance companies (net)		17,347,674		19,903,868
Deposits held on re-insurance ceded		192,748		130,227
Premiums received in advance		13,438,460		295,161
Unallocated Premium		8,283,352		4,197,457
Sundry Creditors		6,250,006		4,473,169
Due to subsidiaries/holding company		87,794		84,844
Claims Outstanding (gross)		164,255,969		159,160,313
Due to Officers/Directors		-		-
Unclaimed amount of policyholders (refer note no. 5.2.13)	1,938,704		1,122,939	
Add: investment income accruing on unclaimed amount	281,425	2,220,129	138,002	1,260,941
Others:				
- Statutory Dues	308,643		311,261	
- Salary Payable	9,275		4,712	
- Collections-Environment Relief fund (refer note no. 5.2.8)	221		1,265	
- Book Overdraft	1,101,286		3,243,945	
- Employee rewards	1,064,504		1,122,791	
- Deposits	54,560		40,790	
- Interim dividends payable	1,108		179	
- Dividend distribution tax on interim dividend	-		-	
- Interest accrued but not due on Borrowings	268,577		270,770	
- Service Tax/GST Liability	1,202,742	4,010,916	490,849	5,486,562
Total		216,228,356		195,112,294

Schedules

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Schedule: 14

Provisions

Particulars			(₹ in 000's)	
	At March 31, 2019		At March 31, 2018	
Reserve for unexpired risk	56,009,832		44,377,741	
Less: Unabsorbed enrollment costs - Government Schemes	-	56,009,832	-	44,377,741
Reserve for premium deficiency		-		-
For taxation (less advance tax paid and taxes deducted at source)		-		-
For proposed dividends		-		-
For dividend distribution tax		-		-
Others				
- Gratuity	31,548		84,055	
- Long term performance pay	224,847		218,447	
- Accrued leave	92,805		73,639	
- For future recoverable under reinsurance contracts	-	349,200	30,068	406,209
Total		56,359,032		44,783,950

Schedule: 15

Miscellaneous expenditure

(To the extent not written off or adjusted)

Particulars			(₹ in 000's)	
	At March 31, 2019		At March 31, 2018	
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, 2019

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 BSE Limited and National Stock Exchange 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 referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 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 IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) 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 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

Schedules

forming part of the financial statements

premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract 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 recognized 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 recognized as per the annual premium allocation determined at the inception of the policy in accordance with the product parameters filed with IRDAI, 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 recognized 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.

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 recognized 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 recognized 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. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report.

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 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.

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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 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 Employee Stock Option Scheme (“ESOS”)

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

4.10 Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price, 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.

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.

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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.

Impairment of Assets

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

4.11 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.

4.12 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 recognized 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.

4.13 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, are restated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognised in the 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.

4.14 Borrowings

Borrowing costs are charged to the Profit and Loss account in the period in which they are incurred.

4.15 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.

4.16 Taxation

Current tax

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

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

Deferred tax

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

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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. Unutilized 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 unutilized 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.

4.17 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.18 Earnings per share

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

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

4.19 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.

4.20 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

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
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)	4,305,776	4,166,548
Reinsurance obligations to the extent not provided for in accounts	-	-
Others : (Refer note-3 & 4 below)	1,884	157,829

- Note:** (1) The Company has disputed the demand raised by Income Tax Authorities of ₹ 227,099 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 demand (including interest and penalty) of ₹ 4,078,677 thousand (previous year: ₹ 3,939,449 thousand) from Service Tax Authorities/Goods & Service Tax Authorities, the appeals of which are pending before the appropriate Authorities.
- (3) The Company has received a demand of ₹ 45,955 thousand (previous year: ₹ 45,900 thousand) from Government of Uttar Pradesh seeking refund of premium on policies issued under the RSBY scheme. The company holds outstanding claim reserves of ₹ 44,071 thousand (previous year: ₹ 41,400 thousand) against these RSBY Policies. The company has filed an appeal with National Grievance Redressal Committee (NGRC).
- (4) In terms of IRDAI circular no. IRDA/F&A/CIR/MISC/105/07/2018 dated July 11, 2018, Master circular no. IRDA/F&A/CIR/MISC/20/02/2018 dated February 6, 2018 stands withdrawn and accordingly, the Company need not disclose the amount transferred to the Senior Citizens' Welfare Fund (SCWF) as Contingent liability as part of financial statement from financial year 2018-19 onwards. In the previous year the Company has shown ₹ 153,329 thousand (Including interest thereon of ₹ 19,651 thousand) transferred to the Senior Citizen's welfare fund as contingent liability.

5.1.2 The assets of the Company are free from all encumbrances except for fixed deposits of ₹ 541,100 thousand (previous year: ₹ 540,100 thousand) (Included in short term deposit account in Schedule – 11) for issuing bank guarantees.

5.1.3 Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 306,972 thousand (previous year: ₹ 250,056 thousand).

5.1.4 Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 6,932,036 thousand (previous year: ₹ 909,308 thousand).

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5.1.5 Claims

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

Particulars	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
In India	86,220,995	54,107,948
Outside India	1,218,746	1,207,629

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

Particulars	(₹ in 000's)	
	As at March 31, 2019	As at March 31, 2018
More than six months	45,434,370	35,125,420
Others	118,821,599	124,034,893

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 Appointed 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

Particulars	(₹ in 000's)			
	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Count	Amount	Count	Amount
Intimated	255	322,545	483	467,156
Paid	792	25,030	756	21,873
Outstanding	330	354,900	356	298,011

5.1.6 Premium

(A) All premiums net of Re-insurance are written and received in India.

(B) No premium income is recognized on varying risk pattern.

5.1.7 Sector wise details of the policies issued are given below:

Sector	For the year ended March 31, 2019					For the year ended March 31, 2018				
	GDPI	No. of	% of	No. of	% of	GDPI	No. of	% of	No. of	% of
	₹ in 000's	Policies	Policy	lives	GDPI	₹ in 000's	Policies	Policy	lives	GDPI
Rural	28,608,945	761,664	2.88	-	19.75	27,087,941	717,698	3.05	-	21.92
Social	75,257	0	0.00	10,408,643	0.05	378,553	0	0.00	6,275,397	0.31
Urban	116,198,073	25,722,414	97.12	-	80.20	96,102,052	22,802,165	96.95	-	77.77
Total	144,882,275	26,484,078	100.00		100.00	123,568,546	23,519,863	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, 2019		For the year ended March 31, 2018	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	21%	79%	21%	79%
Marine – Cargo	Value at risk	72%	28%	70%	30%
Marine – Hull	Value at risk	7%	93%	7%	93%
Miscellaneous					
- Engineering	Total sum insured	34%	66%	34%	66%
- Motor	Total sum insured	90%	10%	89%	11%
- Workmen's Compensation	Value at risk	85%	15%	90%	10%
- Public Liability	Value at risk	48%	52%	55%	45%
- Personal Accident	Value at risk	82%	18%	72%	28%
- Aviation	Value at risk	21%	79%	40%	60%
- Health	Value at risk	70%	30%	67%	33%
- Credit Insurance	Value at risk	8%	92%	8%	92%
- Crop/Weather Insurance	Value at risk	26%	74%	27%	73%
- Others	Value at risk	64%	36%	70%	30%

5.1.9 (A) Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 81,944 thousand (previous year: ₹ NIL); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis is ₹ 21,651,683 thousand (previous year: ₹ 25,063,263 thousand).

Particulars	(₹ in 000's)	
	As at March 31, 2019	As at March 31, 2018
Equity Shares	20,640,383	21,128,563
Mutual Funds	1,011,300	3,934,700
Total	21,651,683	25,063,263

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. (Refer note no. 5.2.24)

(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.

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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 off 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 of ₹ 241,920 thousand in excess of segmental limits pertaining to 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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses on defined contribution plan		
Contribution to staff provident fund	197,850	168,203

(₹ in 000's)

(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, 2019	For the year ended March 31, 2018
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	607,582	540,390
Current Service Cost	77,296	71,775
Interest Cost	47,103	39,110
Actuarial Losses/(Gain)	65,887	10,310
Liabilities assumed on Acquisition	-	-
Benefits Paid	(67,189)	(54,003)
Closing Defined Benefit Obligation	730,679	607,582
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	523,527	542,670
Expected Return on Plan Assets	37,943	39,923
Actuarial Gains/(Losses)	5,699	(5,063)
Contributions by Employer	199,151	-
Assets acquired on acquisition	-	-
Benefits paid	(67,189)	(54,003)
Closing Fair Value of Plan Assets	699,131	523,527
Expected Employer's contribution Next Year	70,000	70,000

	(₹ in 000's)	
Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2019	At March 31, 2018
Fair Value of Plan Assets at the end of the year	(699,131)	(523,527)
Present Value of the defined obligations at the end of the year	730,679	607,582
Liability recognised in the balance sheet	31,548	84,055
Asset recognised in the balance sheet	-	-
Assumptions		
Discount Rate	7.00% p.a.	7.45% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
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.

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Investment Pattern of Gratuity Funds:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	%	Amount	%
Group Balanced Fund	511,069	73	454,010	87
Group Debt Fund	14	0	14	0
Group Short Term Debt Fund	188,048	27	69,503	13
Total Funds*	699,131	100	523,527	100

*The funds are managed by ICICI Prudential Life Insurance Company Limited.

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Current Service Cost	77,296		71,775
Interest on Defined Benefit Obligation	47,104		39,110	
Expected return on Plan Assets	(37,943)		(39,923)	
Net Actuarial Losses/(Gains) recognised in year	60,188		15,373	
Past Service Cost	-		-	
Losses/(Gains) on "Curtailments & Settlements"	-		-	
Losses/(Gains) on "Acquisition/ Divestiture"	-		-	
Effect of limit in Para 59 (b)	-		-	
Total included in Employee Benefit Expense	146,644		86,335	

Experience adjustments of five years is given below

Particulars	(₹ in 000's)				
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined Benefit Obligation	730,679	607,582	540,390	417,465	384,444
Plan assets	699,131	523,527	542,670	421,344	382,942
Surplus/(Deficit)	(31,548)	(84,055)	2,280	3,879	(1,502)
Exp. Adj on Plan Liabilities	48,064	28,632	44,699	(32,494)	5,957
Exp. Adj on Plan Assets	5,699	(5,063)	18,732	(11,373)	26,894

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.

Particulars	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	73,639	105,028
Add: Provision made during the year	19,166	(31,389)
Closing balance	92,805	73,639
Assumptions		
Discount Rate	7.00% p.a.	7.45% 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.

Particulars	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	218,447	283,449
Add: Provision made during the year	6,400	(65,002)
Closing balance	224,847	218,447
Assumptions		
Discount Rate	6.65% p.a.	6.75% p.a.

5.1.12 Remuneration to Managerial and Key Management Persons

(A) The details of remuneration of MD & CEO and two Wholetime Directors' as per the terms of appointment are as under:

Particulars (see note below)	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and allowances	129,479	109,520
Contribution to provident and other funds	5,550	4,856
Perquisites	1,541	1,559

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 of 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:

Particulars (see note below)	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and allowances	199,271	165,424
Contribution to provident and other funds	6,100	5,301
Perquisites	1,592	1,372

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 361,640 equity shares (previous year: 2,797,618 equity shares) under ESOP raising ₹ 37,081 thousand (previous year: ₹ 359,347 thousand).

During the year the Company has not made any preferential allotment (previous year ₹ NIL).

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(B) Share Application

At March 31, 2019 the Company had not received any share application money (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:

Particulars	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Outsourcing expenses	2,156,219	1,770,139
Business development		
- Sales promotion	7,153,367	3,868,826
- Business support services	128,669	5,808,351
Marketing support	1,892,416	1,763,337

5.1.15 Details of penal actions taken by various Govt. authorities during year ended March 31, 2019:

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	(₹ in 000's)
					Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	-	-	-	-
		(-)	(-)	(-)	(-)
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, 1956	-	-	-	-
		(-)	(-)	(-)	(-)
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)	-	-	-	-
		(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2018

5.1.16 Summary of Financial Statements for five years:

Particulars	(₹ in 000's)				
	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Operating Result					
Gross direct premium	144,882,275	123,568,546	107,251,960	80,907,071	66,777,956
Net premium income #	95,385,568	78,447,557	65,947,994	54,348,919	44,276,854
Income from investments (net)@	13,355,190	11,267,503	10,012,329	9,299,869	7,641,750
Other income	413,516	278,607	446,568	400,599	227,116
Total income	109,154,274	89,993,667	76,406,891	64,049,387	52,145,720
Commissions (net) (including brokerage)	2,229,052	(2,839,545)	(4,341,303)	(3,279,732)	(3,738,213)
Operating expenses	19,897,782	21,118,673	19,820,372	17,112,042	13,870,587
Net incurred claims & other outgoes	63,081,176	53,147,238	49,543,315	39,282,142	34,434,368
Change in unexpired risk reserve	11,632,090	9,330,209	4,311,952	6,132,746	1,923,506
Operating Profit/(Loss)	12,314,174	9,237,092	7,072,555	4,802,189	5,655,472
Non - Operating Result					
Total income under shareholder's account (net of expenses)	3,669,990	2,725,239	2,028,459	2,274,739	1,251,749
Profit/(Loss) before tax	15,984,164	11,962,331	9,101,014	7,076,928	6,907,221
Provision for tax	5,491,538	3,344,574	2,082,175	2,002,461	1,551,076
Profit/(Loss) after tax	10,492,626	8,617,757	7,018,839	5,074,467	5,356,145
Miscellaneous					
Policy holder's account:					
Total funds	172,154,124	134,006,827	107,240,107	88,920,306	70,427,250
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Shareholder's account:					
Total funds	53,204,606	45,411,629	37,252,943	31,756,464	28,233,291
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Paid up equity capital	4,543,099	4,539,483	4,511,507	4,475,384	4,465,940
Net worth **	53,204,606	45,411,629	37,252,943	31,756,464	28,233,291
Total assets	334,026,207	297,496,589	233,508,755	156,758,044	136,563,891
Yield on total investments (annualised)	9%	9%	10%	11%	10%
Earnings per share (₹)	23.11	19.01	15.66	11.35	12.03
Book value per share (₹)	117.11	100.04	82.57	70.96	63.22
Total dividend (excluding dividend tax)	2,270,104	679,988	1,571,008	1,341,696	891,225
Dividend per share (₹)	5.00 ^	1.50	3.50	3.00	2.00

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 ₹ 2.50 per share for FY 2017-18 paid during FY 2018-19 and Interim dividend of ₹ 2.50 per share for FY 2018-19. The proposed final dividend of ₹ 3.50 per share for FY 2018-19 is subject to requisite approval of Members which will be paid in FY 2019-20.

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5.1.17 Ratio Analysis:

(A) For ratios at March 31, 2019 refer Annexure 1a and 1b and for March 31, 2018 refer Annexure 2a and 2b

(B) Solvency Margin

	(₹ in 000's)	
Solvency Margin	At March 31, 2019	At March 31, 2018
Required solvency margin under IRDAI Regulations (A)	23,446,500	21,907,300
Available solvency margin (B)	52,576,200	44,912,000
Solvency ratio actual (times) (B/A)	2.24	2.05
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 finalized 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, 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.

The salient features of the Scheme are stated below:

Performance ESOPs (2005, 2006 & 2007):

Scheme		
Date of grant	2005	April 26, 2005
	2006	April 24, 2006
	2007	April 21, 2007
No. of Options granted (in 000's)	13,322	
Grant Price	₹ 35 – ₹ 60	
Graded Vesting Period		
1 st Year	20% of option	
2 nd Year	20% of option	
3 rd Year	30% of option	
4 th Year	30% of 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	
Mode of settlement	Equity	

Performance ESOPs (2009):

Scheme	
Date of grant	2009 July 21, 2009
No. of Options granted (in 000's)	1,249
Grant Price	₹ 91
Graded Vesting Period	
1 st Year	0% of option
2 nd Year	20% of option
3 rd Year	20% of option
4 th Year	30% of option
5 th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2010):

Scheme	
Date of grant	2010 April 19, 2010
No. of Options granted (in 000's)	2,312
Grant Price	₹ 114
Graded Vesting Period	
1 st Year	20% of option
2 nd Year	20% of option
3 rd Year	30% of option
4 th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2011):

Scheme	
Date of grant	2011 April 25, 2011
No. of Options granted (in 000's)	723
Grant Price	₹ 109
Graded Vesting Period	
1 st Year	40% of option
2 nd Year	60% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

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Performance ESOPs (2018):

Scheme	
Date of grant	2018 July 17, 2018
No. of Options granted (in 000's)	947
Grant Price	₹ 715.15
Graded Vesting Period	
1 st Year	30% of option
2 nd Year	30% of option
3 rd Year	40% of option
Maximum term of option granted	5 years from the date of grant
Mode of settlement	Equity

Special ESOPs (2018):

Scheme	
Date of grant	2018 July 17, 2018
No. of Options granted (in 000's)	1,583
Grant Price	₹ 715.15
Graded Vesting Period	
1 st Year	0% of option
2 nd Year	0% of option
3 rd Year	50% of option
4 th Year	50% of option
Maximum term of option granted	5 years from the date of grant
Mode of settlement	Equity

The estimated fair value is computed on the basis of Black- Scholes option for Performance ESOP (2018) and Special ESOP (2018) issued during the year ended March 31, 2019. No options are vested during the year ended March 31, 2019 and ₹ 37,081 thousand (previous year: ₹ 359,347 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 ₹ 176,244 thousand (Previous year ₹ NIL) and profit after tax would have been lower by ₹ 115,686 thousand (Previous year ₹ NIL). Consequently, the Company's basic and diluted earnings per share would have been ₹ 22.85 and ₹ 22.81 respectively.

The weighted average price of options exercised during the year ended March 31, 2019 is ₹ 102.5 (previous year: ₹ 130.1).

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, 2019	At March 31, 2018	At March 31, 2019	At March 31, 2018
Outstanding at the beginning of the year	255	2,185	240	995
Add: Granted during the year	2,345	-	184	-
Less: Forfeited/lapsed during the year	(18)	(21)	-	-
Less: Exercised during the year	(174)	(1,909)	(188)	(755)
Outstanding at the end of the year	2,408	255	236	240
Exercisable at the end of the year	2,408	255	236	240

The weighted average remaining contractual life of options outstanding at the end of the year is as follows:

Exercise Price (in ₹)	At March 31, 2019		At March 31, 2018	
	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)
35	-	-	9	0.1
40	-	-	6	1.1
60	16	1.1	23	2.1
91	-	0.3	110	1.3
114	57	1.1	260	2.1
109	60	2.1	87	3.1
715.15	933	4.3	-	-
715.15	1,578	4.3	-	-
Total	2,644	4.2	495	2.0

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, 2019 for all lines of business has been estimated by the Appointed 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 (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, 2019 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 ₹ 336 thousand (previous year: ₹ 127 thousand) is duly certified by the Appointed 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, 2018 (previous year: December 31, 2017) as per the last confirmation 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 not received any statement of accounts for the period subsequent to April 1, 2018. The proportionate share on income for the period from the pool has been accounted on an estimated basis.

5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income is net of interest expense of ₹ NIL (previous year: ₹ 1,755 thousand) 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 ₹ 3,871 thousand (Previous year ₹ 4,056 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 4,915 thousand (Previous year ₹ 3,711 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 ₹ 221 thousand (Previous year ₹ 1,265 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:

Particulars	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
a. not later than one year	1,817	1,302
b. later than one year and not later than five years	308	760
c. later than five years	-	-

An amount of ₹ 1,770 thousand (previous year: ₹ 3,083 thousand) towards said lease payments has been recognised in the statement of revenue account.

5.2.10 Micro and Small scale business entities

There is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2019 (previous year: ₹ NIL). This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

5.2.11 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.

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Segmental Assets & Liabilities to the extent identifiable to business segment:

(₹ in 000's)

Segment	Year	Current Assets	Current Liabilities	Provisions
		Outstanding Premium	Claims Outstanding	Reserve for Unexpired risk
Fire	FY 2018-19	10,296	17,357,168	1,201,847
	FY 2017-18	36,129	15,370,707	870,983
Engineering	FY 2018-19	-	3,359,540	579,410
	FY 2017-18	80,240	3,048,607	507,771
Marine Cargo	FY 2018-19	27,353	2,738,789	540,139
	FY 2017-18	-	2,225,987	433,072
Marine Hull	FY 2018-19	-	2,888,146	55,870
	FY 2017-18	-	2,367,097	74,562
Motor OD	FY 2018-19	7,058	7,314,990	15,789,790
	FY 2017-18	-	6,862,700	13,896,375
Motor TP	FY 2018-19	4,680	81,557,545	16,462,801
	FY 2017-18	-	68,075,907	11,148,018
Workmen Compensation	FY 2018-19	-	722,435	206,947
	FY 2017-18	-	664,505	185,835
Public/Product Liability	FY 2018-19	-	430,961	78,700
	FY 2017-18	-	345,697	70,772
Personal Accident	FY 2018-19	-	3,979,787	5,762,017
	FY 2017-18	4,262	3,486,562	4,583,072
Aviation	FY 2018-19	-	1,738,809	52,555
	FY 2017-18	-	1,801,215	55,875
Health	FY 2018-19	500,850	5,332,087	10,013,278
	FY 2017-18	1,040,242	4,408,308	8,195,008
Credit Insurance	FY 2018-19	-	505,082	6,742
	FY 2017-18	-	511,089	8,073
Crop/Weather Insurance	FY 2018-19	21,506,678	30,522,632	-
	FY 2017-18	18,155,389	45,150,762	4
Others	FY 2018-19	8,805	5,807,998	5,259,736
	FY 2017-18	13,466	4,841,170	4,348,320
Total Amount	FY 2018-19	22,065,720	164,255,969	56,009,832
	FY 2017-18	19,329,728	159,160,313	44,377,741

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

ICICI Bank Limited (Holding Company)

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

Fellow Subsidiaries/Associates/Other related entities:

Name of the Related Party	Relationship
ICICI Bank Limited	Holding Company
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:

Ranjana Dasgupta : Spouse of Bhargav Dasgupta
Malini Dasgupta : Daughter of Bhargav Dasgupta
Meghna Dasgupta : Daughter of Bhargav Dasgupta
Ansuman Dasgupta : Father of Bhargav Dasgupta
Brij Mohan Gupta : Brother of Alok Kumar Agarwal
Vibha Mantri : Spouse of Sanjeev Mantri
Anoushka Mantri : Daughter of Sanjeev Mantri
Aditya Mantri : Son of Sanjeev Mantri
Nimisha Chandak : Sister of Sanjeev Mantri

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Details of transaction with related parties for the year ended March 31, 2019 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	FAL Corporation*	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Premium income	1,902,487	24,977	4,087	207,272	87,552	66,363	-	158
	(1,699,440)	(9,113)	(4,332)	(215,943)	(89,112)	(66,771)	(-)	(279)
Claim payments net of claims received	50,932	-	881	-2,880	36,122	392	-	-
	(42,160)	(-)	(1,945)	(-4,236)	(30,043)	(11,806)	(-)	(87)
Commission/ Brokerage payouts	1,273,345	24,192	-	-	5,015	-	-	-
	(1,109,676)	(24,679)	(-)	(-)	(4,984)	(-)	(-)	(-)
Investment								
- Purchases	2,016,945	-	2,998,049	1,053,200	-	-	-	-
	(1,217,983)	(-)	(1,321,400)	(3,978,445)	(-)	(-)	(-)	(-)
- Sales	-	-	-	952,784	-	-	-	-
	(1,591,230)	(-)	(549,393)	(4,511,052)	(-)	(-)	(-)	(-)
Issue of Share capital	-	-	-	-	-	-	-	1,880
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7,550)
Receipt of Share premium	-	-	-	-	-	-	-	17,827
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(80,775)
Premium paid	-	-	-	14,187	-	-	-	-
	(-)	(-)	(-)	(11,634)	(-)	(-)	(-)	(-)
Establishment & other expenditure	357,338	-17,663	-	-	4,097	-	-	136,570
	(288,010)	(-17,214)	(-)	(-873)	(2,298)	(-)	(-)	(115,934)
IPO expenses	4,530	-	-	-	-	-	-	-
	(193,615)	(-)	(-)	(-)	(-)	(-)	(332,140)	(-)
Royalty expenses	86,178	-	-	-	-	-	-	-
	(52,641)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	1,269,219	-	-	-	-	-	-	4,280
	(404,587)	(-)	(-)	(-)	(-)	(-)	(116,083)	(1,115)
Fixed Assets								
- Sales	-	-	-	23	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in brackets pertains to the year ended March 31, 2018

*The joint-venture agreement dated October 4, 2000 (as amended/restated from time to time) entered among Fairfax Financial Holdings and ICICI Bank has been terminated pursuant to a termination agreement executed on July 3, 2017.

Balances with related parties at March 31, 2019, 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	FAL Corporation*	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Assets								
Cash, Bank Balances & Deposits	150,962 (-684,903)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Liabilities								
Capital	2,538,438 (2,538,438)	- (-)	- (-)	- (-)	- (-)	- (-)	- (449,788)	10,630 (8,750)
Share premium	10,872,192 (10,872,192)	- (-)	- (-)	- (-)	- (-)	- (-)	- (3,819,959)	101,827 (84,000)
Premium received in advance/Cash deposits	694,948 (296,267)	442 (153)	4,280 (5,085)	7,877 (11,826)	1,032 (760)	44,290 (44,396)	- (-)	- (-)
Others liabilities/ Payables	665,549 (591,540)	9,872 (7,109)	- (-)	6,822 (986)	438 (1,577)	- (1,584)	- (-)	- (-)

Figures in brackets are as at March 31, 2018

Above amounts are excluding Service Tax and GST wherever applicable

*The joint-venture agreement dated October 4, 2000 (as amended/restated from time to time) entered among Fairfax Financial Holdings and ICICI Bank has been terminated pursuant to a termination agreement executed on July 3, 2017.

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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, 2019

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	891,602 (170,088)	1,976 (6,578)	265,331 (132)	215,718 (117)	109,620 (29)	62,656 (1,850)	30,885 (2,190)	205,416 (159,192)
Cheques issued but not encashed by the policyholder/ insured	1,047,102 (952,851)	290,899 (233,703)	70,423 (34,286)	39,757 (58,545)	19,292 (29,320)	49,887 (17,985)	24,432 (25,198)	552,412 (553,814)
Total	1,938,704 (1,122,939)	292,875 (240,281)	335,754 (34,418)	255,475 (58,662)	128,912 (29,349)	112,543 (19,835)	55,317 (27,388)	757,828 (713,006)

Figure in brackets pertain to year ended March 31, 2018

Movement in unclaimed amount of policy holders due

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Opening Balance		1,260,941		1,330,280
Add: Amount transferred to unclaimed amount during the year		2,150,473		809,505
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders		7,182		8,910
Add: Investment income		164,551		77,997
Less: Amount paid during the year		1,243,791		812,422
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred)		119,227		153,329
Closing balance		2,200,129		1,260,941

- (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, 2019

Particulars	(₹ in 000's)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(loss) available to equity shareholders ₹	10,492,626	8,617,757
Weighted average number of equity shares		
Number of shares at the beginning of the year	453,948	451,151
Share issued during the year	362	2,797
Total number of equity share outstanding at the end of the year	454,310	453,948
Weighted average number of equity shares outstanding during the year	454,051	453,361
Add : Effect of dilutive issues of options and share application pending allotment	893	430
Diluted weighted average number of equity shares outstanding during the year	454,943	453,791
Nominal value of equity shares ₹	10	10
Basic earning per share ₹	23.11	19.01
Diluted earning per share ₹	23.06	18.99

5.2.15 Deferred taxes

The major components of deferred tax are as under:

Particulars	(₹ in 000's)	
	As at March 31, 2019	As at March 31, 2018
Timing differences on account of:		
Reserve for Unexpired Risks	2,407,757	1,376,111
Provision for escalation in lease rentals	44,878	40,452
Depreciation	-	-
Leaves accrued	32,430	25,733
Provision for doubtful debts	527,532	671,832
Total	3,012,597	2,114,128
Net deferred tax asset/(liability)	3,012,597	2,114,128
Deferred tax expense/(income) recognised in the Profit and Loss A/c	(898,469)	(1,241,839)

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5.2.16 REPO/Reverse repo transactions

	(₹ in 000's)			
	For the year ended March 31, 2019			Outstanding at March 31, 2019
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	
Securities sold under repo (At cost)				
Government Securities	-	-	-	-
	(109,647)	(493,741)	(325,503)	(-)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Securities purchased under reverse repo (At cost)				
Government Securities	49,939	499,944	294,231	-
	(545,948)	(4,330,498)	(2,019,287)	(-)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2018

5.2.17 During the year ended March 31, 2019 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 ₹ 181,534 thousand (previous year: ₹ 148,824 thousand).

(b) Amount spent during the year is ₹ 183,691 thousand (previous year: ₹ 149,645 thousand).

Particulars	In cash	Yet to be paid in cash	(₹ in 000's)
			Total
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	183,691	-	183,691
	(149,645)	(-)	(149,645)
(a) Contribution to ICICI Foundation projects (Skill development & sustainable livelihoods; elementary education & healthcare)	136,100	-	136,100
	(111,600)	(-)	(111,600)
(b) Ride to safety (helmet distribution to children)	28,815	-	28,815
	(25,173)	(-)	(25,173)
(c) Access to Healthcare: Sanitation and Healthcare (Preventive and Curative)	3,048	-	3,048
	(1,133)	(-)	(1,133)
(d) Eye check-up camps for under privileged school children led by employees	15,728	-	15,728
	(11,739)	(-)	(11,739)
(e) Contribution to Disaster Relief fund	-	-	-
	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2018

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

(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

Pursuant to IRDAI circular no. IRDA/F&A/OFC/01/2014-15/115 dated August 4, 2017, and as required by Companies (Share Capital and Debentures) Rules, 2014, Company has started creating Debenture Redemption Reserve (DRR) from July 1, 2017 on a straight-line basis over the balance tenure. The appropriation as on March 31, 2019 on this account is ₹ 242,501 thousand.

5.2.19 As at March 31, 2019 there are no (previous year: ₹ NIL) outstanding forward exchange contracts.

5.2.20 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, 2019, the Company did not have any outstanding long term derivative contracts (previous year: ₹ NIL).

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5.2.22 For the year ended March 31, 2019, the company has transferred ₹ 1 thousand (previous year: ₹ NIL) to the Investor Education & Protection Fund.

5.2.23 Dividend

Interim dividend appropriation for the year ended March 31, 2019 amounted to ₹ 1,601,812 thousand (Previous year ₹ 818,418 thousand) including dividend distribution tax of ₹ 466,626 thousand (Previous year ₹ 138,430 thousand).

The Board of directors have also proposed a final dividend of ₹ 1,135,775 thousand (Previous year: ₹ 1,134,871 thousand) subject to requisite approvals. Dividend distribution tax on the same amounts to ₹ 274,724 thousand (Previous year: ₹ 233,276 thousand).

5.2.24 The Company had invested ₹ 3,250,000 thousand in non-convertible debentures (NCD) of M/s Tata Sons Limited prior to year ended March 31, 2018. There had been a change in the legal status of M/s Tata Sons Limited to M/s Tata Sons Private Limited effective from August 6, 2018. The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, specifies that an insurer cannot invest or keep invested in any private limited company.

The company has continued to value and classify these investments as Long-term under the "Approved Investments" category and allocated this investment to shareholders funds from date of change of legal status.

During the last quarter, the Company has sold NCD's amounting to ₹ 2,250,000 thousand. As at 31st March, 2019 the Company's investment in the said NCD's aggregated ₹ 1,000,000 thousand. Subsequent to the Balance Sheet date, the Company has disposed of the remaining investment in the NCD's of Tata Sons Private Limited.

5.2.25 (a) The Company had dues recoverable to the extent of ₹ 1,027,565 thousand from certain foreign reinsurers against which the company held a provision for doubtful debts aggregating to ₹ 1,002,393 thousand as of March 31, 2019. During the year ended March 31, 2019, 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.

(b) Further the Company has made provision of ₹ 402,387 thousand during the year ended March 31, 2019 on account of Mass Health receivables.

5.2.26 Other income (non-operating results) includes interest on tax refund of ₹ 139,069 thousand (previous year: ₹ 80,176 thousand) awarded during the year.

5.2.27 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	Amount (in ₹ 000's)	Reason
1	Schedule 8 Investments - Shareholders (Short term Investments – 3(d) Other Securities)	Schedule 8 Investments - Shareholders (Short term Investments –3(b) Mutual Funds)	March 2018	1,007,030	Investment in mutual fund has been regrouped as approved investment to be in conformity with the IRDAI regulations.
2	Schedule 8A Investments - Policyholders (Short term Investments – 3(d) Other Securities)	Schedule 8A Investments - Policyholders (Short term Investments –3(b) Mutual Funds)	March 2018	2,933,276	Investment in mutual fund has been regrouped as approved investment to be in conformity with the IRDAI regulations.

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, April 18, 2019

Annexure-1A 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	21%								
7	Expense of Management to Net Written Premium Ratio	32%								
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

- GDPI = Premium from direct business written, NWP = Net written premium
- Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure + Debit balance in profit & loss account)
- Expenses of management = Commission paid-direct + Operation expenses related to insurance business
- Liquid asset = Short term investments + Cash and bank balances
- Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
- 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)/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, 2019

1	(a) No. of shares	454,309,944
2	(b) Percentage of shareholding (Indian/Foreign)	70.9%/29.1%
3	(c) % of Government holding (in case of public sector insurance companies)	-
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ 23.11 and ₹ 23.06
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ 23.11 and ₹ 23.06
6	(iv) Book value per share (₹)	117.11

Annexure-2A Analytical Ratios

as at March 31, 2018

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	15%	23%	8%	5%	7%	11%	23%	16%	14%
2	Gross Direct Premium to Net Worth Ratio	2.72								
3	Growth rate of Net Worth	22%								
4	Net Retention Ratio	62%	16%	67%	4%	54%	85%	94%	89%	88%
5	Net Commission Ratio	-4%	-31%	12%	0%	12%	6%	0%	3%	9%
6	Expense of Management to Gross Direct Premium Ratio	23%								
7	Expense of Management to Net Written Premium Ratio	36%								
8	Net Incurred Claims to Net Earned Premium	77%								
9	Combined Ratio	100%								
10	Technical Reserves to Net Premium Ratio	2.59								
11	Underwriting balance Ratio	(0.03)	0.59			0.14				
12	Operating Profit Ratio	13%								
13	Liquid Assets to liabilities Ratio	10%								
14	Net earnings Ratio	12%								
15	Return on Net Worth Ratio	19%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.05								
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

- GDPI = Premium from direct business written, NWP = Net written premium
- Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus)-(Miscellaneous expenditure + Debit balance in profit & loss account)
- Expenses of management = Commission paid-direct + Operation expenses related to insurance business
- Liquid asset= Short term investments + Cash and bank balances
- Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
- 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
56%	10%	16%	27%	11%	31%	10%	32%	15%	(GDPI current year- GDPI previous year)/ GDPI previous year
									GDPI/Net worth
									(Net worth current year- Net worth previous year)/Net worth previous year
38%	30%	30%	71%	67%	8%	23%	65%	67%	NWP/(GDPI + RI accepted)
2%	-5%	19%	-13%	-22%	-72%	-25%	9%	-3%	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
								(0.05)	(Underwriting profit/loss)/Net Earned Premium
									(Underwriting profit/loss + Investment income)/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, 2018

1	(a) No. of shares	453,948,304
2	(b) Percentage of shareholding (Indian/Foreign)	72.8%/27.2%
3	(c) % of Government holding (in case of public sector insurance companies)	-
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the year	₹ 19.01 and ₹ 18.99
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 19.01 and ₹ 18.99
6	(iv) Book value per share (₹)	100.04

Receipts & Payment Account (Direct basis)

for the year ended March 31, 2019

(₹ in 000's)

	Year ended March 31, 2019		Year ended March 31, 2018	
A CASH FLOW FROM OPERATING ACTIVITIES				
1 - Premium received from policyholders, including advance receipt	174,278,981		131,180,312	
2 - Other receipts (including environment relief fund & and Terrorism Pool)	499,204		374,397	
3 - Receipt/(payment) from/to re-insurer net of commissions & claims recovery	(7,439,666)		(13,210,925)	
4 - Receipt/(payment) from/to co-insurer net of claims recovery	4,090,044		2,942,444	
5 - Payments of claims (net of salvage)	(88,542,074)		(54,505,848)	
6 - Payments of commission and brokerage	(12,885,778)		(6,941,674)	
7 - Payments of other operating expenses* ²	(20,171,608)		(22,669,799)	
8 - Preliminary and preoperative expenses	-		-	
9 - Deposits, advances & staff loans (net)	(139,399)		(423,035)	
10 - Income tax paid (net)	(7,231,737)		(3,219,438)	
11 - Service taxes/Goods and service tax paid	(12,694,645)		(9,628,051)	
12 - Cash flows before extraordinary items		29,763,322		23,898,383
13 - Cash flows from extraordinary operations		-		-
14 Net cash from operating activities		29,763,322		23,898,383
B CASH FLOW FROM INVESTING ACTIVITIES				
1 - Purchase of fixed assets (including capital advances)	(1,168,415)		(750,290)	
2 - Proceeds from sale of fixed assets	6,470	(1,161,945)	3,522	(746,768)
3 - Purchase of investments	(100,976,121)		(120,236,708)	
4 - Loans disbursed	-		-	
5 - Sale of investments	63,849,080		86,694,401	
6 - Repayments received	-		-	
7 - Rent/interest/dividends received	12,067,451		9,278,410	
8 - Investments in money mkt instruments and liquid mutual fund (net)	(2,319,374)		6,072,145	
9 - Other payments (Interest on IMTPIP)	-		-	
10 - Other payments (Advance payment for purchase of real estate)	-		-	
11 - Expenses related to investments	(32,226)		(18,377)	
12 - Other (Deposit received on leasing of premises)	9,150	(27,402,040)	-	(18,210,129)
13 Net cash from investing activities		(28,563,985)		(18,956,897)

(₹ in 000's)

	Year ended March 31, 2019	Year ended March 31, 2018
C CASH FLOW FROM FINANCING ACTIVITIES		
1 - Proceeds from issuance of share capital/ application money (including share premium & net of share issue expenses)	37,083	346,592
2 - Proceeds from borrowing	-	-
3 - Repayments of borrowing	-	-
4 - Brokerage and other expenses on borrowings	-	-
5 - Interest/Dividends paid	(3,138,118)	(1,310,267)
6 Net cash from financing activities	(3,101,035)	(963,675)
D Effect of foreign exchange rates on cash and cash equivalents, net	-	-
E Net increase/(decrease) in cash and cash equivalents	(1,901,698)	3,977,811
1 Cash and cash equivalents at the beginning of the year	5,918,164	1,940,353
2 Cash and cash equivalents at end of the period*1	4,016,466	5,918,164

*1 Cash and cash equivalent at the end of the period includes short term deposits of ₹ 1,941,828 thousand (previous period: ₹ 3,044,078 thousand) balances with banks in current accounts ₹ 1,644,116 thousand (previous period: ₹ 2,561,306 thousand) and cash including cheques and stamps in hand amounting to ₹ 430,522 thousand (previous period: ₹ 312,780 thousand)

*2 Includes payments towards Corporate Social Responsibility of ₹ 183,691 thousand (previous period: ₹ 149,645 thousand)

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

R. Suriyanarayanan
Partner
Membership No: 201402

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Sanjeev Mantri
Executive Director

Mumbai, April 18, 2019

Vikas Mehra
Company Secretary

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

Term	Description
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
Combined ratio	The combined ratio is a measure of profitability of a non-life 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 non-proportional 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

Glossary (Contd.)

Term	Description
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
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

Term	Description
Investment Income	Investment income will include, income taken to revenue account and profit and loss account (interest, profit/loss on sale, accretion of discount, amortization of premium, dividend earned during the period) and taken to financial statements pertaining to all the securities held under that category during that period
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.</p> <p>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</p> <p>Passives – Those who give a rating of 7-8</p> <p>Detractors - Those who give a rating of 0-6</p> <p>NPS = % Promoters - % Detractors</p>

Glossary (Contd.)

Term	Description
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.
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 standardized 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)

Term	Description
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
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

Glossary (Contd.)

Term	Description
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 for each 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
Rider	The add-on benefits which are in addition to the benefits under a basic policy
Required Solvency Margin/RSM	<p>Shall be the higher of the amounts of RSM 1 and RSM 2 for each line of business ("LOB") separately.</p> <p>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.</p> <p>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</p>
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

Term	Description
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
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

Feedback form



Name: _____

Address: _____

Email address: _____

Contact Number: _____

What is the nature of your interest (customer, shareholder, business partner, general reader, etc.)?

How did you become aware of this Report?

What is the feedback you would like to share for the Report (too detailed, sufficiently detailed, well-positioned for the intended readers, etc.)?

Would you like the management to cover any other information areas through its address/report content?

Which areas in the Report interested you the most? Why?

Any other inputs:





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Registered Office: ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhivinayak Temple, Prabhadevi, Mumbai 400 025

Toll Free No. 1800 2666. Fax No. 022 61961323. CIN L67200MH2000PLC129408

Website: www.icicilombard.com Email: investors@icicilombard.com