ICICI Lombard
Nibhaye Vaade

Ticking the **right** boxes

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Today, with hectic lifestyles and rising aspirations, customers are increasingly demanding that insurance companies offer them enhanced products and solutions at competitive prices. A long and tedious process of acquiring policies or a complicated policy renewal or claim reimbursement experience is not what fits into the scheme of things.

So, what are the right boxes to tick when it comes to providing positive customer-experiences?

In an ever-changing world, trust and transparency remain the principles of success. Customers are more likely to favour businesses that have a credible history, customer focus and a consistent track record of having delivered on their promises.

While customers want an unprecedented level of product choices, they are also seeking relationships that go beyond the expected. It's no longer the age of insurance companies that push products; customers want to associate with those that provide the right advice and solutions.

Actions speak louder than words. Customers rightfully expect that when they face a challenging experience in their lives, they can rely on their insurance partner to understand their situation and help them cope with it. Further, a proactive risk mitigation approach by their insurer goes a long way in enhancing their experience after all prevention is always better than cure.

Digital technology can solve many problems and improve customer experience. Use of advanced tools facilitates the creation of solution that exceed expectations. Technology has also been considered the panacea for making businesses smarter, faster and more agile.

But that does not mean that the human touch is no longer important. Instead, by leveraging technology, employees can be freed from the routine tasks to give them more time to focus on the special requirements of the customers.

At ICICI Lombard, our customer proposition is the right blend of several factors: **Fundamentals, Approach, Solutions, Culture, Expertise and Technology**. Our strong fundamentals inspire trust; our approach enables us to develop personalised experiences; our products are designed based on customer insights; our culture guides us in our actions, and we continue to push technology for introducing innovative solutions.

Our customers come first for us. Guided by this credo, we will continue ticking all the right boxes for customer-centricity.

ICICI Lombard – An Introduction

ICICI Lombard General Insurance Company Limited (ICICI Lombard / Company) is among India's leading private sector general insurance companies.

Steered by our customer-centric approach, we provide prudent risk management solutions across a wide range of business lines in a fair, fast and friendly manner. Our relentless focus on meeting customer expectations is manifested through our disciplined approach to innovation and internationally benchmarked service quality standards for our offerings. We drive excellence in products and services, bolstered by a robust technology infrastructure which is continually being enhanced to ensure the best in terms of customer experience.

Our dedicated team of employees play an instrumental role in the successful delivery of our customer-centric goals. Putting the needs of customers first to ensure consistency and quality in each interaction, our talent base has secured their trust and confidence. A holistic approach to customer well-being and providing a reliable single-point destination for varied customer requirements has reinforced our reputation for agility, approachability and accessibility.

An unwavering commitment to the values of integrity and transparency across the entire lifecycle of a customer relationship - from the policy advice stage to renewals and claims - underpins all our transactions.

ICICI Lombard offers a diverse portfolio of products which includes:

- MOTOR INSURANCE
- HEALTH INSURANCE
- TRAVEL INSURANCE
- HOME INSURANCE
- SPECIALTY LINES INSURANCE
- PROPERTY INSURANCE
- MARINE INSURANCE
- LIABILITY INSURANCE
- CROP/WEATHER INSURANCE

₹126.00
Billion
GROSS WRITTEN PREMIUM (GWP) IN FY2018

23.5
Million
POLICIES ISSUED IN FY2018

15.5%*
CAGR
BOOK VALUE PER SHARE (2002-2018)

8,285
Head Count
AS ON MARCH 31, 2018

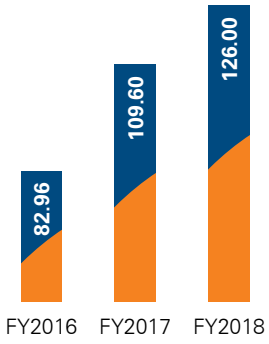
253
Branches
AS ON MARCH 31, 2018

1.54
Million
CLAIMS SETTLED IN FY2018

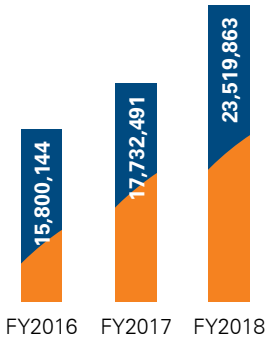
Source: ICICI Lombard General Insurance Co. Ltd.
**Post Dividend*

Financial Performance FY2018

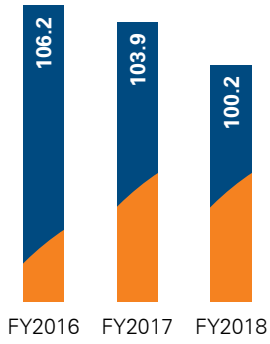
Revenue Growth
[Gross Written Premium (GWP) in ₹ Billion]



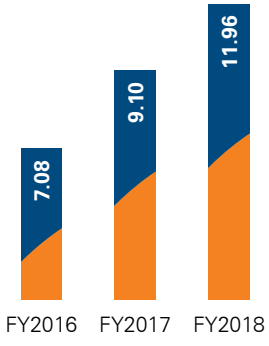
Policy Growth
(Number of policies serviced)



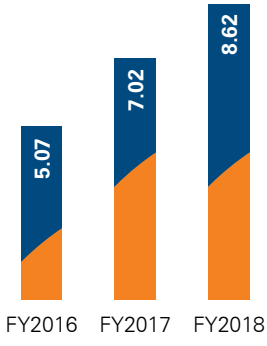
Combined Ratio
(%)



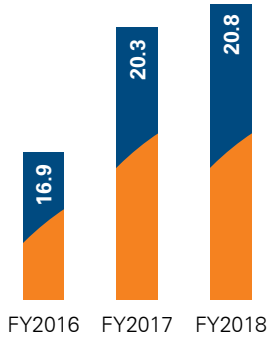
Profit Before Tax
(₹ in Billion)



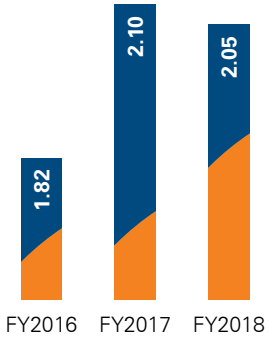
Profit After Tax
(₹ in Billion)



ROE (Return on Equity)
(%)



Solvency
(Times)



Awards and Accolades

D & B Awards

ICICI Lombard has been adjudged "India's Leading General Insurance Company – Private" at the Dun & Bradstreet BFSI Award 2018.

ATD BEST Award

ICICI Lombard has been conferred with the ATD (Association of Talent Development) BEST Award 2017. The Awards recognise organisations that leverage on talent development strategically to achieve business results.

Finnoviti Awards

The Company won the coveted Finnoviti Award 2018 for its app 'Risk Inspect' for real time property risk assessment. The award is one of the biggest recognition platforms organised by Banking Frontiers.

Skoch Award

ICICI Lombard won the prestigious SKOCH Order-of-Merit award for its chatbot MyRA. The award was presented for qualifying amongst the top 80 technology projects in India.

LACP Awards

ICICI Lombard has been conferred with the Vision Awards for its Annual Report 2016-17. The Company won Platinum Award – Insurance Category, and the award for Best Report Financials. The publication was also ranked #9 amongst the top 100 reports 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.

PR Daily's Awards

ICICI Lombard was acknowledged by the coveted PR Daily's 2017 Corporate Social Responsibility Award organised by PR Daily, USA. The Company was recognised for its unique CSR campaign 'Ride to Safety' which aims at making roads safer for children.

Best Customer Service Experience Award for InstaSpect

ICICI Lombard won the Best Customer Service Experience Award for InstaSpect. The Award was given by Kamikaze and is the biggest in Customer Experience and Loyalty category.

Celent Model Insurer Asia Awards

ICICI Lombard won 2 Celent Model Insurer Asia Awards. The Company's agency app won the award in the "Digital and Omnichannel" category. The chatbot MyRA was presented the award in "Legacy and Ecosystem Transformation" category.

Fintelekt Insurance Awards

ICICI Lombard was conferred with the Bancassurance Leader of the year (General Insurance - Large Category) and Technology Initiative of the year by Fintelekt Insurance Awards.

Corporate Information

Board Nomination & Remuneration Committee

Uday Chitale
Chairman

Chanda Kochhar

Lalita D. Gupte

Ashvin Parekh

Audit Committee

Ashvin Parekh
Chairman

Uday Chitale

Lalita D. Gupte

N. S. Kannan

Investment Committee

N. S. Kannan
Chairman

Suresh Kumar

Bhargav Dasgupta

J. V. Prasad

S. Gopalakrishnan

Gopal Balachandran

Risk Management Committee

Lalita D. Gupte
Chairperson

Ved Prakash Chaturvedi

Uday Chitale

Ashvin Parekh

Suresh Kumar

N. S. Kannan

Bhargav Dasgupta

Policyholder Protection Committee

Ashvin Parekh
Chairman

Ved Prakash Chaturvedi

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

Ashvin Parekh

N. S. Kannan

Bhargav Dasgupta

Auditors

Chaturvedi & Co.
Chartered Accountants

PKF Sridhar & Santhanam LLP
Chartered Accountants

Board of Directors

Chanda Kochhar
Chairperson

Ved Prakash Chaturvedi
Director

Uday Chitale
Director

Lalita D. Gupte
Director

N. S. Kannan
Director

Suresh Kumar
Director

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

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Sanjeev Mantri
Executive Director - Retail

Alok Kumar Agarwal
Executive Director - Wholesale

Right Fundamentals

Business scenarios might change. Economic upturn may plunge. Natural disasters and accidents can happen. Competition will emerge. Amid these dynamic market realities, it is the Company, which is built on solid foundation and timeless principles that will deepen customer connect and succeed in the marketplace.

From being among India's first few private-sector companies to commence operations in non-life insurance in 2002, ICICI Lombard has traversed an extraordinary journey through various cycles of industry evolution. Since FY2004, we have retained our position as India's largest private-sector non-life insurer based on gross direct premium income. Leveraging the established brand of our Promoter, "ICICI Bank", we have built "ICICI Lombard" into a recognised and trusted brand in its own right. In FY2017, we became the first private-sector non-life insurer in India to reach ₹ 100.00 billion in GDPI.

Our right fundamentals have enabled us to evolve, endure adverse situations and emerge successful.

Holistic risk management: A data-driven risk selection framework, conservative reserving and quality reinsurance are at the heart of our governing principles.

Customer collaboration: Risks are proactively analysed and mitigated by working in close consultation with our customers, which leads to mutual benefits by reducing losses and the amount of claims.

Robust reserves: We test our reserves regularly based on new loss experience, claim inflation and other factors. Further, we have been disclosing reserving triangles as part of our Annual Reports since FY2016.

Quality reinsurance: Our reinsurance policy defines the product-wise retention limits on per-risk and per-event basis. Risk is spread among a high-quality panel of re-insurers rated A- (S&P or equivalent international rating) or above.

Message from the Chairperson

Chanda Kochhar, Chairperson

IT WAS A PROUD MOMENT FOR US AT THE ICICI GROUP WHEN ICICI LOMBARD BECAME THE FIRST NON-LIFE INSURER TO LIST ON THE INDIAN STOCK EXCHANGES.

Dear Shareholders,

2017 was a positive year for the global economy. Global growth rate witnessed the highest momentum since 2011, growing at an estimated rate of 3.7%. Labour market conditions continued to improve in many countries, and world trade rebounded. Interestingly, the improvement in world trade was primarily driven by rising demand from Asia. Amid this positive scenario, some risks also drew attention during the year. Changes in trade policy and a rising trend of protectionism was witnessed. These have the potential to introduce uncertainty in the economic and trade scenario and impact global growth.

Closer home, India continued with its growth agenda in fiscal 2018. The Government kept to its commitment to take bold measures as it introduced the long-awaited Goods and Services Tax. Policy makers continued with their attempts to support growth in the economy through various enabling measures. On the downside, global risks emanating from rising oil prices and the possibility of capital outflows amid rising interest rates in developed economies such as the U.S., could impede the pace and breadth of India's economic growth.

The global non-life insurance industry witnessed an increase in premium at an estimated rate of 3% in real terms in 2017. The growth momentum is expected to be sustained in the near future. In India, the industry continued to witness robust growth at 17.5% in fiscal 2018. With the government's push towards insurance, including recent announcements related to a National Health Protection Scheme, the non-life insurance sector should witness continued acceleration in growth and increase in penetration levels.

Fiscal 2018 was a momentous year for the insurance industry, as the sector witnessed multiple companies listing on the stock exchanges. It was a proud moment for us at the ICICI Group when ICICI Lombard became the first non-life insurer to list on the Indian stock exchanges.

Regarding the Company's performance, profit after tax grew at 22.8% over the previous fiscal year, as the Combined Ratio – a measure of profitability from premiums earned versus payouts – improved significantly to 100.2% in FY 2018 from 103.9% in FY 2017. Further, the Company maintained a healthy Return on Average Equity (ROE) of 20.8%. As always, we continued to display prudence in the businesses that we write, as evident from our agility in fine-tuning the business mix according to evolving opportunities and risks.

ICICI Lombard continues to take the lead by embracing the latest technology to deliver superior customer experience and operational efficiency. In the recently ended fiscal year, we joined hands with leaders in other industries to introduce path-breaking solutions for customers. Tie-ups with leading players in the healthcare space as well as mobility sharing companies signifies our intent to harness synergies and stay ahead of the curve in meeting the risk mitigation needs of customers.

Even as we maintained our focus on delivering superior business performance and customer experience, we continued to fulfil our responsibilities as a responsible corporate citizen. While continuing to participate in the skill development initiative of the ICICI Foundation for Inclusive Growth, we also expanded our CSR programmes in the field of wellness & road safety during the fiscal year. Predominantly focussed on children, our CSR efforts are aimed at involving communities and achieving sustainable long-term impact.

As ICICI Lombard enters a new phase of its journey as a listed entity, we are committed to meet the expectations of our larger group of stakeholders. We have built a robust business model and a solid foundation over the years since our inception way back in 2001. The prospects for the general insurance industry in India remain buoyant, and as a leading player, ICICI Lombard is poised to play a significant role in the industry's long-term growth. We have a talent pool of young and aspiring individuals led by a very capable management team, who are committed to scaling new highs of performance.

We thank you for your support and look forward to enriching our relationship in the years ahead.

With best wishes,

Chanda Kochhar
Chairperson

THE PROSPECTS FOR THE GENERAL INSURANCE INDUSTRY IN INDIA REMAIN BUOYANT, AND AS A LEADING PLAYER, ICICI LOMBARD IS POISED TO PLAY A SIGNIFICANT ROLE IN THE INDUSTRY'S LONG-TERM GROWTH.

Message from the Managing Director & CEO

Bhargav Dasgupta, Managing Director & CEO

OUR GROSS DOMESTIC PREMIUM INCOME (GDPI) ROSE TO ₹ 123.57 BILLION, GROWING AT 15.2% OVER FY2017. DURING THE YEAR, WE BECAME THE 4TH LARGEST NON-LIFE INSURANCE COMPANY IN THE INDUSTRY.

13.9%
GDPI 10-YEAR CAGR

23.7%
PROFIT AFTER TAX 10-YEAR CAGR

13.4%
BOOK VALUE PER SHARE 10-YEAR CAGR

20.9%
POLICIES 10-YEAR CAGR

Dear Shareholders,

I welcome you to the ICICI Lombard family of shareholders. I would like to take this opportunity to thank you for your support that enabled us to become the 1st non-life insurance Company to be listed in India.

At ICICI Lombard, we are excited to be a part of the Indian non-life insurance sector. The industry has been growing at a robust pace. It crossed ₹ 1,50,000 crore in FY2018, in just two years after almost having reached around the ₹ 1,00,000 crore mark in FY2016. With non-life insurance penetration levels continuing to be around 0.8% of GDP and given India's demographic dividend, the sector is poised to touch greater heights in the coming years.

At ICICI Lombard, we registered robust performance in FY2018. Our Gross Domestic Premium Income (GDPI) rose to ₹ 123.57 billion, growing at 15.2% over FY2017. During the year, we became the 4th largest non-life insurance Company and continued to be the largest private non-Life insurance Company in the industry. Profit after tax increased to ₹ 8.62 billion, registering a growth of 22.8%. Our Combined Ratio improved significantly from 103.9% in FY2017 to 100.2% in FY2018. Return on Average Equity (ROE) increased to 20.8% in FY2018 against 20.3% in FY2017. Solvency ratio remained healthy at 2.05x, much higher than the minimum regulatory requirement of 1.50x.

As a Company, we have always focussed on creating long-term value for our stakeholders. Over the last 10 years, we

have grown at 13.9% CAGR in terms of GDPI. Profit after tax has delivered 23.7% CAGR growth in the same period. This has been a result of our relentless focus on balancing growth with profitability.

Complementing our business performance are our efforts to set new standards on the customer service front. In FY2018, we serviced 23.5 million policies, 32.5% higher than in FY2017. On the claims front, we honoured over 1.5 million claims. A key measure of an insurer's efficiency is its claim settlement response time. We continued to excel on this front, having settled 99.9% health claims in FY2018 and 90.8% motor claims within 30 days. As an organisation, we are relentlessly customer-centric and these figures are a testimony to our continued endeavour on this aspect.

One of the key drivers in our pursuit of customer-centric excellence has been our adoption of technology. We continued to embrace the latest technological tools. We harnessed Robotic Process Automation tools to provide better service to our customers that reduced the time taken from quote generation to policy issuance. We made advancements in building our analytics and machine learning capabilities. We developed cognitive programmes for health and motor claims with the aim to set new standards in the claim process. Today, we can granularly interpret consumer behaviour data, enabling us to provide personalised solutions to better meet the expectations of our customers. We enhanced the scope of our chatbot platform 'MyRA'. It now resolves customer queries and allows purchase, renewal of health insurance and four-wheeler policies in addition to two-wheeler, fire and burglary insurance. We also introduced MyRA on social media platforms like Facebook to provide our customers the option to conveniently access it from their preferred social media site. Till date, MyRA has handled 2.5 lakh customer interactions and executed over 4,000 policy transactions without any human intervention. During the year, we tied up with leading players in the e-commerce space including a leading health tech Company for an OPD-based group health insurance solution as also leading cab service providers to offer personal accident and health insurance service to their fleet of drivers and customers.

Our industry-leading endeavours were duly acknowledged through the multiple awards that we won. We were recognised as 'India's Leading General Insurance Company - Private' at D & B BFSI Awards 2018. We were also conferred the SKOCH 'Order of Merit Award' for our chatbot MyRA. Our technology initiatives were lauded internationally - we won two Celent Model Insurer Asia Awards for our agency app and chatbot in the 'Digital and Omnichannel' and 'Legacy and Ecosystem Transformation' categories respectively. Recognising our customer service excellence, we were conferred the 'Best Customer Service Experience Award' for InstaSpect, India's first live video inspection feature for motor insurance claims. The award is the biggest in the customer experience and loyalty category. We also received the distinction of becoming the 1st Company in India to receive ISO 31000:2018 certification by British Standard Institution (BSI) for our Enterprise Risk Management (ERM) framework. This is a testimony of our efforts to introduce best practices on the risk management and mitigation front.

Since many years, we have balanced our business excellence efforts with playing a contributory role in community development. In FY2018, we continued on this path and spent more than 2% of our average profit of last three years, thereby going beyond the statutory requirements. We expanded the scope of our 'Ride to Safety' initiative to seven cities. Further, we spread the road safety message through workshops directly contacting over 50,000 parents and their children. We also distributed 20,000 ISI marked child-specific helmets as part of this initiative. We were conferred the coveted '2017 Corporate Social Responsibility Award' organised by PR Daily, USA for this unique programme. Our employees continued to voluntarily lead the 'Caring Hands' programme as we screened the vision of more than 36,000 underprivileged children and provided spectacles free of cost to over 5,800 kids diagnosed with poor vision.

WE ARE THE 1ST COMPANY IN INDIA TO RECEIVE ISO 31000:2018 CERTIFICATION BY BRITISH STANDARD INSTITUTION (BSI) FOR OUR ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK.

With our listing in FY2018, we have entered a new phase of our journey. At this juncture, I would like to acknowledge the immense contribution, since inception, of our erstwhile joint venture partners, At this juncture, I would like to acknowledge the immense contribution, since inception, of our erstwhile joint venture partners, Fairfax Financial Holdings Ltd., as well as our other stakeholders in building this franchise to its current stature. As we move ahead in our new avatar, we will continue to work towards building an institution focussed on long-term shareholder value creation.

With Best Wishes,

Bhargav Dasgupta
Managing Director & CEO

Right Solutions

In a world that is changing at warp speed, we're working even harder to stay ahead of expectations. Continually refreshing and reinvigorating our offerings, we tick the right box on the solutions side through our comprehensive and customer defined portfolio.

Encompassing the motor, health and personal accident, crop/weather, fire, marine, and engineering insurance segments; our solutions have helped us establish ourselves as a reliable one-stop insurer for diverse customer requirements. The rise of the 'sharing economy', wherein users source assets or services when needed from a common set of providers, has fuelled the demand for new varieties of insurance products. For instance, automotive insurance is witnessing a paradigm shift with ride-sharing being provided by Uber and Ola. At ICICI Lombard, our business agility has led us to design solutions to serve the unique needs arising from the sharing economy. We are also exploring opportunities to extend our coverage for infrastructure projects as well as emerging sectors such as Solar.

The highlights of the year in the area of new solutions:

Tech-enabled app solutions: We joined hands with leading healthcare platform Practo to launch a health insurance app 'IL TakeCare'. The app meets key customer requirements with respect to their primary healthcare needs. This includes hassle-free, real-time claim authentication of expenses such as doctor consultation, medical tests and pharmacy spends.

An added advantage: It also empowers the user to access a cashless network comprising specialised doctors.

Solutions for Taxi Service Aggregators: We introduced a unique insurance proposition for Uber and Ola companies in India. While personal accident and health insurance service was offered to the fleet of Uber drivers, the Company tied-up with Ola to provide similar safety cover for its passengers.

General Insurance Sector Overview

22.4%
GROWTH IN HEALTH INSURANCE SEGMENT IN FY2018 OVER THE PREVIOUS YEAR

18.0%
GROWTH IN MOTOR INSURANCE SEGMENT IN FY2018 OVER THE PREVIOUS YEAR

18.9%
INCREASE IN THE CROP/WEATHER INSURANCE SEGMENT IN FY2018 OVER THE PREVIOUS YEAR

17.5%
GROWTH IN GENERAL INSURANCE INDUSTRY IN FY2018 OVER THE PREVIOUS YEAR

"In FY2018, the general insurance industry crossed the ₹ 1,500 billion mark, growing to ₹ 1,507.05* billion in FY2018 compared to ₹ 1,282.13 billion in FY2017, a growth of 17.5%."

The industry pursued with its growth trajectory in FY2018 crossing the milestone of ₹ 1,500 billion. The overall GDPI for the industry rose by 17.5% to register a Gross Domestic Premium Income of ₹ 1,507.05 billion in FY2018 as compared to ₹ 1,282.13 billion in FY2017. The motor insurance segment continued to contribute the maximum to the industry numbers at 39.4% share. The segment maintained its growth path rising by 18.0% in FY2018. On the back of rising awareness and emergence of lifestyle diseases, the health insurance segment (including specialised health institutions) witnessed positive growth of 22.4%, rising to ₹ 378.97 billion in FY2018 as compared to ₹ 309.56 billion in FY2017. Crop/Weather insurance which has been witnessing massive surge in growth in the recent years grew at 18.9%, thereby registering a GDPI of ₹ 250.34 billion in FY2018 as against ₹ 210.51 billion in FY2017.

** Source: IRDAI*
As per latest GI Counselling Report

Review of Claims Reserves

"The provisions for IBNR claims are calculated separately for each year of occurrence and are aggregated to arrive at the total amount to be provided, by line of business."

Liability of Unpaid Losses and Loss Adjustment Expenses

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

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

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

A significant proportion of the Company's reserves are for motor third-party liability, which tend to involve longer periods of time for the reporting and settlement of claims. This may increase the inherent risk and uncertainty associated with loss reserve estimates. One of the significant factors involved in estimating future claims liability is the effect of inflation on claims. The anticipated effect of inflation is implicitly considered when estimating

Review of Claims Reserves

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

Development of insurance losses, net of reinsurance

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

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

Incurred Losses and Allocated Expenses (Ultimates movement)

All figures are in ₹ Billion

As at March 31, 2018	Prior*	AY 09	AY 10	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18
End of First Year	25.23	12.85	15.13	20.66	22.53	27.97	35.96	34.16	39.13	49.49	52.41
One year later	26.15	13.24	15.23	20.44	21.97	27.02	34.63	33.95	38.58	49.20	
Two years later	26.62	13.03	15.39	20.41	21.74	26.52	34.37	33.53	38.07		
Three years later	26.84	13.21	15.52	20.36	21.85	26.40	34.29	32.91			
Four years later	27.28	13.35	15.55	20.47	21.83	26.46	33.85				
Five years later	27.84	13.39	15.66	20.48	21.81	26.21					
Six years later	27.92	13.46	15.91	20.53	21.83						
Seven years later	28.42	13.53	15.96	20.67							
Eight years later	28.58	13.50	16.02								
Nine years later	28.74	13.62									
Ten years later	28.76										
Deficiency/ (Redundancy) (%)	14.0%	6.0%	5.9%	0.1%	-3.1%	-6.3%	-5.9%	-3.7%	-2.7%	-0.6%	

AY - Accidental Year

Unpaid losses and Loss Adjustment Expenses

All figures are in ₹ Billion

As at March 31, 2018	Prior*	AY 09	AY 10	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18
End of First Year	5.43	4.81	5.31	7.18	7.98	12.01	17.32	17.10	20.44	26.84	32.58
One year later	2.93	1.61	1.83	2.67	3.33	6.11	9.70	11.58	14.06	16.86	
Two years later	2.24	0.85	1.34	2.00	2.46	4.72	7.92	9.61	11.46		
Three years later	1.82	0.73	1.15	1.58	2.12	3.84	6.73	7.80			
Four years later	1.67	0.71	0.96	1.39	1.76	3.39	5.58				
Five years later	1.73	0.62	0.90	1.13	1.47	2.77					
Six years later	1.44	0.59	0.83	1.00	1.28						
Seven years later	1.63	0.59	0.76	0.97							
Eight years later	1.49	0.50	0.69								
Nine years later	1.39	0.52									
Ten years later	1.22										

AY - Accidental Year

**For AY08 and prior, End of first year implies valuation for all accident years for AY08 and prior as at March 31, 2008 and so on.*

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

Incurred Losses and Allocated Expenses (Ultimates movement)

All figures are in ₹ Billion

As at March 31, 2018	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	
Seven Years later	2.86	6.55	6.05	5.45		
Eight Years later	2.95	6.69	6.55			
Nine Years later	3.00	6.98				
Ten Years later	3.09					
Deficiency/ Redundancy (%)	18.4%	13.2%	12.9%	21.3%	32.8%	16.6%

Unpaid losses and Loss Adjustment Expenses

All figures are in ₹ Billion

As at March 31, 2018	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	
Seven Years later	0.72	1.50	1.26	1.31		
Eight Years later	0.65	1.23	1.39			
Nine Years later	0.55	1.19				
Ten Years later	0.52					

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 pillars of this matrix are: Wholesale Insurance Group, Government Business Group, Retail Group and Shared Services.

Integrated solutions are provided to conglomerates, small and medium enterprises. Tailored solutions such as fire, marine, engineering, liability solutions, employee group insurance schemes, cyber insurance and large scale health and personal accident covers enable client requirements to be precisely met.

Insurance solutions are provided to State and Central governments or government-owned enterprises and rural customers. The product category includes cover for weather, cattle, health and personal accident, among others.

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

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

Wholesale Insurance Group

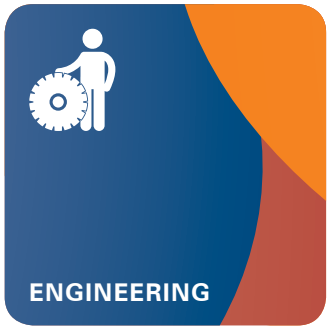
The Wholesale Insurance Group caters to large corporate firms across industries and provides clients with customised solutions. The focus is on providing strategic value-addition by going beyond risk financing and offering risk management and mitigation solutions. It comprises divisions such as:

- Corporate Solutions Group - provides insurance solutions to large corporate companies in variety of industries.
- Specialised Industry Group - caters to large clients in specialised business segments.
- Small and Medium Enterprises Group - focusses on MSMEs across industries.
- International Business Group - covers international risks of Indian business interests.

KEY ACHIEVEMENTS IN FY2018

Growth in market share across all product lines

Market share increased to 8.5% in FY2018 from 7.8% in FY2017. Increase in market share was led by the Company's strong presence in large risk segment and increasing penetration in mid-risk segment.



Market share rose to 11.2% in FY2018 from 9.8% in FY2017. This was driven by strong relationships with large contractors eager to capitalise on the growing opportunities in the Indian infrastructure space.

Market share increased to 12.7% in FY2018 from 11.7% in FY2017. This was achieved by leveraging innovations such as Risk Management Services, including 'loss control' activities of high frequency accounts using Marine Loss Control Engineering (MLCE).

Market share grew to 14.3% in FY2018 from 12.9% in FY2017. This was attributable to the Company's ability to envisage emerging risks and structure complex solutions.

8.5%
MARKET SHARE OF ICICI LOMBARD FIRE INSURANCE SEGMENT

11.2%
MARKET SHARE OF ICICI LOMBARD ENGINEERING INSURANCE SEGMENT

12.7%
MARKET SHARE OF ICICI LOMBARD MARINE INSURANCE SEGMENT

14.3%
MARKET SHARE OF ICICI LOMBARD LIABILITY INSURANCE SEGMENT

Organisation Structure

Multiple strategic initiatives to create market differentiation

The Wholesale Insurance Group focussed on offering customer engagement and customised solutions during the fiscal. New services introduced by the Company under various categories are explained below:

Health Value-Added Services

Wellness

This involved offering primary healthcare and specific disease management programmes to customers and implementing wellness activities across corporate accounts.

Cashless OPD 'IL TakeCare'

The Company continued on its innovative journey with the launch of the Cashless OPD in its new avatar called 'IL TakeCare'. The unique application available through the 'IL TakeCare' app 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 envisaged to serve the metro cities and will be scaled up gradually.

Emergency Services

During the fiscal year, the Company launched emergency services in collaboration with a global partner having presence in 46 countries across six continents. Being the world's largest ambulance service provider with 2500+ ambulances in its fleet, the global partner brings considerable domain expertise to the table. Besides providing assistance in emergency and accident situations and ground medical transportation by an ambulance, the emergency service offered by the Company also takes care of coordination with hospitals and other healthcare centres. The Company ensures that all concerned members remain informed during the emergency situation. The offering was initially launched in 7 cities and is currently available in 26 cities.

Marine Value-Added Services

The Marine segment ranked among the Company's most important business drivers. Loss control consulting and customised solutions form the crux of services offered under the Marine segment. During the year, anti-hijacking (using GPS tracking) cover and loss minimisation measures were extended for corporate clients. Complex cargo claims were resolved promptly and in a smooth manner by specialists. The Company offered tailored solutions that facilitate fast recovery while minimising business disruption, thereby ensuring customer satisfaction.

Extensive experience in logistics planning and execution of Over Dimensional Consignments (ODC) movement for various Indian industries have steered the Company's success in Marine segment. In fact, excellent domain capabilities enable the Company to provide cover for ODC even for complex, long distance journeys anywhere in India. The encompassing suite of value-added offerings includes agile, strategic solutions for project material handling and multi-modal ODC logistics.

During the year, integrated insurance and risk engineering solutions for reducing high-frequency losses resulted in significant risk improvement for clients. Additionally, logistic specialists recruited by the Company continued to carry out detailed studies and share suitable recommendations.

Property Value-Added Services

The Company's fast, friendly and fair approach was appreciated in the property segment as well. Property risk visits, management of risk measures and customised solutions such as anti-fire and anti-theft were provided to lessen risk exposure. Coverage was also extended to multiple corporate clients. Further, risk management solutions such as first notification of loss (FNOL) system and fire mitigation infrastructure were offered & termed to be beneficial to many clients.

IoT (Internet of Things) in Insurance

Hydrant Monitoring

This monitoring system is uniquely designed to monitor the health and functionality of the fire hydrant and sprinkler system in manufacturing units; which is the most crucial element in the unfortunate event of a fire. Such systems demand continuous monitoring and maintenance. The monitoring system comes with sensors and a gateway (Simcard-based device) and sends out alerts whenever the parameter goes below the threshold.

Electricity Monitoring

This offering is designed to monitor and avoid overloads/electricity surges that are the primary causes for short circuits and hence fire at a workplace/ manufacturing units.

Drone-Based Inspection

The Company contributed to offer advanced drone-based technology for inspecting wind turbines and solar PV modules to identify defects and improve efficiency.

Account Level Planning

The Company continued to invest in training of sales personnel to facilitate transition to solution selling from product selling. The firm focus on solutions has reinforced corporate relationships and established ICICI Lombard as the "Risk Engineering" Company.

Right Approach

Customer-centricity is the North Star of ICICI Lombard's strategy and guides the way we work. Every line of thought, every action and every process starts with our customer. Our 'Fast, Friendly and Fair' approach differentiates our service, brand and Company's ethics.

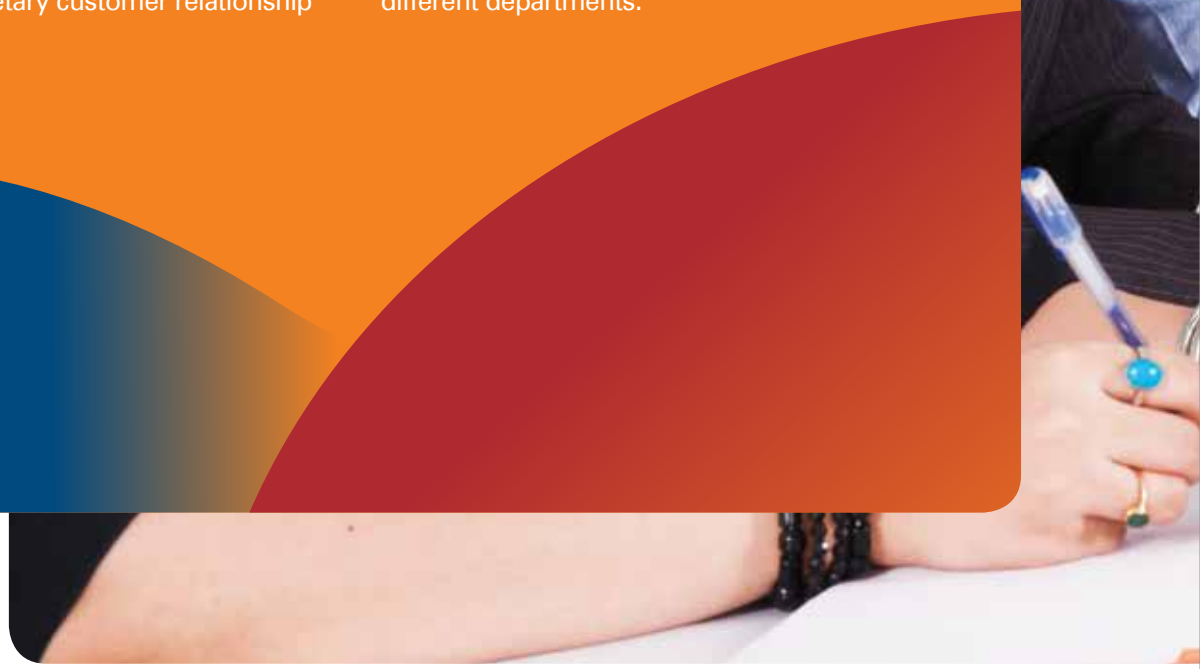
Our commitment to service is about creating deep personal connections. Business is viewed from the customer's perspective as a single entity. At the customer's hour of need, we are there for them every step of the way. Be it a policyholder who has suffered a car accident or faced a natural disaster; we are steadfast to making the moment of truth a positive one. Further, we focus on offering customised solutions, which include working with our customers to proactively analyse and mitigate their risks.

Our right approach, as reflected in the initiatives mentioned below, has enabled us to deliver a superior and convenient customer experience.

In-house support: Claims management process is handled internally for most of our motor, health and personal accident segments, leading to more efficient and speedy claim settlement. An in-house proprietary customer relationship team further helps us to have direct control and be in closer contact with our customers.

Reducing processes: Adoption of technology-enabled solutions has eliminated redundant internal processes and empowered customer-facing employees. For example, implementation of real-time policy renewals at branch offices has reduced the time consumed on manual interactions and subsequent closures by cross-functional teams. In FY2018, a platform called "Direct Client Interaction" was started in which a customer or an intermediary can directly co-ordinate with operations team for issuance of policy or endorsement.

Digital options: Online tools are being provided to customers for smooth policy and claim management. For example, policyholders can avail online booking facility for health check-up appointments, thus eliminating the need to visit different departments.



Organisation Structure

Government Business Group

ICICI Lombard's Government Business Group (GBG) primarily caters to rural India and provides solutions in the areas of crop/weather, health and cattle insurance. While the former two are government subsidised, cattle insurance operates both as subsidised and non-subsidised models. FY2018 marked the second year of Pradhan Mantri Fasal Bima Yojna (PMFBY). The Company endeavours to deliver effective risk management solutions through creating awareness, leveraging technology and public-private collaboration.

Crop/Weather Insurance

Introduced in FY2016, Pradhan Mantri Fasal Bima Yojna is the flagship crop/weather insurance scheme of the Government of India. Under the scheme, loanee and non-loanee farmers are eligible for crop/weather insurance for whole crop/weather season, i.e. Kharif and Rabi. While there is a lot of focus on improving the irrigation system across states, considerable dependency on the monsoons still prevails. In FY2018, India witnessed 5% lower rainfall than average. Farmers in central and northern parts of the country such as Odisha, Madhya Pradesh, and Haryana were affected the most. The Company was one of the key insurers, present in 8 states and 71 districts in FY2018 enrolling around 3.1 million farmers. The Company operated in the states of Andhra Pradesh, Madhya Pradesh, Telangana, Haryana, Tamil Nadu, Assam, Meghalaya and Jammu & Kashmir. Numerous new initiatives were launched, with the crop/weather insurance portal being the major one. Kharif 2017 witnessed the first season of farmer data being uploaded on the portal. The Company also took measures to increase non-loanee enrolment, which included tie-up with Common Service Centres. Non-loanee enrolment contributed to 10% of the total enrolment done in FY2018.

Crop/Weather Cutting Experiment (CCE)

PMFBY envisages conducting CCEs for estimating crop/weather yield and related claims. The Government undertook around one crore such experiments across the country in FY2018. Given the sheer scale of the activity and infrastructure limitations, there were some challenges in conducting these experiments on the ground. The Company focussed its efforts on enhancing the accuracy of yield estimation through CCEs by robust co-observation of such experiments along with the Government. Accordingly, around 42% of the targeted CCEs were co-observed by the Company in FY2018. Furthermore, the Company was one of the pioneers in adopting the usage of Remote Sensing Technology (RST) to complement risk mitigation and yield estimation. In this regard, the Company entered into tie-ups with some of the leading service providers, including start-ups in areas such as cluster selection, yield estimation, sown area estimation, stratified sampling.

Mass Health Insurance

ICICI Lombard continued its contribution in implementing one of the world's largest mass health insurance programme -

3.1 MILLION

NUMBER OF FARMERS ENROLLED UNDER THE CROP/WEATHER INSURANCE SCHEME BY ICICI LOMBARD

71 DISTRICTS

NUMBER OF DISTRICTS COVERED UNDER THE CROP/WEATHER INSURANCE SCHEME BY ICICI LOMBARD

STARTED AS A NEW BUSINESS INITIATIVE, CATTLE INSURANCE PICKED UP IMPRESSIVELY DURING FY2018, WITH ALMOST 400% GROWTH REGISTERED IN THE FISCAL YEAR.

ICICI Lombard Crop/Weather Insurance - Key Statistics (FY2017-18)

GWP in crop/ weather insurance
₹ 23.71 billion in FY2018 as against ₹ 21.51 billion in FY2017, an increase of 10.2%

Farmers insured pan-India*
3.1 million

Implementation of PMFBY scheme*
8 States and 71 districts across India

Area covered under PMFBY*
4.4 million hectares

Sum insured under PMFBY*
₹ 211.6 billion

State presence for cattle insurance
14

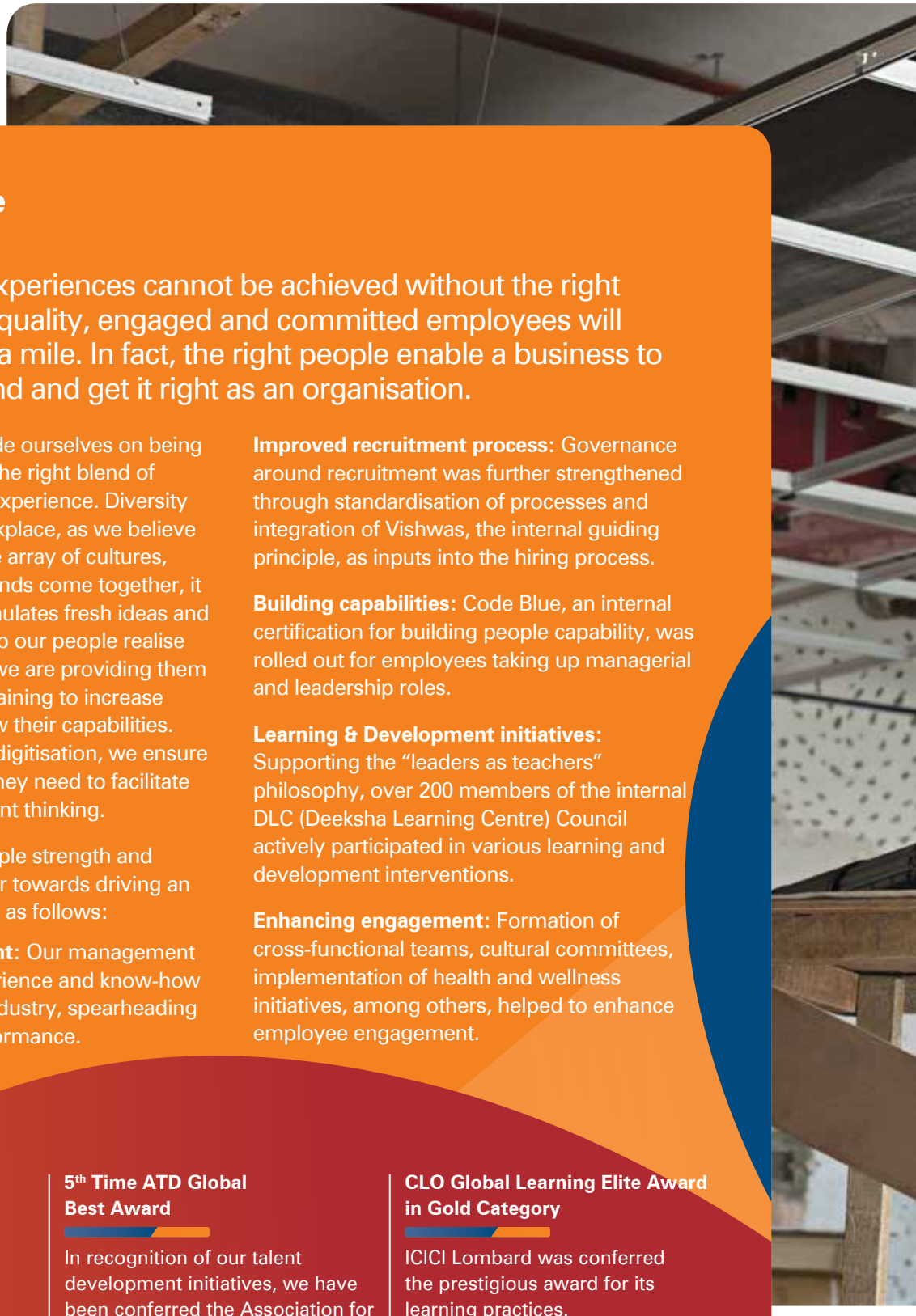
Total Number of Animals insured
22,715

*as on March 31, 2018

Rashtriya Swasthya Bima Yojana. In FY2018, the scheme was extended to the state of Odisha. One of the key differentiating factors for the Company in the segment of Mass Health Insurance includes robust hospital network and speedy claims settlement.

Cattle Insurance

Started as a new business initiative, Cattle Insurance picked up impressively during FY2018, with almost 400% growth registered in the fiscal year. This product seems to be promising with about 20,000 cattle tagged last year. New technologies like RFID, along with strong vendor partnerships, are growth catalysts in this new emerging business. In FY2018, the Company's exposure was in as many as 14 states, with major states being Rajasthan, Karnataka and Punjab.



Right Expertise

Great consumer experiences cannot be achieved without the right people; a team of quality, engaged and committed employees will always go the extra mile. In fact, the right people enable a business to build the right brand and get it right as an organisation.

At ICICI Lombard, we pride ourselves on being an organisation that has the right blend of experts, know-how and experience. Diversity is encouraged at the workplace, as we believe when people from a wide array of cultures, viewpoints and backgrounds come together, it fosters creativity and stimulates fresh ideas and new perspectives. To help our people realise their professional goals, we are providing them with the right skills and training to increase their knowledge and grow their capabilities. And finally, in the age of digitisation, we ensure that they have the tools they need to facilitate intelligent and independent thinking.

The highlights of our people strength and our efforts during the year towards driving an enabling work culture are as follows:

Experienced management: Our management team has extensive experience and know-how in the Indian insurance industry, spearheading our strong business performance.

Improved recruitment process: Governance around recruitment was further strengthened through standardisation of processes and integration of Vishwas, the internal guiding principle, as inputs into the hiring process.

Building capabilities: Code Blue, an internal certification for building people capability, was rolled out for employees taking up managerial and leadership roles.

Learning & Development initiatives: Supporting the "leaders as teachers" philosophy, over 200 members of the internal DLC (Deeksha Learning Centre) Council actively participated in various learning and development interventions.

Enhancing engagement: Formation of cross-functional teams, cultural committees, implementation of health and wellness initiatives, among others, helped to enhance employee engagement.

~24 Years

The overall average work experience of our senior management members (including executive directors).

5th Time ATD Global Best Award

In recognition of our talent development initiatives, we have been conferred the Association for Talent Development (ATD) Global Best Award for the 5th time.

CLO Global Learning Elite Award in Gold Category

ICICI Lombard was conferred the prestigious award for its learning practices.

Organisation Structure

Retail Group

11.6%

ICICI LOMBARD'S MARKET SHARE IN THE MOTOR OWN DAMAGE SEGMENT

15.2%

Y-O-Y GROWTH ACROSS ALL PRODUCT LINES

Motor Insurance

Motor Insurance contributed to 39.4% of the overall general insurance premium while Motor Own Damage premium contributed to 17.5% of the industry GDPI in FY2018. As such, the segment continued to remain the most critical segment in the non-life insurance sector. ICICI Lombard holds 11.6% market share in the Motor Own Damage segment.

ICICI Lombard continued to invest in distribution with a balanced focus on automobile dealers, agency and direct business in Motor segment. The Company is focussing on building a sustainable motor portfolio driven by Loss cost based micro-segmentations which results in profitable business from market.

There are regulatory and government's policy changes in FY2018 that had an direct impact on the motor insurance portfolio. Two of such policy changes are:

1. Implementation of GST - The tax policy and rates shifted from Service tax regime of 15% to the Goods & Services Tax regime with 18% tax rate effective from July 1, 2017. The change in the tax slab had a direct impact on the premium paid by customers. ICICI Lombard successfully implemented the GST programme across its business segments within stipulated timelines.
2. Motor Insurance Service Provider (MISP) guidelines – As part of the major revamp of the regulations for motor insurance portfolio, IRDAI introduced Motor Insurance Service Providers (MISP) guidelines effective from November 1, 2017.

The objective of these guidelines is to recognise the role of the automotive

dealer in distributing and servicing motor insurance policies and to regulate them. The regulation also defined the commission structure for MISPs. The regulator mandated and capped the maximum commission rate at 19.5% on the own damage portion for private cars and 22.5% on the own damage portion for two-wheelers.

Travel Insurance

The Travel Insurance portfolio of the Company grew by 40.3%, from ₹ 1.24 billion in FY2017 to ₹ 1.73 billion in FY2018. The Company's market share in Travel Insurance grew from 20.8% in FY2017 to almost 24.9% in FY2018. The Company insured 42.58 million lives in FY2017, which increased to 127.10 million in FY2018, of which 120.23 million lives were insured under Travel Insurance for e-ticket passengers under IRCTC. The growth in travel segment was fuelled by the group domestic segment and the corporate travel segment. Domestic travel segment growth is in line with the Company's outlook of profitable growth and will continue to be an area of focus in the years to come.

Home Insurance

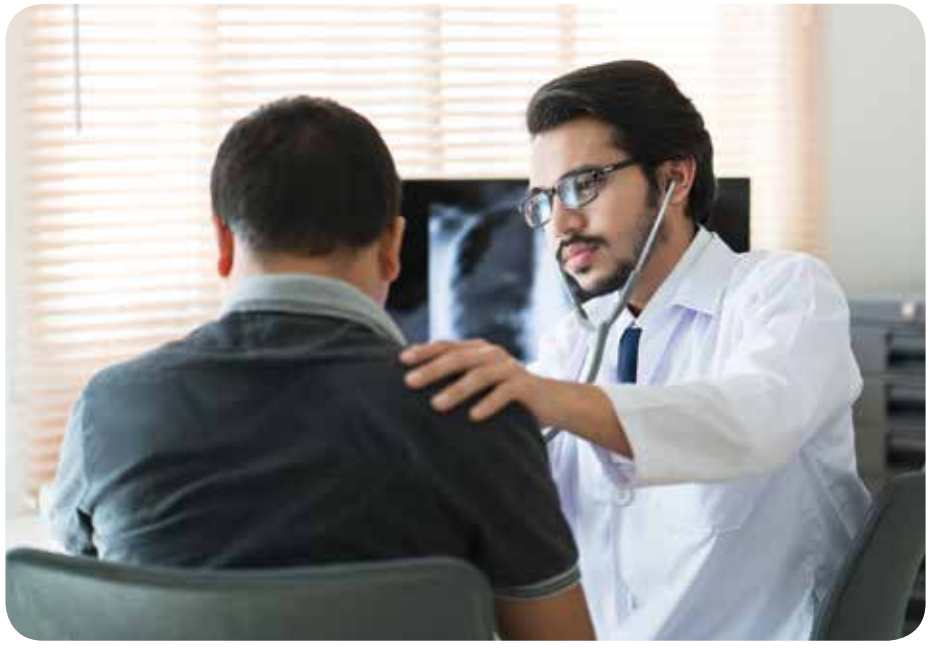
The Home Insurance segment at the industry level grew as customer awareness and realisation for the need of this type of product increased. The Company's Home Insurance business grew by 35% in FY2018. The same was a result of the efforts made to improve the penetration of the Home Insurance business by increasing distribution and working towards enhancement of product features.

Health Insurance

The Health Insurance business strategy is driven by investments in omni-channel distribution, and launch of innovative products to address varied customer needs.

During the year, the Company continued to build indemnity portfolio through robust agency driven distribution and bancassurance channels. Keeping with the tradition of empowering the agents through modern technology interventions, a mobile app was launched for the agents. A considerable share of the business is now sourced digitally. The number of policies increased from 0.29 million in FY 2017 to 0.32 million in FY2018.

Driven by innovative product management, the Company introduced sachet products with dynamic pricing based on transaction analytics. This is targeted at emerging segments and to offer technology integrated delivery. The number of policies increased from 1.28 million in FY2017 to 3.99 million in FY2018. The Company's new product Group Safeguard is first of its kind in the market and offers both specific as well as wider risk solutions to the customers.



₹ 1.73 billion

ICICI LOMBARD'S TRAVEL INSURANCE PORTFOLIO

127.10 million

LIVES INSURED BY ICICI LOMBARD TRAVEL SEGMENT

Right Technology

In today's fast-paced world, an organisation's ability to do things better, smarter and differently will depend on its ability to leverage emerging or proven technologies.

Our Company is supported by a robust yet agile technology infrastructure. We also extend the latest technology, in the form of friendly web and mobile applications, to our customers, employees and distributors. Our investments in the right technology facilitate seamless service experience to our customers and distribution partners across all stages of an insurance policy and drive efficiencies in internal operations. The use of advanced technology provides us detailed insights on consumer behaviour, enabling us to accordingly customise products to meet customer preferences.

The initiatives listed below have made ICICI Lombard a leader in harnessing technology in the Indian non-life insurance industry.

Robotics: Various internal processes have been automated by use of robotics: Faster turn-around time, error-free operations and self-help options for internal and external customers have been achieved by embedding this latest technological tool.

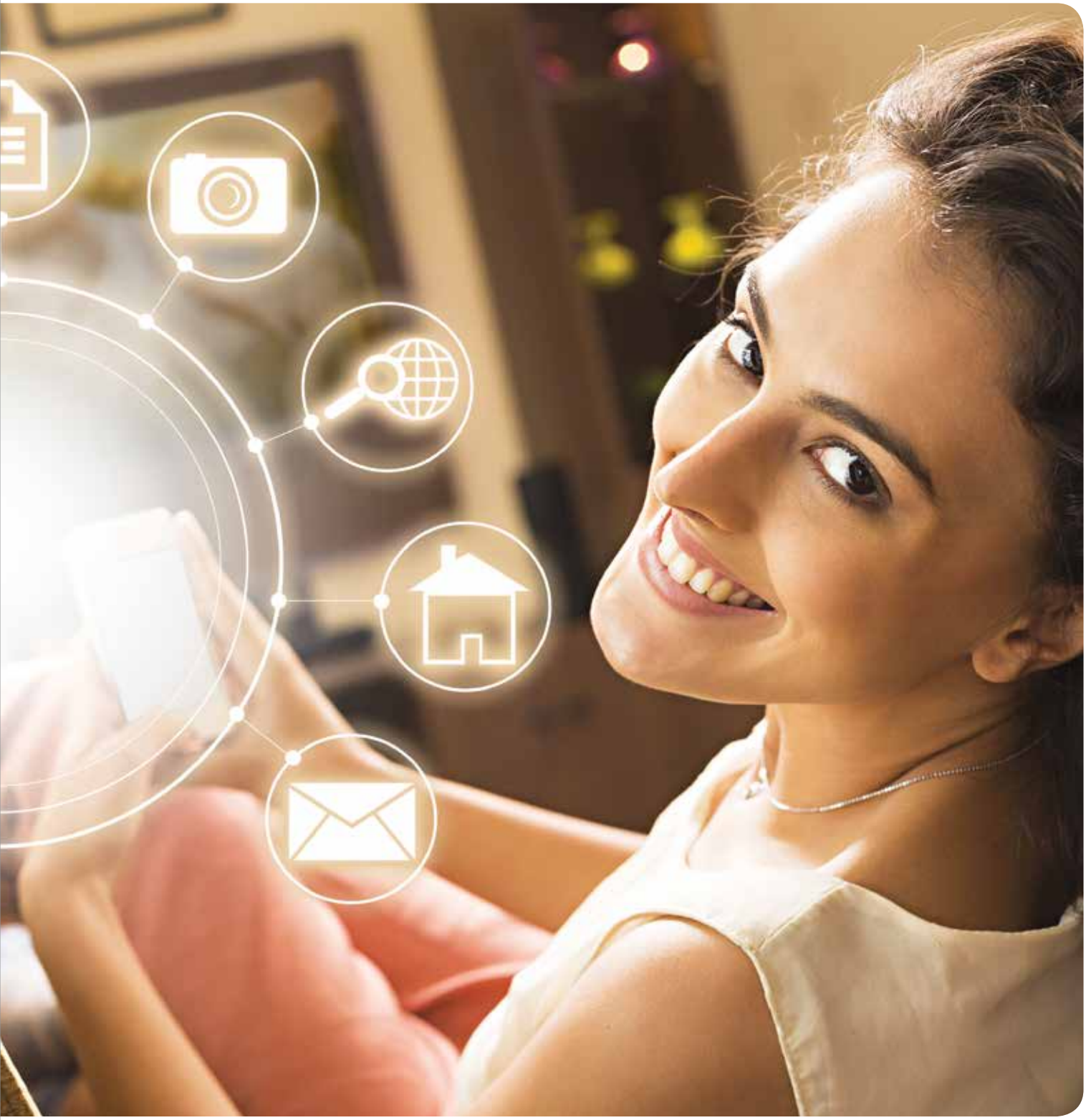
Artificial Intelligence & Machine Learning: We are leveraging artificial intelligence and machine learning for speedy processing of claims and effective risk management.

Chatbots: We have launched chatbots that facilitate natural language processing to converse with customers. Our chatbot platform MyRA resolves customer queries and allows purchase, renewal of health insurance and four-wheeler policies in addition to two-wheeler, fire and burglary insurance, without any human intervention. MyRA has also been introduced on social media platforms to provide customers the convenience of accessing it from their preferred social media site.

Drones: Agricultural surveys and assessment of damages are being done through drones to improve efficiency.

Engagement with start-ups: A programme 'NOVA' has been set up to engage with the start-up community, helping us to develop risk mitigation solutions and identify potential business opportunities.

Seamless partner integration: A plug-and-play architecture created by us enables smooth integration with the systems of our distributors. For instance, direct integration of point of sales system of railways with our policy booking and issuance systems has made us one of the three non-life insurance partners of Indian Railway Catering and Tourism Corporation (IRCTC), covering over 300,000 trips per day.



Organisation Structure

Retail Group

SME

The SME Segment forms one of the key focus areas for the Company. It has seen a robust growth in SME industry over the past decade which continues to offer huge opportunities, further supported with digitisation and emerging new technologies. Even momentum in the government's Make in India initiative and improvement in India's rank on Ease of Doing Business has created new areas for SMEs globally.

Multiple initiatives have been undertaken to fully capture these market opportunities. The Company remained focussed on increasing its market penetration in SME through multiple channels i.e., Agents and Brokers. This led to a growth of 31% in FY2018.

The Company has continuously enhanced its product and service offerings to seize market potential & increase customer satisfaction. It has introduced several new products to meet the varied business and personal needs of its SME customers. Additionally, aligned to customers' preference for a quick turnaround time, the Company has embedded technology across its business functions made available to its partners to ensure efficient and effective response to customer needs. Some of the initiatives taken during this financial year, that helped the Company push ahead in business were as follows:

New Products: The Company added a basket of new products like Mobile insurance, Jewellery Attachment, Loss of Energy & Warranty Insurance, that created new business opportunities and supported its market penetration.

Customisation: Product Customisation for channel partners not only empowered them but also helped the Company lower operational expenses.

Learning initiatives: The Company provided technical training to its channel partners to empower them with knowledge and underwriting skills for its products and enable them to emerge as smart business professionals.

Tech-based Initiatives: Embedded technology for instant issuance of online policy for Agents & business partners. Implemented Chatbot application for automated policy issuance without manual intervention.

"The Company remained focussed on increasing its market penetration in SME through multiple channels i.e., Agents and Brokers."

Shared Services

"A well-defined retention limit for each product segment that defines – its maximum 'per risk' and 'per event' exposure has been formulated."

Reinsurance

During FY2018, ICICI Lombard's reinsurance programme continued to be a combination of proportional and non-proportional programmes for both conventional and specialty lines of business. The Company endorses the philosophy of buying an adequate cover to protect value at risk at all times. The reinsurance programme has been structured keeping this philosophy in perspective. A well-defined retention limit for each product segment that defines – its maximum 'per risk' and 'per event' exposure has been formulated. The Company continued to buy appropriate risk and catastrophe reinsurance as a shield against single large losses and natural disasters. It also got its net retained exposures modelled by international agencies to ensure adequacy of limit of catastrophe reinsurance. Association with top global reinsurers continues to be on a solid footing for the Company's key reinsurance programme, with General Insurance Corporation (GIC) being the Company's largest reinsurance partner.

Underwriting

In FY2018, ICICI Lombard introduced new products and covers in its health insurance portfolio in group indemnity and benefit products category aimed at expanding within the current market space as well as gaining entry into untapped & unexplored markets. Benefit product line continued to be a strong segment, supported by the three-pronged underwriting approach, consisting of Financial, Medical and Tele models. In the retail health insurance segment, the Company foresees immense opportunity in Tier II and Tier III cities as the loss ratio in these cities has been considerably lower as compared to the rest of the portfolio. The Company has continued its centralised approach for underwriting retail health products which ensures operational efficiency and smoother underwriting. Timely revisions in the underwriting guidelines are made considering market trends and analytics. Leveraging technology for consistent and robust underwriting practices continues to be the focus. In the corporate health segment, the pricing pressure remained more or less similar to the previous year in large corporates. The Company continued to calibrate its growth strategy within this space by focussing on mid and small corporate policies showcasing financial viability from a long-term perspective.

The Company has been able to maintain its profitability in the travel insurance portfolio, given its underwriting guidelines to assess anti-selection. In its

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endeavour to excel in the domestic travel segment, the Company has also opened up to newer risk areas like adventure sports & pilgrimages and tied up with a diverse group of aggregators, like bus & flight providers, hotels, etc. The growth achieved in the Domestic travel segment is in line with the Company's outlook of profitable growth and will continue to be an area of focus in the years to come.

In Motor insurance portfolio, the Company has adopted risk-based pricing along with a selective sourcing model, given the competitive pricing scenario in the market and to contain loss ratios. The Company sets an appropriate target mix of new vis-à-vis renewal portfolios based on the make, model and geographical performance, on a periodic basis. The Company has instituted a regular review mechanism to keep track of the add-ons performance as it tends to increase the frequency of claims.

In Crop Insurance, the analysis of historical pure risk price adjusted for expected yields in the current year acts as a benchmark for arriving at the premium rates. The Company selects the risk by analysing data quality, volatility in yields, rainfall pattern and catastrophic calamities, moral hazard, ease of implementation on ground and concentration in different agro-climatic zones. At ICICI Lombard, selection of portfolio with diversified exposure has been given prime importance. Selection of states is done in a way that ensures the Company's presence in the majority of agro-climatic zones, which results in diversification of risk. Diversification of crops has also been done to mitigate the risk as the systemic risk in insuring different crops is low. The Company has also spread its risk across geographies, by implementing PMFBY in eight states within this financial year.

For Pure Liability Insurance, the industry growth is well diversified across various segments and every product. This was driven by increasing customer awareness about exposures, contractual obligations and developments in the regulatory environment, both domestic and overseas. In Commercial line of Insurance, ICICI Lombard's market share grew despite de-growth faced by the Industry in the engineering insurance segment. This year, ICICI Lombard has tied up with AIR Worldwide to use their models for Earthquake & Cyclone for India along with the Flood Hazard maps. Using these modelling solutions, ICICI Lombard is now well positioned to address the needs of risk selection, pricing and accumulations from natural catastrophic risk. MyRA (My remote assistant), a robot based virtual assistant has been introduced to improve productivity, response time, business decisions and monitoring risk performance at various levels.

Claims

In FY2018, the Company serviced more than 1,000,000 claims in the motor insurance portfolio, settling more than 90% claims within one month. The introduction of IL TakeCare Cashless servicing model this year, for outpatient services as well usage/claim are all simplified through algorithm-based benefit table, which authenticates claims in real time. Web/app-based resolution of customer needs, in addition to the paper and call model has brought in transparency and efficiency. Innovations in technology was a key focus area, with the Company launching 'InstaSpect', India's first ever live video streaming feature for servicing of motor claims.

> "In Motor Insurance, the Company serviced more than 1,000,000 claims in FY2018, settling more than 89.2% claims within one month till March 2018."

The Company also started processing claims using Artificial Intelligence. Use of ICR/OCR for data extraction from medical documents further helped in increasing efficiency in Health Insurance. This will be one of the prime focus areas in the next year to completely automate approval & processing of cashless claims. Length of stay management, customary and reasonable charges and case management were introduced to drive cost efficiency.

The crop insurance space has seen drones and satellite imagery experiments for estimation of coverage, besides crop yield and losses for crop damage assessment. ICICI Lombard has adopted smart sampling approach for co-observing CCEs, which will help in yield estimation for large field areas, in a timely and effective manner, with substantial reduction in turnaround time and cost. In commercial lines of insurance, Automated-Cashless claims system for

"The crop insurance space has seen drones and satellite imagery experiments for estimation of coverage, besides crop yield and losses for crop damage assessment."

Mobile/Laptop claims has scaled up capability to serve such claims manifold. Multiple automation initiatives in this segment has increased the capacity and improved the turnaround time for claims processing.

Risk Management

ICICI Lombard's selective underwriting approach by continuous risk measurement has helped avoid adverse selections. Besides, the Company has also adopted risk-based pricing approach for sourcing motor business.

In the health insurance space, the Company continues to focus on various mediums for customers to take informed decisions. Health Assistance Team, Health Adviser and Wellness have been significant tools in providing offline and online medical guidance to policy holders. The introduction of new products in the primary care space allows intervention in the early stages.

Risk management for commercial insurance during FY2018 has been fortified by technological innovations particularly in the Internet of Things (IoT) domain, which has enabled the industry in increasing customer connectivity in the areas of safety and security. This real-time platform has empowered its customers to monitor and maintain electrical and fire safety equipment. These solutions are help to reduce electrical risk and to improve fire preparedness. This will help in sustaining enduring customer relationships.

Crop Insurance has seen technological advancement through initiatives by Government of India this year. Agriculture crop insurance portal launched by GOI will act as the central data repository for farmer data related to enrolment and claims, which can be used by stakeholders to share data electronically. Mandatory requirement for Aadhaar card enrolment will substantially reduce operational risks. Technological improvements while conducting the Crop Cutting Experiments (CCEs) by the central and state government, shall help in management of data to a large extent. It comprises an introduction of a new app which allows photograph capturing, with details such as location, date and time, etc.

The Company has received a Certificate of Compliance for successfully completing the ISO 31000:2018 compliance process for its Enterprise Risk Management (ERM). It is 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.

During the year, ICICI Lombard has maintained credit rating of "AAA" by ICRA and "Crisil AAA/Stable" by Crisil for subordinate debt raised by the Company. This is the highest rating regarding safety

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"To strengthen the existing business and efficiently manage risks arising out of duration, market, credit, legal and operation, the Company strictly follows commensurate risk management."

and timely servicing of financial obligations. Further, the Company maintained its credit rating of "iAAA" awarded by ICRA for claims paying ability by the Company. This indicates that the Company has highest claims paying ability and has a fundamentally strong position.

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. Latest and sophisticated cost-effective tools are deployed 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 overheads.

During the year, the Company introduced new technologies at its Corporate Office in Prabhadevi, Mumbai. Rainwater harvesting was initiated to facilitate water conservation while installation of systematic and secured car parking system offers ease and convenience to vehicle owners while being a cost-effective method of monitoring and handling the parking area.

The Company also gained cost savings in communication expenses. Revision in commercials of wireless connections helped to save 7% in voice sim card usage and 18% in data cards.

Investments

As of March 31, 2018, ICICI Lombard had the largest total investment assets among the private-sector non-life insurers in India. As of March 31, 2018, the Company had ₹ 181.93 billion in total investment assets with an investment leverage (net of borrowings) of 3.90x. The investment policy is designed with the objective of capital preservation and achieving superior total returns within identified risk parameters. The annualised total portfolio return (without unrealised gains) for fiscal 2018 was 9.7%. Listed equities made up 15.6% of the Compnay's total investment assets, by carrying value, as of March 31, 2018. Since fiscal 2004, the Company's listed equity portfolio has returned an annualized total return of 29.8%, as compared to an annualised return of 17.0% on the benchmark S&P NIFTY index.

Operations

During FY2018, the Company focussed on enhancing the quality of its services, lessening the time to market and improving customer service time. With the increased penetration of real-time policy/quote issuance platform like MyRA, Pratham and I partner, reduction in overall turnaround time (TAT) has been achieved. At the intermediary level, a direct document upload functionality was introduced, which eliminates the handling of the physical document at the intermediary's end. During the previous fiscal, the Company launched the 'Direct Client Interaction' platform in which the customer or intermediary can directly coordinate with the operations team for issuance of policy or endorsement.

Scale and capability were created in operations function to facilitate business growth and serve various business verticals in the organisation.

The increase in low value and high volume products like long-term two-wheelers, health combo products and OTC corporate products introduced the challenge to manage volumes with low operational costs and minimum TAT. Seamless integration with various systems and

20.3%

COMPOUNDED ANNUAL GROWTH RATE (CAGR) OVER THE LAST 5 YEARS IN THE COMPANY'S INVESTMENT PORTFOLIO

10.7%

THE TOTAL ANNUALISED RETURN OF INVESTMENT IN THE LAST 16 YEARS

processes of distribution partners, brokers and various lending institutions increased backend productivity leading to improved TAT. In the previous fiscal, the Company launched a new product "Health on EMI" under which all ICICI bank customers with savings accounts were offered health insurance with premium collection on a monthly basis from their respective savings account.

A key long-term strategy at ICICI Lombard is to continuously improve agent servicing and widen the distribution scale with compliance requirement to ensure accuracy and faster execution speed. During FY2018, IRDAI introduced different distribution channels like Point of Sale (POS), Insurance Marketing Firm (IMF) and Common Service Centre (CSC) apart from the agent, corporate agent and broker. For widening its distribution scale and customer penetration in rural areas and remote locations, the Company started empanelling POS, IMF and CSC.

Process Excellence Group (PEG)

There was an accelerated drive in the Company to provide superior customer experience for reinforcing ICICI Lombard's proposition of being a customer-centric and trusted brand. Operational and process excellence approaches such as digitisation, robotic process automation, risk-based design thinking and customer-centric process innovation saw considerable focus, thus bringing about resource optimisation and increased efficiency.

An organisation-wide campaign #MakeItEasy was run to simplify complex and tedious processes, thereby making it easier to do business with customers, suppliers and channel partners. The campaign attracted 687 ideas in a span of 45 days with active employee

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"Keeping customer convenience at the helm, the Company implemented real-time policy renewals at branch offices, thus reducing the time consumed on manual interaction and subsequent closures by cross-functional teams."

participation. Employees suggested ideas to eliminate non-value added manual tasks and voiced measures to align customer impacting processes with customer perception. The campaign was an opportunity for employees to lead the change that they wanted to make in the organisation. Top 10 ideas were presented to the Managing Committee, and winners were felicitated at the Company's Internal Performance Awards ceremony.

Keeping customer convenience at the helm, the Company implemented real-time policy renewals at branch offices, thus reducing the time consumed on manual interaction and subsequent closures by cross-functional teams. To further enhance the customer experience, the Company worked towards online booking of post-policy issuance health check-up appointments. Online appointment booking has eliminated the tedious tasks of multiple hand-shakes between departments and provided customers with a single window for choosing the preferred diagnostic centre and also track appointments. Break-through ideas aimed at eliminating redundant tasks at the call centre resulted in the reduction in call volumes, thus improving efficiency.

The Company completed the first periodic audit cycle of its quality management system after upgrading to the most recent ISO 9001:2015 standard in FY2017. This demonstrates the continued commitment to conform to internationally established standards for quality systems and assurance.

The Company's commitment to excellence was recognised and lauded by the World Quality Congress where it won the Global Award for Excellence in Quality Management and Leadership. ICICI Lombard also won the Middle East Quality Leadership and Excellence Award and the Asian Quality Excellence and Leadership Award for Planning, Processes and Systems in the general insurance segment.

"ICICI Lombard launched InstaSpect, a pioneering live video inspection and instant claims approval feature for motor insurance claims."

Information Technology

At ICICI Lombard, the constant endeavour is to provide the best-in-class experience to customers by using the latest technology solutions. Continuing on the path of building a robust technology infrastructure both at the front-end and back-end, following new initiatives were undertaken during the year:

ICICI Lombard launched InstaSpect, a pioneering live video inspection and instant claims approval feature for motor insurance claims. This is the first time India has seen such innovation in the processing of motor insurance claims. InstaSpect enables customers to initiate the survey themselves, thus allowing on-the-spot vehicle inspection.

The feature also allows customers to directly connect with an ICICI Lombard Claims Manager rather than intimating their claim to the call centre or reporting the vehicle to a workshop and waiting for an estimate and confirmation of loss covered from the insurer.

The Claims Manager will then intimate the claim, conduct and facilitate the inspection of the vehicle over a live video stream, provide immediate claim approval, assist the customer in finding a suitable workshop and arrange for a vehicle pickup, wherever available. The reduced wait-time from InstaSpect allows the vehicle to be inspected as soon as it is reported. The customer can be present while the survey is being conducted, allowing workshop representatives to provide on-the-spot information to them about the requirement of additional documents, if any. Further, if there are any doubts regarding coverage, the same can be clarified immediately, eliminating any further need for communication or the need to revisit the workshop at a later time.

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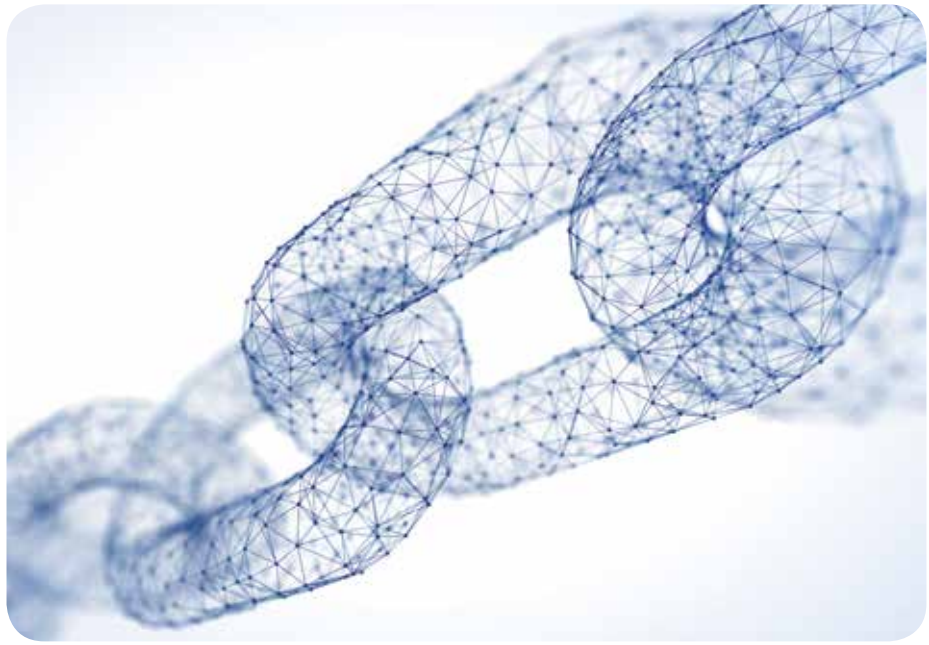
Shared Services

"ICICI Lombard is also leveraging Artificial Intelligence (AI) for assessing claim admissibility and approval amount. AI technologies eliminate human intervention to some extent."



The Company has migrated to a new contact centre solution with complete customer engagement capabilities. Calls and tasks are prioritised according to business and customer needs to increase operational efficiency. With rule-based prioritisation, consistency is achieved in service levels, and customer expectations are exceeded. The new contact centre solution has also helped to improve agent handling time, increase sales and reduce customer abandonment.

ICICI Lombard is also leveraging Artificial Intelligence (AI) for assessing claim admissibility and approval amount. AI technologies eliminate human intervention to some extent, saving time to focus on investigations and evaluations, thereby reducing TAT, and bring straight through process in approvals.

With GST implementation, the biggest Tax reform post-Independence, India has shifted to a destination-based tax system. The comprehensive dual tax replaces the complex multiple indirect tax structure. The impact of GST on ICICI Lombard's 28 applications include major applications like policy administration, claims, REIS, vendor payments, commissions and payout systems. It has also provided for a multiple invoicing facility.

The Company successfully kicked off an initiative to setup a blockchain platform for NCB query, during FY2018.

The year further witnessed the implementation of Chatbot 'MyRA' using natural language processing platform. The Chatbot not only responds to customer queries in real-time, but also enables customers to renew two-wheeler, four-wheeler and health policies over an automated chat without any human intervention. Robotics and Chatbots have helped to achieve faster TAT, error-free operations and provide self-help options to internal and external customers.

A remote assistant 'Pratham' was launched during the previous year, which provides a single window to Agents / RMs for generating the quote, inwarding the cases, submitting the documents and also issuing the policies to the end customers. Currently, the solution takes care of Fire and Burglary insurance for SME & Wholesale businesses, which shall be extended to other lines of business in future.

Human Resources

"Code Blue, an internal certification for building people capability, was rolled out for employees taking up managerial and leadership roles."

ICICI Lombard continued its journey towards becoming an employer of choice as part of its overall organisational vision. Attracting the right talent, building their capability, creating an enabling environment and retaining talent continue to be key enablers of enhanced individual and organisation performance.

The governance around recruitment and hiring was further strengthened to ensure consistency across all businesses and functions, standardisation of the processes and integrating Vishvas, the internal guiding principles of the organisation, as inputs into hiring decisions.

The scope of the individual employee capability building initiative launched in FY2017 was broadened to incorporate medium and long-term capability building. This was enabled by incorporating career development goals as a part of employee ICP (Individual Capability Plans). Discussions and reviews with line managers helped employees craft and implement these customised plans through the year.

During the year, action plans arising from the employee perception survey findings on Vishvas were activated. These action plans addressed the identified priorities through enabling policy, process and practice changes. To further strengthen employee engagement at branches, cross-functional teams were formed to structure and deploy the initiatives. In addition, Cultural Committees were set up to drive specific interventions to promote camaraderie and fun at work. Health and Wellness initiatives were also launched to spread awareness and encourage conversations around wellness.

Over and above the ongoing knowledge learning architecture and interventions, i.e., Code Orange, Code Maroon and Code Maroon+, during the year "Code Blue" was launched. Code Blue, an internal certification for building people capability, was rolled out for employees taking up managerial and leadership roles. All first-time managers were covered in the first phase of its launch. Over 200 members of the internal DLC (Deeksha Learning Centre) Council actively contributed to various learning and development activities in the organisation, thereby reinforcing the "Leaders as Teachers" philosophy.

In recognition of its talent development initiatives, ICICI Lombard was conferred with the Association for Talent Development (ATD) Global Best Award for the 5th time. In addition, the organisation was also awarded the CLO Global Learning Elite Award in Gold Category for its learning practices.

Corporate Social Responsibility

20

NO. OF SCHOOLS IN WHICH WATER PURIFIERS WERE INSTALLED WITH A THREE-YEAR MAINTENANCE CONTRACT

35,000

NO. OF STUDENTS BENEFITED BY ACCESS TO CLEAN DRINKING WATER

"The Company initiated workshops in schools serving underprivileged children to make them aware of problems related to drinking impure water."

As part of its broader focus to deliver value to all its stakeholders, ICICI Lombard is committed to being a responsible corporate citizen. Driven by the values of equality and humanity, the Company's CSR agenda is aimed at bettering the lives of underprivileged children and communities. Multiple steps are regularly taken in the areas of Preventive Healthcare, Road Safety and Disaster Support to realise the CSR goals. Voluntary employee participation in the CSR programmes has helped multiply the impact and reach.

Caring Hands

In its endeavour to improve the health of the underprivileged children, the Company has been carrying out the Caring Hands programme for over seven years. Every aspect of the project – from seeking a school's permission for holding the eye check-up camps to bringing in ophthalmologists and conducting the camp – is personally executed by the employees. Distribution of free spectacles to the needy children is also managed by the employees. Painstakingly planned for over two months, the project culminates on Caring Hands Day held in December. Over 176,000 students from over 300 schools across the country have been reached in the last seven years under the Caring Hands initiative carried out by the employees. In fact, the support for the project is so overwhelming that every year more than 50% of the growing employee base is involved, making it a genuinely employee-driven CSR initiative. From 11,000 children in the first year, i.e., 2011, the number of children touched through the programme grew to 36,579 in FY2018. The Company remains committed to enriching the lives of children through its unique endeavour.

50,000

NO. OF PARENTS REACHED OUT TO UNDER THE RIDE TO SAFETY INITIATIVE

44,000

NO. OF CHILDREN PROVIDED WITH ISI-MARKED HELMETS

Wellness Initiatives

According to an estimate from the World Bank, 21% of communicable diseases in India are linked to unsafe water and lack of hygiene practices. Over 150,000 children die every year from diarrhoea alone due to unsafe water in the country.

ICICI Lombard took up the task to address this problem and thereby address the larger issue of lack of Wellness among children. This focus is in line with the Company's experience in the healthcare domain and expertise in initiating projects towards preventive care especially related to Wellness.

The Company initiated workshops in schools serving underprivileged children to make them aware of problems related to drinking impure water. Further, the Company installed water purifiers in these schools to ensure that children get access to clean drinking water. In FY2018, the Company conducted workshops in 20 schools in Mumbai and installed water purifiers in their premises. 35,000 students benefited from this exercise and now have access to clean drinking water.

Ride to Safety

In India, more than 5,000 children below the age of 14 lose their lives due to road accidents every year involving two-wheelers, the highest among all vehicles. Lack of awareness and non-adherence to basic road safety rules such as wearing helmets are attributable to these unfortunate yet avoidable mishaps.

ICICI Lombard started a unique CSR initiative 'Ride to Safety' – aimed at making roads safer for children riding as pillion riders on two-wheelers. As part of the initiative, the Company has been promoting road safety habits among children. The young generation has especially been kept in focus as not only are children most receptive to such initiatives but in the long-run, this will bring about a sustainable change as these children become responsible adults.

Two broad interventions were undertaken as part of the programme: i) creating road safety awareness among parents and children through customised direct contact programmes, and ii) distributing child specific ISI-marked helmets to the participating children. Since the inception of the programme in September 2015, the Company has directly contacted over 50,000 parents and their children. In a significant milestone, ICICI Lombard has distributed 44,000 ISI-marked helmets to children.

Right Culture

Our people interact with customers every day. Defined by our Vishwas Policy – the internal guiding principles of the organisation, our culture inspires us to do the right thing every time. Manifest in our attitude, work ethics, innovation and productivity, our culture lies at the core of our business. The way we work, we firmly believe, will strengthen customer relationships and drive us towards outstanding results.

Fast and nimble
Agility is critical to serving our customers and partners in the best possible manner. Through product innovation, we seek to be responsive to their evolving requirements. We also strive to work proactively and quickly at all times, especially during claim management to ensure that our customers' difficult circumstances become easier to manage.

Taking charge
We are committed to set benchmarks and raise industry standards. To achieve this, each one of us at ICICI Lombard, whatever be our domain, job or skill set, are driven to perform. Our efforts collectively shape our Company's success, motivating us all to scale higher peaks and foray into newer pastures. By taking charge, we build long-term value.

Walking together
Collaborative environment sees results. By sharing ideas and combining resources, we foster teamwork, fuel innovation and kindle the organisation's success. We also work hand-in-hand with our distributors and partners. Our partnerships are founded on transparency, fairness and mutual trust.

Celebrating wins
Out-of-the-box thinking is encouraged, even at the cost of making mistakes. Failures, we believe, play a pivotal role in enabling team members to learn and grow. At the same time, we emphasise on being a meritocratic workplace, inspiring each one of us to bring our best to work. Every milestone, each achievement and all benchmarks are celebrated as a team – after all, each one of us has a part to play in our success!

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard/the Company) along with the audited financial statements for the year ended March 31, 2018 (FY 2018).

INDUSTRY OVERVIEW

The gross direct premium income (GDPI) of the industry grew from ₹ 1,282.13 billion in FY2017 to ₹ 1,507.05 billion in FY2018, a growth of 17.5%. ICICI Lombard's GDPI increased from ₹ 107.25 billion in FY2017 to ₹ 123.57 billion in FY2018, a growth of 15.2%. ICICI Lombard led the private sector players in the general insurance sector with a market share of 16.8% and had an overall industry market share of 8.2%. ICICI Lombard has now become the 4th largest player overall in the general insurance sector at March 31, 2018.

FINANCIAL HIGHLIGHTS

The financial performance for FY2018 is summarised in the following table:

(₹ billion)

	FY2017	FY2018
Gross written premium	109.60	126.00
Earned premium (net)	61.64	69.12
Income from Investments	12.83	14.82
Profit before tax	9.10	11.96
Profit after tax	7.02	8.62
EPS-Basic	15.66	19.01
EPS-Diluted	15.58	18.99

APPROPRIATIONS

The profit after tax for the year ended March 31, 2018 is ₹ 8.62 billion. The profit available for appropriation is ₹ 25.69 billion after taking into account the balance of profit of ₹ 17.07 billion brought forward from the previous year. The Board had approved payment of interim dividend of ₹ 1.50 per equity share during the year. The Board of Directors at its meeting held on April 25, 2018 has further recommended a final dividend of ₹ 2.50 per equity share to the shareholders' subject to their approval.

SECRETARIAL STANDARDS

During FY2018, the Company was in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (the Act) 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 are proposed to be utilised 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 of future operations of the Company.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors of ICICI Lombard as on March 31, 2018 consisted of ten Directors, out of which five are independent Directors, two are non-executive non-independent Directors and three are whole-time Directors.

All the Directors of the Company have given declarations that they meet the criteria of 'fit and proper' as laid down under Corporate Governance Guidelines of IRDAI.

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

Name of Director	Resignation/Cessation	With effect from
R. Athappan Non-Executive, Nominee of Fairfax Financial Holdings Limited	Cessation	June 8, 2017
Chandran Ratnaswami Non-Executive, Nominee of Fairfax Financial Holdings Limited	Cessation	July 2, 2017
S Mukherji Non-Executive, Nominee of ICICI Bank Limited	Cessation	July 3, 2017
Vijay Chandok Non-Executive, Nominee of ICICI Bank Limited	Cessation	July 3, 2017

The Board at its Meeting held on April 25, 2018 appointed Vishal Mahadevia as an Additional Director of the Company in the category of non-executive independent with effect from April 25, 2018 subject to shareholders' approval. The appointment is accordingly proposed to the shareholders' for their approval.

Independent Directors

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and 'fit and proper' declaration as laid down under Corporate Governance Guidelines of IRDAI.

Retirement of Director by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, N. S. Kannan, being non-executive non-independent Director of the Company, would retire by rotation at the forthcoming AGM and is eligible for re-appointment. N. S. Kannan has offered himself for re-appointment.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and guidelines for insurance companies issued by Insurance Regulatory and Development Authority of India (IRDAI), the Board has carried out an annual performance evaluation of its own performance as a whole and that of its statutory committees and that of its individual directors both executive and non-executive including independent Directors and the 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, ICICI Lombard has not accepted any deposits from the public.

Listing of Equity Shares

During FY2018, ICICI Lombard completed its Initial Public Offer ("IPO") by way of an offer for sale of 86,247,187 equity shares of face value ₹ 10 each of the Company, by the selling shareholders ICICI Bank Limited and FAL Corporation.

The shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 27, 2017.

The profit after tax for the year ended March 31, 2018 is ₹ 8.62 billion. The profit available for appropriation is ₹ 25.69 billion after taking into account the balance of profit of ₹ 17.07 billion brought forward from the previous year.

Directors' Report (Contd.)

AUDITORS

Statutory Auditors

IRDAI vide circular dated May 18, 2016, had issued Corporate Governance Guidelines (CG guidelines) wherein criteria for appointment of statutory auditors of insurance companies had been stated.

The present term of office of the joint statutory auditors of the Company, namely, Chaturvedi & Co., Chartered Accountants and PKF Sridhar & Santhanam LLP, Chartered Accountants expires at the conclusion of the ensuing Annual General Meeting (AGM); however both the audit firms are eligible for re-appointment. Chaturvedi & Co., Chartered Accountants, has completed its first term of five years and PKF Sridhar & Santhanam LLP, Chartered Accountants, has completed two years out of their first term of five years as on March 31, 2018.

The re-appointment of Chaturvedi & Co., Chartered Accountants, as recommended by the Audit Committee and approved by the Board, is proposed for a second term of five years i.e. from the conclusion of the Eighteenth AGM upto the conclusion of the Twenty-third AGM subject to ratification by the Members every year. The appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants is proposed for a period of three years i.e. from the conclusion of the Eighteenth AGM till the conclusion of the Twenty-first AGM subject to ratification by the Members every year.

Chaturvedi & Co. and PKF Sridhar & Santhanam have confirmed their eligibility under Section 141 of the Act and the rules framed thereunder for re-appointment as Auditors of the Company.

The appointment is accordingly proposed in the Notice of the forthcoming AGM vide item no. 4.

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 Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Dholakia & Associates LLP, a firm of practising company secretaries, to conduct the secretarial audit of the Company for FY2018. The Secretarial Audit Report is annexed herewith as Annexure A. There are no qualifications, reservation, adverse remark or disclaimer made by the auditor in the 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 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure B" to the Directors' Report.

The statement containing particulars of employees as required under Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of Section 136 of the Companies Act, 2013 the Directors' Report is being sent to the shareholders of ICICI Lombard 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

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

The transactions between the Company and its related parties, during the year ended March 31, 2018 were in the ordinary course of business and based on the principles of arm's length basis. The details of related party transactions are disclosed under Note No. 5.2.12 of the Notes to Financial Statements for FY2018.

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/default-document-library/policy-on-related-party-transactions.pdf

EXTRACT OF ANNUAL RETURN

Extract of Annual Return pursuant to the prescribed provisions of Companies Act, 2013, and the rules framed thereunder is furnished in Form MGT-9, annexed as "Annexure C" to this report.

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 HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

ICICI Lombard 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. ICICI Lombard through its policy ensures that all such complaints are resolved within defined timelines. Seven cases were reported and were disposed off.

RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 565,000 policies in rural areas and covered more than 17,500,000 lives falling within the norms of social responsibility, as prescribed by IRDAI.

CAPITAL

The total capital invested till March 31, 2018 including share premium, was ₹ 20.21 billion. The net worth of ICICI Lombard increased from ₹ 37.25 billion at March 31, 2017 to ₹ 45.41 billion at March 31, 2018. The solvency position of ICICI Lombard at March 31, 2018 was 2.05 times as against minimum of 1.50 times prescribed by IRDAI.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The operations have resulted in a profit after tax of ₹ 8.62 billion as compared to a profit after tax of ₹ 7.02 billion for the previous year. The Board had approved payment of interim dividend of ₹ 0.75 per equity share for the first quarter of the FY2018 by way of circular resolution on June 23, 2017 and second interim dividend of ₹ 0.75 per equity share, for the second quarter of the FY2018 at its Meeting held on October 17, 2017. Further, the Board at its Meeting held on April 25, 2018, has recommended a final dividend of ₹ 2.50 per equity share to the shareholders' for their approval.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy of the Company has been hosted on the Company's website and can be viewed at, https://www.icicilombard.com/docs/default-source/Policy-Wordings-product-Brochure/dividend-policy.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Companies Act, 2013. The CSR Committee was constituted comprising of members of the board of directors of the Company consisting of three directors including independent Directors. The CSR policy of the Company and the details about the development of the CSR policy 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, ICICI Lombard has maintained credit rating of "AAA" by ICRA and "Crisil AAA/Stable" by Crisil 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 for claims paying ability by the Company. This indicates that the Company has highest claims paying ability and has a fundamentally strong position.

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY OF CORPORATE GOVERNANCE

ICICI Lombard is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. ICICI Lombard continues to focus on building trust with shareholders, policyholders,

Directors' Report (Contd.)

employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. It also aims to increase and sustain its corporate value through growth and innovation.

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

Whistle Blower Policy

ICICI Lombard has formulated a Whistle Blower Policy ('Policy') which is designed to provide its employees, a channel for communicating instances of breach in the code of conduct, legal violation, actual or suspected fraud on the accounting policies and procedures adopted for any area or item. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. This mechanism has been communicated to the employees and posted on ICICI Lombard's intranet. The whistle blower policy has been hosted on the Company's website and can be viewed at, https://www.icicilombard.com/legal/whistle-blower-policy

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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ICICI Lombard has instituted a code of conduct to regulate, monitor and report trading in equity shares and debt securities by its Directors, Employees and other Connected Persons and to the extent specified in the code to their Immediate Relatives.

Code of Conduct

ICICI Lombard is committed to conduct its business with highest standards of compliance and ethical conduct. This code of conduct has been adopted to summarize the standards of business conduct that must guide the actions of the employees (including all Directors) at all times. This code is hosted on the website of the Company: https://www.icicilombard.com/docs/default-source/default-document-library/code-of-conduct.pdf. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

CEO/CFO Certification:

In terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the certification by the Managing Director & CEO and Chief Financial Officer of the Company on the financial statements and internal controls relating to financial reporting 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:

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

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

II. Board of Directors

ICICI Lombard has a broad-based Board of Directors, constituted in compliance with provisions of the Companies Act, 2013, and Corporate Governance Guidelines prescribed for insurance companies by IRDAI and in accordance with good governance practices. As on the date of this report, the Company's Board of Directors consisted of eleven members. Out of the eleven members of the Board, two are non-executive non-independent Directors, six are independent Directors and three are whole-time Directors including the Managing Director & CEO. Except the whole-time Directors, all other Directors, including the Chairperson of the Board are non-executive Directors.

The Board functions either as an entity per se, or through various Committees constituted to oversee specific operational areas. There is an appropriate mix of executive, non-executive and independent Directors to maintain the professionalism and independence of the Board. The independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance and economics. None of the Directors are related to any other Director or employee of the Company.

J. V. Prasad, Appointed Actuary of the Company is a permanent invitee to the Board Meeting.

Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda Kochhar (DIN: 00043617)	Chairperson, Non-Executive, Non-Independent	B.A, MBA, I.C.W.A., MMS (Finance)	Banking & finance.
Ved Prakash Chaturvedi (DIN: 00030839)	Non-Executive, Independent	B.E., MBA-IIM Bangalore	Finance & investment.
Uday Chitale (DIN: 00043268)	Non-Executive, Independent	C.A.	Finance & audit.
Lalita D. Gupte (DIN: 00043559)	Non-Executive, Independent	BA (Eco. Hons.), MMS – Master of Management Studies	Banking & insurance.
N. S. Kannan (DIN:00066009)	Non-Executive, Non-Independent	B.E. (Hon), PGDM, IIM, Bangalore, CFA	Banking & finance.
Suresh Kumar (DIN: 00494479)	Non-Executive, Independent	B. Com (Hons.) Post Graduation -Investment Management Programme, Stanford University and London School of Business Advance Management-Columbia Business School	Banking & finance.
Ashvin Parekh (DIN:06559989)	Non-Executive, Independent	F.C.A	Business strategy, Corporate planning, business transformation across various industries.
Vishal Mahadevia* (DIN:01035771)	Non-Executive, Independent	B.S. (Economics) B.S. (Electrical Engineering)	Finance & investment.
Bhargav Dasgupta (DIN:00047728)	Managing Director & CEO	B.E. (Mechanical) PGDM, IIM Bangalore	Banking & insurance.
Alok Kumar Agarwal (DIN:03434304)	Executive Director - Wholesale	B.E. (Chemical) PGDM, IIM Calcutta	Banking & insurance.
Sanjeev Mantri (DIN: 07192264)	Executive Director - Retail	F.C.A, I.C.W.A.	Banking & insurance.

*Appointed with effect from April 25, 2018

Directors' Report (Contd.)

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. The Board met ten times during the year under review on April 18, 2017, May 27, 2017, June 5, 2017, June 9, 2017, July 3, 2017, July 19, 2017, August 24, 2017, October 17, 2017, January 16, 2018 and February 16, 2018.

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 Annual General Meeting (AGM) and the number of other directorships and board committee memberships held by them at March 31, 2018 are set out in the following table:

Name of the Director	Board Meetings attended/ held during the year	Attendance at the AGM held on July 10, 2017	Number of other Directorships		Number of Committees of other Companies[4]	
			Of Indian public limited companies	Of other Companies[3]	In which a Member	In which a Chairperson
Non-executive, non-independent Directors						
Chanda Kochhar, Chairperson	9/10	Present	4	3	0	0
R. Athappan[1]	0/4	N.A.	N.A.	N.A.	N.A.	N.A.
Vijay Chandok[2]	4/4	N.A.	N.A.	N.A.	N.A.	N.A.
N. S. Kannan	10/10	Present	4	2	3	0
S. Mukherji[2]	4/4	N.A.	N.A.	N.A.	N.A.	N.A.
Chandran Ratnaswami[3]	3/4	N.A.	N.A.	N.A.	N.A.	N.A.
Independent Directors						
Ved Prakash Chaturvedi	10/10	Present	1	1	0	1
Lalita D. Gupte	7/10	Present	5	0	5	2
Suresh Kumar	10/10	Absent	2	8	2	0
Ashvin Parekh	10/10	Present	2	0	0	2
Uday Chitale	10/10	Present	6	0	5	3
Wholetime Directors						
Bhargav Dasgupta	10/10	Present	0	0	0	0
Alok Kumar Agarwal	9/10	Present	0	0	0	0
Sanjeev Mantri	9/10	Present	0	0	0	0
Appointed Actuary						
J. V. Prasad	9/10	N.A.	N.A.	N.A.	N.A.	N.A.

1. R. Athappan ceased to be a Director of the Company w.e.f. June 8, 2017
2. Vijay Chandok and S. Mukherji ceased to be a Director of the Company w.e.f. July 3, 2017. Chandran Ratnaswami ceased to be a Director of the Company w.e.f. July 2, 2017.
3. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
4. Comprises only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.

In terms of the 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.

Details of Equity shares held by the non-executive directors as on March 31, 2018:

Sr. No.	Name of the Director	No. of Equity Shares
1.	Chanda Kochhar	-
2.	Ved Prakash Chaturvedi	-
3.	Uday Chitale	-
4.	Lalita D. Gupte	1,782
5.	N.S. Kannan	-
6.	Suresh Kumar	-
7.	Ashvin Parekh	-

Board Committees ('the Committees')

The Board has constituted the following Committees:

(i) Board Nomination and Remuneration Committee

(ii) Audit Committee

(iii) Investment Committee

(iv) Risk Management Committee

(v) Policyholder Protection Committee

(vi) Corporate Social Responsibility Committee

(vii) Stakeholders Relationship Committee

(viii) Strategy Committee

The terms of reference of the Committees of the Board are determined by the Board from time to time. Minutes of the Committee Meetings are placed before the Board for its information. The 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 role and composition of these Committees, along with the number of meetings held during FY2018 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 payable to the members of the staff.

ix) To devise a policy on diversity of the Board.

x) 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

Directors' Report (Contd.)

of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by any other regulatory authority.

Composition

In terms of the provisions of Companies Act, 2013, the Board Nomination and Remuneration Committee (the Committee) comprises of four non-executive Directors, three 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 three times in the year under review on April 18, 2017, June 9, 2017 and July 3, 2017.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Uday Chitale, Chairman	3/3
Chanda Kochhar	3/3
Chandran Ratnaswami*	1/2
Lalita D. Gupte	2/3
Ashvin Parekh	3/3

*Ceased to be Member with effect from July 2, 2017.

The Board of Directors at its Meeting held on July 3, 2017 had re-constituted the Board Nomination and Remuneration Committee pursuant to which Chandran Ratnaswami ceased to be member of the Committee.

Performance Evaluation of Board, Committees and Directors:

Pursuant to the provisions of the Companies Act, 2013 and Guidelines for insurance companies issued by IRDAI, the Board shall carry out evaluation of every Director's performance. The Companies Act, 2013 had also prescribed the code of conduct ('the Code') for independent Directors which provided that the independent Directors shall meet atleast once in a year to review the performance of non-independent Directors and the Board as a whole and the Chairperson of the Company. The Code also mentioned that the performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Company with the approval of its Board Nomination and Remuneration Committee has put in place an evaluation framework for evaluation of the Board, Directors and Chairperson. The Board also carries out an evaluation of the working of its Audit Committee, Board Nomination & Remuneration Committee, Risk Management Committee, Investment Committee, Policyholder Protection Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Strategy Committee.

The evaluation of the Committees is based on the assessment of the compliance with the terms of reference of the Committees. The evaluations was done through circulation of four questionnaires, one for the Directors, one for the Chairperson, one for the Board and one for the Committees, which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors were based on their participation, contribution and offering guidance to and understanding of the areas which are relevant to them in their capacity as members of the Board.

Familiarisation Programme for Independent Directors

Independent Directors are provided every opportunity to familiarise themselves with the strategy, industry overview, performance, key regulatory developments and on their role, rights and responsibilities as a Director. Induction programmes are organised for every new Director wherein the Director is given an overview of the Company, its vision and mission, the industry in which it operates, its business, strategies, risk management, organisation structure and other areas of relevance. The details of the familiarisation programmes have been

hosted on the website of the Company and can be viewed at https://www.icicilombard.com/docs/default-source/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 the Section 134(3)(c) 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.

l. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by any other regulatory authority.

Directors' Report (Contd.)

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.

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 non-payment of declared dividends) and creditors.

h. Review the functioning of the whistle blower/vigil mechanism.

iii) Compliance and 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.

Composition

The Audit Committee (the Committee) comprises of four non-executive Directors, three 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 seven times in the year under review on April 17, 2017, July 3, 2017, July 18, 2017, August 14, 2017, August 24, 2017, October 17, 2017 and January 16, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Ashvin Parekh, Chairman	7/7
Lalita D. Gupte	5/7
Uday Chitale	6/7
N. S. Kannan	4/5
S. Mukherji*	1/1

*Ceased to be Member with effect from July 3, 2017.

The Board of Directors at its Meeting held on July 3, 2017 re-constituted the Audit Committee pursuant to which N. S. Kannan was appointed as a member of the Committee.

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

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

The Investment Committee (the Committee) comprises of two non-executive Directors, one wholetime Director, the Appointed Actuary of the Company, the Chief-Investments and the Chief Financial Officer. The Committee is chaired by N. S. Kannan, a non-executive non-independent Director of the Company.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 17, 2017, July 19, 2017, October 16, 2017 and January 15, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
N. S. Kannan, Chairman	4/4
Suresh Kumar	3/3
Chandran Ratnaswami*	0/1
Bhargav Dasgupta	4/4
J. V. Prasad, Appointed Actuary	4/4
S. Gopalakrishnan, Chief Investment Officer	4/4
Gopal Balachandran, Chief Financial Officer	4/4

*Ceased to be Member with effect from July 2, 2017.

The Board of Directors at its Meeting held on July 3, 2017 re-constituted the Investment Committee pursuant to which Suresh Kumar was appointed as a member of the Committee.

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.

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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.

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 and framework and anti-fraud policy and framework and monitoring implementation of antifraud 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 Listing Regulations, as amended, or by any other regulatory authority.

Composition

The Risk Management Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI). It comprises of seven directors out of which six are non-executive Directors and one wholetime Director of the Company. 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 four times in the year under review on April 17, 2017, July 18, 2017, October 16, 2017 and January 15, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Lalita D. Gupte, Chairperson	3/3
Uday Chitale	4/4
Ashvin Parekh	4/4
Ved Prakash Chaturvedi	2/3
Suresh Kumar	4/4
N. S. Kannan	3/3
Bhargav Dasgupta	4/4
S. Mukherji*	1/1
R. Athappan#	0/1

*Ceased to be Member with effect from July 3, 2017.
Ceased to be Member with effect from June 8, 2017.

The Board of Directors at its Meeting held on July 3, 2017, re-constituted the Risk Management Committee pursuant to which N. S. Kannan and Ved Prakash Chaturvedi were appointed as Members of the Committee.

v) Policyholder 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 time-frames 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

The Policyholder Protection Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by IRDAI. It comprises of three non-executive Directors and one wholetime 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 times in the year under review on April 17, 2017, July 18, 2017,October 16, 2017 and January 15, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Ashvin Parekh, Chairman	4/4
Ved Prakash Chaturvedi	3/4
N. S. Kannan$	3/3
Bhargav Dasgupta	4/4
S. Mukherji*	1/1
Chandran Ratnaswami#	0/1

*Ceased to be Member with effect from July 3, 2017.

#Ceased to be Member with effect from July 2, 2017.

$ The Board of Directors at its Meeting held on July 3, 2017, re-constituted the Policyholder Protection Committee pursuant to which N. S. Kannan was appointed as a Member of the Committee.

$ The Board of Directors at its Meeting held on April 25, 2018, re-constituted the Policyholder Protection Committee pursuant to which N. S. Kannan ceased to be a member of the Committee.

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

The Corporate Social Responsibility Committee (the Committee) has been formed in accordance with the provisions of the Companies Act, 2013. It comprises of two non-executive Directors and one wholetime Director. The Committee is chaired by Uday Chitale, a non-executive independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met twice in the year under review on April 17, 2017 and July 18, 2017.

Directors' Report (Contd.)

Attendance record of the Members:

Name of Member	Number of Meetings attended
Uday Chitale, Chairman	2/2
Ved Prakash Chaturvedi	2/2
N. S. Kannan$	1/1
Bhargav Dasgupta	2/2
S. Mukherji*	1/1
R. Athappan#	0/1

*Ceased to be Member with effect from July 3, 2017.
#Ceased to be Member with effect from June 8, 2017.

$ The Board of Directors at its Meeting held on July 3, 2017 re-constituted the Corporate Social Responsibility Committee pursuant to which N. S. Kannan was appointed as Member of the Committee.

$The Board of Directors at its Meeting held on April 25, 2018 re-constituted the Corporate Social Responsibility Committee pursuant to which N. S. Kannan ceased to be a Member of the Committee.

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.

ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

iii) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

iv) Redemption of securities and the listing of securities on stock exchanges;

v) Allotment of shares and securities; and

vi) 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

The Stakeholders relationship Committee (the Committee) has been formed in accordance with the provisions of the Companies Act, 2013. It comprises of two non-executive Directors and two wholetime 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 two times in the year under review on October 17, 2017 and January 15, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Suresh Kumar, Chairman	2/2
N. S. Kannan#	2/2
Bhargav Dasgupta	2/2
Sanjeev Mantri	2/2
Ved Prakash Chaturvedi#	N.A.

#The Board of Directors at its Meeting held on April 25, 2018 re-constituted the Stakeholders' Relationship Committee pursuant to which Ved Prakash Chaturvedi was appointed as a Member of the Committee while N. S. Kannan ceased to be a member of the Committee.

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 Shareholders Complaints:

SR. NO.	Particulars	NO.
1.	No. of investor complaints pending as on September 27, 2017#	0
2.	No. of investor complaints received during the year ended on March 31, 2018	13*
3.	No. of investor complaints resolved during the year ended March 31, 2018	12
4.	No. of investor complaints pending as on March 31, 2018	1

Note: * Out of 13 complaints, 1 complaint was received by the Company on March 28, 2018 and the complaint was addressed by the Company on March 30, 2018. However the complaint is pending for closure with SEBI.
Date of Listing

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 non-executive Directors and one wholetime 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 twice in the year under review on November 7, 2017 and February 16, 2018.

Attendance record of the Members:

Name of Member	Number of Meetings attended
Uday Chitale, Chairman	2/2
Ashvin Parekh	2/2
N. S. Kannan	2/2
Bhargav Dasgupta	2/2

III. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company with the approval of its Board Nomination and Remuneration Committee (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, KMPs and senior management). The sitting fee payable to independent Directors (other than non-exective non-independent Directors) as prescribed under the Companies Act, 2013 for attending Board and Committee Meetings was approved by the Board at its Meeting held on April 18, 2014. Further the Board at the Board Meeting held on March 31, 2015 approved the criteria for appointment of a Director, key managerial personnel 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 Board Nomination and Remuneration Committee at its Meeting held on October 18, 2016.

The remuneration payable to independent Directors is governed by the provisions of the Companies Act 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 Committee/Board 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 has permitted payment of profit related commission upto ₹ 1,000,000/- per annum for non-executive Directors, effective from October 1, 2016. The Board at its Meeting held on October 18, 2016 approved the payment of profit related commission upto ₹ 750,000/- per annum to non-executive independent directors of

Directors' Report (Contd.)

the Company, which was approved by the shareholders in 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, official visits and participation in various forums on behalf of the Board.

IV. INDEPENDENT DIRECTOR'S MEETING

The code of conduct for independent Directors prescribed vide Schedule IV of the Companies Act, 2013, 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.

Independent Directors of the Company met on April 18, 2017 without the presence of wholetime 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 wholetime Directors being present, to discuss issues and concerns, if any.

V. DETAILS OF MANAGERIAL REMUNERATION FOR FY2018:

(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 wholetime Directors. In terms of provisions of Insurance Amendment Act, 2015, prior approval of IRDAI is obtained to effect the remuneration of wholetime Directors.

The details of remuneration of wholetime Directors' for FY2018 are as under:

Particulars	Details of Remuneration (₹ in millions)		
	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 FY2018	36.25	21.45	22.23
Variable pay paid in FY2018 including deferred variable pay for previous years[1]	14.24	7.64	7.72
Value of perquisites u/s 17(2) Income-tax Act, 1961			
Perquisites[2]	0.35	0.03	1.18
Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Options–ICICI Bank (nos)[3]	753,500	99,770	303,050
Sweat Equity	-	-	-
Commission - as % of profit - others, specify	-	-	-
Others-Retirals (PF)	2.43	1.14	1.28

Note: For the year-ended March 31, 2018 the numbers indicated are the amounts paid/options granted during the year FY2018 as per IRDAI approvals.

1. The Variable pay includes deferred variable pay of previous years as approved by IRDAI and paid during FY2018.
2. Value of perquisites exclude stock options exercised during FY2018 which does not constitute remuneration paid to the Whole Time Directors for FY2018.
3. Pursuant to the issuance of bonus shares by the 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.

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 Companies Act, 2013. The Board of Directors have approved the payment of ₹ 100,000 as sitting fees for each Meeting of Board and ₹ 20,000 as sitting fees for each Meeting of a Committee attended for FY2018. This amount is within the limits prescribed as per Rule 4 of Companies (Appointment & Remuneration) Rules, 2014 of the Companies Act, 2013.

The details of sitting fees and commission paid to non-executive independent Directors during FY2018 are as follows:

Names of the Director	Sitting fees (in ₹)	Commission* (in ₹)
Ved Prakash Chaturvedi	1,140,000	750,000
Uday Chitale	1,300,000	750,000
Lalita D. Gupte	900,000	750,000
Suresh Kumar	1,180,000	750,000
Ashvin Parekh	1,360,000	750,000

* Commission for FY2018 will be paid in FY2019.

(iii) Non-executive non-independent Directors:

Non-executive non-independent Directors were not paid any sitting fees and profit related commission during FY2018.

Remuneration disclosures pursuant to IRDA 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 Wholetime Directors and the organisational performance norms for bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The BNRC assesses organisational performance as well as the individual performance for 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.

Directors' Report (Contd.)

- 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 nonfinancial 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 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

   The Company's Remuneration Policy was reviewed by the BNRC and the Board on April 18, 2017. The policy was amended to incorporate post retiral benefit, domiciliary medical expense reimbursement and Company provided car facility.

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 organisational and individual performance and making compensation-related recommendations to the Board.

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

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

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

   Every year, the financial plan/targets are formulated in conjunction with a risk framework with limit structures for various areas of risk/lines of business, within which the Company operates to achieve the financial plan. To ensure effective alignment of compensation with prudent risk taking, the BNRC takes into account adherence to the risk framework in conjunction with which the financial plan/targets have been formulated. KPIs of 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 and reserving. The BNRC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board.

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

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

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

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

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

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

   The BNRC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board regarding the level of performance bonus for employees and the performance assessment of 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.

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

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

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

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Wholetime Directors

Particulars	At March 31, 2018
Number of meetings held by the BNRC during the financial year	3
Remuneration paid to its members during the financial year (in million) (sitting fees)	5.86
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 (₹ in million)	
Fixed[1]	89.36
Variable[2]	46.67
Deferred	18.67
Non-deferred	28.00
Share-linked instruments[2,3]	11,56,320
Total amount of deferred remuneration paid out during the year (in ₹ million)	1.60
Total amount of outstanding deferred remuneration	
Cash (₹ in million)	19.24
Shares (nos.)	Nil
Shares-linked instruments[2]	37,49,916
Other forms	Nil

1. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Company.
2. For the year ended March 31, 2018, variable pay and share-linked instruments represent amounts paid/options awarded for the year ended March 31, 2017 as per IRDA approval.
3. Pursuant to the issuance of bonus shares by the 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.

Directors' Report (Contd.)

VI. Internal Control

ICICI Lombard has adopted the following frameworks in accordance with the requirements laid down under Corporate Governance Guidelines.

(i) Internal Audit Framework

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

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

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

In accordance with 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 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 Enterprises Risk Management 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 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 Risk Management Committee is kept appraised 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 the regulator 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 received a Certificate of Compliance for successfully completing the ISO 31000:2018 compliance process for its Enterprise Risk Management (ERM). It is 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.

VII. General Body Meetings:

i) Annual General Meetings

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

Annual General Meeting	Day, Date	Time	Venue
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, Prabhadevi, Mumbai 400 025
Fifteenth AGM	Thursday, June 25, 2015	11.00 a.m.	

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

General Body Meeting	Day and Date	Resolution
Annual General Meeting	Monday, July 10, 2017	1. Amendment to Articles of Association of the Company. 2. Revision of ICICI Lombard General Insurance Company Limited Employee Stock Option Scheme 2005. 3. 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.
Annual General Meeting	Friday, July 1, 2016	-
Annual General Meeting	Thursday, June 25, 2015	-

Note: During FY2017 no postal ballot was conducted

Directors' Report (Contd.)

ii) Details of the orders passed by the Regulators/ Courts/Tribunals during the year

The Company in its ordinary course of business receives order 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.

iii) 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 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 email or fax.

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.

iv) 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.

v) 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/financialreports/business-responsibility-report.pdf. Members who wish to receive a physical copy of the BRR are requested to write to the Company.

vi) General Shareholder Information

Registration No.	11-129408
Corporate Identification Number (CIN)	L67200MH2000PLC129408
Financial Year	2017-18
Board meeting for adoption of Audited Financial Accounts	April 25, 2018
Day, Date and Time of 18th Annual General Meeting	July 12, 2018
Venue	Swatantrya Veer Savarkar Auditorium, 252, Shivaji Park, Dadar (West), Mumbai - 400028
Financial Year	April 1-March 31
Book Closure	Friday, July 6, 2018 to Thursday, July 12, 2018
Date of Dividend Payment	On or before August 10, 2018
Company's Website	www.icicilombard.com

vii) Listing of Equity Shares and Non-Convertibe Debentures on Stock Exchanges

Currently, the Equity Shares and Non-convertible Debentures issued by the Company are listed at

Stock Exchange	Code for ICICI Lombard	
	Equity	Non-Convertible Debentures
BSE Limited (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400001.	540716	954492
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.	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.

viii) 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 since the Company is listed (i.e. from September 27, 2017 till March 31, 2018):

Month	BSE			NSE			Total Volume on BSE & NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
2017							
September	694.00	638.15	6,941,343	694.00	638.65	40,513,855	47,455,198
October	719.85	619.00	1,925,482	723.00	663.00	11,976,457	13,901,939
November	725.00	666.10	556,974	726.05	667.65	4,359,385	4,916,359
December	808.00	708.00	678,323	810.00	708.10	4,953,851	5,632,174
2018							
January	872.00	771.00	745,232	872.00	770.10	6,786,385	7,531,617
February	838.00	765.05	1,100,496	839.00	749.30	4,904,537	6,005,033
March	827.00	701.40	519,538	836.15	707.20	8,108,254	8,627,792

ix) Share Transfer System

The Company's Registrar and Transfer Agent (RTA) is Karvy Computershare Private Limited (Karvy). The address of the RTA is as follows:

Karvy Selenium Tower B,
Plot 31-32 Gachibowli,
Financial District Nanakramguda
Hyderabad 500 032,
Tel: (91 40) 6716 2222,
Fax: (91 40) 2300 1153

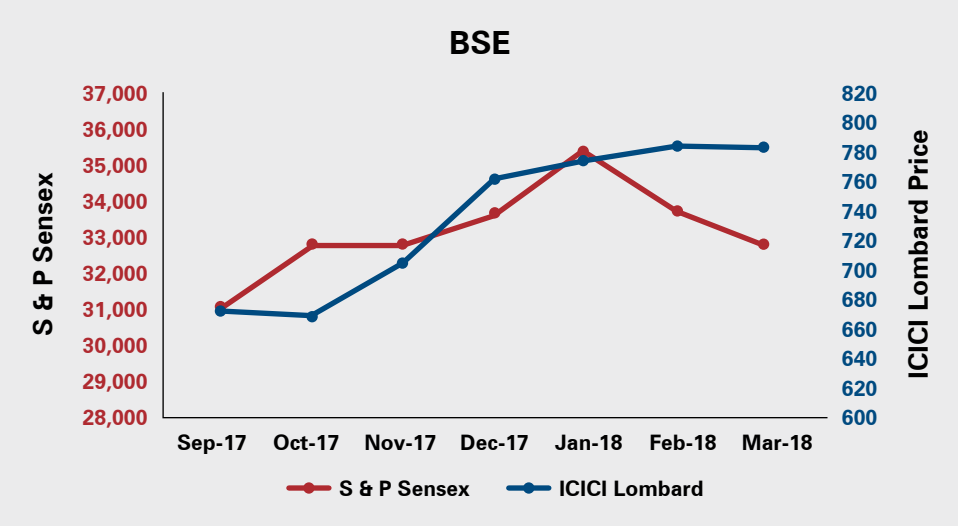
During the year the Company has change its Share Transfer Agent to Karvy Computershare Private Limited from 3i Infotech Limited.

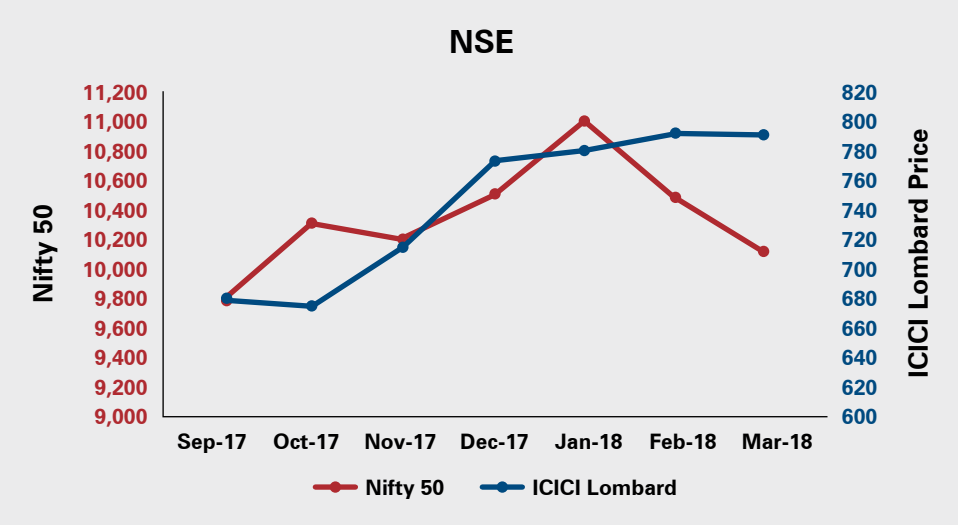
x) Registrar and Transfer Agents

The Registrar and Transfer Agent of the Company is Karvy Computershare Private Limited for Equity Shares and 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	Non-convertible Debenture
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2300 1153 E-mail: einward.ris@karvy.com	**Link Intime India Private Limited** 247, Lal Bahadur Shastri Marg, Survya Nagar, Gandhi Nagar, Vikhroli West, Mumbai - 400083 Tel No. : +91-22-4918 6000 Fax No. : +91-22-4918 6060

Directors' Report (Contd.)





xi) Information on Shareholding:

a. Shareholding pattern of the Company as on March 31, 2018:

Sl. No.	Category/Name of Shareholder	Number of shares on March 31, 2018	% total
1.	ICICI Bank Ltd (Promoter)	253,843,806	55.92
2	Domestic Mutual Funds	31,719,355	6.99
3	Alternative Investment Funds	9,679,285	2.13
4	Foreign Institutional Investors/Foreign Portfolio Investors	29,151,402	6.42
5.	Domestic Banks	87,993	0.02
6.	Indian Financial Institutions/NBFC/Trusts	1,233,328	0.27
7.	Bodies Corporate	5,141,616	1.13
8.	Foreign Corporate Bodies	93,080,157	20.50
9.	Public And Others	30,011,362	6.61

b. Shareholders of the Company with more than 1% holding as on March 31, 2018 (other than Promoter of the Company):

Sr. No.	Name	No. of shares	% of total Number of shares
1.	FAL Corporation	44,978,770	9.91
2.	Red Bloom Investment Ltd	40,889,791	9.01
3.	Tamarind Capital PTE Ltd	7,211,596	1.59
4.	Motilal Oswal Most Focused Dynamic Equity Fund	6,946,745	1.53
5.	Kotak Mahindra Balance Unit Scheme 99	5,224,584	1.15

c. Distribution of shareholding of the Company as on March 31, 2018:

Sr. No.	Distribution Schedule As on 31/03/2018				
	Category	No. of Cases	% of Cases	Amount (₹)	% of Amount
1.	1-5000	282371	98.97	129,698,930	2.86
2	5001-10000	1742	0.61	10,935,110	0.24
3	10001-20000	408	0.14	5,916,860	0.13
4	20001-30000	132	0.05	3,330,670	0.07
5.	30001-40000	77	0.03	2,749,330	0.06
6.	40001-50000	76	0.03	3,645,570	0.08
7.	50001-100000	123	0.04	9,110,050	0.20
8.	100001 & Above	379	0.13	4,374,096,520	96.36

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 us, 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:

This is not relevant to us as we do not have any derivatives or liabilities denominated in foreign currency.

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:
Vikas Mehra/Rakesh Sharma
ICICI Lombard General Insurance Company Limited
414, Veer Savarkar Marg, Prabhadevi Mumbai 400 025
Tel No. : +91-22-6196 1100 | Fax No. : +91-22-6196 1323
E-mail: investors@icicilombard.com

xvi) Compliance Certificate of the Auditors

The Company has annexed to this report Annexure E, a certificate obtained from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xvii) 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.

xviii) Debenture Trustees

Axis Trustee Services Limited
2nd Floor, Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025

VIII. Disclosures

1. There are no materially significant related party transactions that may have potential conflict with the interest of the Company.

Directors' Report (Contd.)

2. 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.
3. In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.

IX. 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

X. Web link where policy for determining material subsidiaries is disclosed

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

XI. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption do not apply to ICICI Lombard. ICICI Lombard has, however, used information technology extensively in its operations.

During FY2018, expenditures in foreign currencies amounted to ₹ 4.05 billion and earnings in foreign currencies amounted to ₹ 1.98 billion.

XII. Employee Stock Option Scheme

In FY2006, ICICI Lombard had instituted an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of ICICI Lombard to participate in its future growth and financial success. As per ESOS, the maximum number of options granted to any employee/Director in a year shall not, except with the approval of the Board, exceed 0.10% of ICICI Lombard's issued equity shares at the time of grant and the aggregate of all such options (net of forfeited/lapsed) is limited to 5% of ICICI Lombard's issued equity shares on the date of the grant.

The Board at its Meeting held on January 14, 2015 and the Shareholders at the Extra-Ordinary General Meeting held on March 4, 2015 had approved an 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 the year 2009 vest in 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 the subsequent four years. Options granted for the year 2011 vest 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.

Particulars of options granted by ICICI Lombard up to March 31, 2018 are given below:

Options granted	23,572,260
Options vested	18,204,108
Options exercised	14,163,448
Number of shares allotted pursuant to exercise of options	2,797,618
Options forfeited/lapsed	8,913,672
Extinguishment or modification of options*	Nil
Amount realised by exercise of options (₹)	356,974,940
Total number of options in force	495,140

* The exercise period for stock options granted between 2005 to 2007 has been modified from tenth anniversary to thirteenth anniversary.

XIII. 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

XIV. 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, 2017 onwards, with comparatives for the period ending March 31, 2018.

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, in compliance with the above Circular, the Company has also submitted the proforma Ind AS financial statements for the nine months ended December 31, 2017 to IRDAI.

XV. DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of 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 Companies Act, 2013 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities;

4. they have prepared the annual accounts on a going concern basis;

Directors' Report (Contd.)

5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively and;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

XVI. ACKNOWLEDGEMENTS

ICICI Lombard is grateful to the Insurance Regulatory and Development Authority of India, Government of India, Reserve Bank of India and Securities and Exchange Board of India for their continued co-operation, support and guidance. ICICI Lombard wishes to thank its investors, rating agencies depositories, Registrar & Share Transfer Agent & Stock Exchanges for their support.

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

ICICI Lombard 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

Chanda Kochhar
Chairperson
DIN: 00043617

June 6, 2018
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, 2018.

Bhargav Dasgupta
Managing Director & CEO
DIN: 00047728

June 6, 2018
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, 2018 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

June 6, 2018
Mumbai

Annexure A

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended March 31, 2018

[Issued in Pursuance to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
ICICI Lombard General Insurance Company Limited.
ICICI LOMBARD House, 414, Veer Savarkar Marg,
Near Siddhi Vinayak Temple, Prabhadevi,
Mumbai - 400025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI Lombard General Insurance Company Limited (CIN L67200MH2000PLC129408)** (hereinafter called 'the Company') for the financial year ended March 31, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. This Company is governed mainly under the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999 ("Insurance Laws") and under the Companies Act, 2013 and rules framed thereunder where there is no inconsistency with the Insurance Laws.

A. In expressing our opinion it must be noted that-

i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.

iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.

iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) 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.

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 with effect from October 1, 2017 issued by The Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

a. to the extent applicable for listing of its Non-Convertible Debentures for the period from April 1, 2017 to September 26, 2017;

b. Equity Shares and Non–Convertible Debentures for the period from September 27, 2017.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Annexure A (Contd.)

D. We further report that--

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. Majority decision is carried through and there was no instance of any director expressing any dissenting views.

E. We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. We further report that during the audit period the Company has undertaken, the following Corporate Action having the major bearing on the Company's affairs in pursuance of the aforesaid rules and regulations, guidelines, standards, etc:

1. The Company has listed its 453,948,304 Equity Shares of ₹10/- each fully paid up on BSE Limited and National Stock Exchange of India Limited with effect from September 27, 2017 through an offer for sale through the book building process in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules,1957 as amended and in accordance with Regulation 26(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 as amended.

   Except the above, none of the following events has taken place:

   (i) Redemption/buy-back of Securities;

   (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

   (iii) Merger/amalgamation/reconstruction, etc;

   (iv) Foreign technical collaborations.

For Dholakia & Associates LLP
(Company Secretaries)

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place: Mumbai
Date: April 12, 2018.

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;

Mr. Bhargav Dasgupta, Managing Director & CEO	89:1
Mr. Alok Kumar Agarwal, Executive Director	51:1
Mr. Sanjeev Mantri, Executive Director	56:1

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager;

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary ranged between 12% and 17%.

(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 8%.

(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, 2018 were 6,849.

(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 17%

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

Yes

Chanda Kochhar
Chairperson
DIN: 00043617

June 6, 2018
Mumbai

Annexure C

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.3.2018

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 Having Share Capital/Indian non-government of the Company
Address of the registered office and contact details	ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai – 400025
Whether listed company Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	1. Equity Shares Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2300 1153
	2. Debentures Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel No. : +91-22-4918 6000 Fax No. : +91-22-4918 6060

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 turover of the Company
General Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai - 400051	L65190GJ1994PLC021012	Holding Company	55.92	2(46)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

Sl No	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Promoters									
(1)	**Indian**									
a)	**Individual/HUF**									
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	285,605,284	-	285,605,284	63.31	253,843,806	-	253,843,806	55.92	(7.39)
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1) :-	285,605,284	-	285,605,284	63.31	253,843,806	-	253,843,806	55.92	(7.39)
(2)	**Foreign**		-							
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	154,777,462	-	154,777,462	34.31	-	-	-	-	(34.31)
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	154,777,462	-	154,777,462	34.31	-	-	-	-	(34.31)
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**440,382,746**	**-**	**440,382,746**	**97.62**	**253,843,806**	**-**	**253,843,806**	**55.92**	**(41.70)**
B	**Public Shareholding**									
(1)	**Institutions**	-	-	-	-	-	-	-	-	-
a)	Mutual Funds/UTI-II	-	-	-	-	31,719,355	-	31,719,355	6.99	6.99
b)	Banks/Financial Institutions	-	-	-	-	168,681	-	168,681	0.04	0.04
c)	Alternative Investment Fund	-	-	-	-	9,679,285	-	9,679,285	2.13	2.13
d)	Foreign Portfolio Investors	-	-	-	-	29,151,402	-	29,151,402	6.42	6.42
e)	Central Govt	-	-	-	-	-	-	-	-	-
	State Govt(s)	-	-	-	-	-	-	-	-	-
g)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
h)	Insurance Companies	-	-	-	-	-	-	-	-	-
i)	FIIs	-	-	-	-	-	-	-	-	-
j)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
k)	Other (specify)	-	-	-	-	-	-	-	-	-
l)	Foreign Banks	-	-	-	-	-	-	-	-	-
m)	FII-DR	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1) :-	**-**	**-**	**-**	**-**	**70,718,723**	**-**	**70,718,723**	**15.58**	**15.58**

Annexure C (Contd.)

Sl No	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**	-	-	-	-	-	-	-	-	-
a)	**Bodies Corp.**				-				-	-
i)	Indian	1,607,868	-	1,607,868	0.36	5,141,616	-	5,141,616	1.13	0.77
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	**Individuals**	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	907,946	101,190	1,009,136	0.22	14,875,235	50,339	14,925,574	3.29	3.07
ii)	Individual shareholders holding nominal share capital excess of ₹ 1 lakh	7,093,142	659,000	7,752,142	1.72	12,336,947	-	12,336,947	2.72	1.00
c)	**Others (specify)**	-	-	-	-	-	-	-	-	-
	Trust	-	-	-	-	234,900	-	234,900	0.05	0.05
	Directors & their Relatives (Resident)	-	-	-	-	832,798	-	832,798	0.18	0.18
	Non-Resident Indian Directors	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Non-Resident Indians	331,850	-	331,850	0.07	1,169,720	-	1,169,720	0.26	0.19
	Clearing Member	-	-	-	-	144,183	-	144,183	0.03	0.03
	Hindu Undivided Families	66,944	-	66,944	0.01	602,140	-	602,140	0.13	0.12
	Foreign Companies									
	Foreign Bodies-DR	-	-	-	-	93,080,157	-	93,080,157	20.50	20.50
	NRI-DR	-	-	-	-	-	-	-	-	-
	NBFC regitered with RBI	-	-	-	-	917,740	-	917,740	0.21	0.21
	Sub-total (B) (2) :-	**10,007,750**	**760,190**	**10,767,940**	**2.38**	**129,335,436**	**50,339**	**129,385,775**	**28.50**	**26.12**
	Total Public Shareholding (B) = (B)(1)+(B)(2)					**200,054,159**	**50,339**	**200,104,498**	**44.08**	
C	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**450,390,496**	**760,190**	**451,150,686**	**100.00**	**453,897,965**	**50,339**	**453,948,304**	**100.00**	**-**

ii) Shareholding of Promotors

Sl. No	Shareholder's Name	Shareholding at the beginning of the year April 1, 2017			Shareholding at the end of the year March 31, 2018			% 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	285,605,284	63.31	-	253,843,806	55.92	-	(7.39)
2	FAL Corporation* (FAL)	154,777,462	34.31		-	-	-	(34.31)
	Total	**440,382,746**	**97.62**	**-**	**253,843,806**	**55.92**	**-**	**(41.70)**

* As on March 31, 2018, FAL is not included in promoter group consequent to termination of JV agreement.

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

Sl. No.		Shareholding at the beginning of the year April 1, 2017		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 March 31, 2018	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	ICICI Bank Ltd.	285,605,284	63.31	-	-	-	285,605,284	63.31
		-	-	27/09/2017	Disposal of shares through offer for sale	31,761,478	253,843,806	55.92
				At the End of the year			253,843,806	55.92
2	FAL CORPORATION* (FAL)	154,777,462	34.31	-	-	-	154,777,462	34.31
		-	-	07/07/2017	Sale	55,312,983	99,464,479	21.92
		-	-	08/09/2017	Sale	54,485,709	44,978,770	9.91
				At the End of the year			44,978,770	9.91

* As on March 31, 2018, FAL is not included in promoter group consequent to termination of JV agreement.

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, 2017		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, 2018		Cummulative Shareholding during the year	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	FAL CORPORATION	154,777,462	34.31	-	-	-	-	-	154,777,462	34.31
		-	-	07/07/2017	Offer for Sale	55,312,983	-	-	99,464,479	21.92
		-	-	08/09/2017	Offer for Sale	54,485,709	44,978,770	9.91	44,978,770	9.91
2	RED BLOOM INVESTMENT LTD	-	-	-	-	-	-	-	-	-
		-	-	07/07/2017	Purchase	40,889,791	40,889,791	9.01	40,889,791	9.01
3	TAMARIND CAPITAL PTE LTD	-	-	-	-	-	-	-	-	-
		-	-	07/07/2017	Purchase	7,211,596	7,211,596	1.59	7,211,596	1.59

Annexure C (Contd.)

Sl No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018		Cummulative Shareholding during the year	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
4	MOTILAL OSWAL MOST FOCUSED DYNAMIC EQUITY FUND	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	3,921,269	-	-	3,921,269	0.86
		-	-	06/10/2017	Purchase	861,134	-	-	4,782,403	1.05
		-	-	13/10/2017	Purchase	241,619	-	-	5,024,022	1.11
		-	-	20/10/2017	Purchase	99,894	-	-	5,123,916	1.13
		-	-	27/10/2017	Purchase	415,931	-	-	5,539,847	1.22
		-	-	31/10/2017	Purchase	86,125	-	-	5,625,972	1.24
		-	-	03/11/2017	Purchase	30,000	-	-	5,655,972	1.25
		-	-	10/11/2017	Purchase	22,000	-	-	5,677,972	1.25
		-	-	17/11/2017	Purchase	30,000	-	-	5,707,972	1.26
		-	-	08/12/2017	Purchase	13,210	-	-	5,721,182	1.26
		-	-	15/12/2017	Purchase	189,307	-	-	5,910,489	1.30
		-	-	22/12/2017	Purchase	25,162	-	-	5,935,651	1.31
		-	-	05/01/2018	Purchase	32,160	-	-	5,967,811	1.31
		-	-	12/01/2018	Purchase	41,180	-	-	6,008,991	1.32
		-	-	19/01/2018	Purchase	291,949	-	-	6,300,940	1.39
		-	-	26/01/2018	Purchase	222,469	-	-	6,523,409	1.44
		-	-	02/02/2018	Purchase	35,000	-	-	6,558,409	1.44
		-	-	09/02/2018	Purchase	239,767	-	-	6,798,176	1.50
		-	-	16/02/2018	Purchase	116,752	-	-	6,914,928	1.52
		-	-	23/02/2018	Purchase	129,756	-	-	7,044,684	1.55
		-	-	02/03/2018	Purchase	23,720	-	-	7,068,404	1.56
		-	-	09/03/2018	Purchase	12,364	-	-	7,080,768	1.56
		-	-	16/03/2018	Sale	145,872	-	-	6,934,896	1.53
		-	-	23/03/2018	Sale	27,114	-	-	6,907,782	1.52
		-	-	30/03/2018	Purchase	38,963	6,946,745	1.53	6,946,745	1.53
5	KOTAK MAHINDRA BALANCE UNIT SCHEME 99	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	1,933,325	-	-	1,933,325	0.43
		-	-	06/10/2017	Purchase	536,249	-	-	2,469,574	0.54
		-	-	13/10/2017	Purchase	456,145	-	-	2,925,719	0.64
		-	-	20/10/2017	Purchase	117,658	-	-	3,043,377	0.67
		-	-	27/10/2017	Purchase	698,090	-	-	3,741,467	0.82
		-	-	31/10/2017	Purchase	75,141	-	-	3,816,608	0.84
		-	-	03/11/2017	Purchase	394,429	-	-	4,211,037	0.93
		-	-	10/11/2017	Purchase	60,569	-	-	4,271,606	0.94
		-	-	17/11/2017	Purchase	47,492	-	-	4,319,098	0.95
		-	-	24/11/2017	Purchase	52,508	-	-	4,371,606	0.96
		-	-	01/12/2017	Purchase	25,000	-	-	4,396,606	0.97
		-	-	22/12/2017	Purchase	125,000	-	-	4,521,606	1.00
		-	-	29/12/2017	Purchase	470,000	-	-	4,991,606	1.10
		-	-	12/01/2018	Purchase	100,000	-	-	5,091,606	1.12
		-	-	19/01/2018	Sale	26,022	-	-	5,065,584	1.12
		-	-	16/02/2018	Purchase	55,000	-	-	5,120,584	1.13
		-	-	23/02/2018	Purchase	145,000	-	-	5,265,584	1.16
		-	-	23/02/2018	Sale	40,000	-	-	5,225,584	1.15
		-	-	23/03/2018	Purchase	9,000	-	-	5,234,584	1.15
		-	-	23/03/2018	Sale	10,000	5,224,584	1.15	5,224,584	1.15

Sl No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018		Cummulative Shareholding during the year	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
6	IIFL SPECIAL OPPORTUNITIES FUND	-	-	-	-	-	-	-	90,000	0.02
		-	-	07/04/2017	Purchase	171016	-	-	261,016	0.06
		-	-	14/04/2017	Purchase	144556	-	-	405,572	0.09
		-	-	21/04/2017	Purchase	146900	-	-	552,472	0.12
		-	-	07/07/2017	Purchase	3523663	-	-	4,076,135	0.90
		-	-	22/09/2017	Purchase	646985	-	-	4,723,120	1.04
		-	-	22/09/2017	Sale	646985	-	-	4,076,135	0.90
		-	-	29/09/2017	Purchase	482423	4,558,558	1.00	4,558,558	1.00
7	DSP BLACKROCK DUAL ADVANTAGE FUND-SERIES 49-42	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	3,657,392	-	-	3,657,392	0.81
		-	-	06/10/2017	Purchase	202,706	-	-	3,860,098	0.85
		-	-	13/10/2017	Purchase	3,501	-	-	3,863,599	0.85
		-	-	20/10/2017	Sale	1,925	-	-	3,861,674	0.85
		-	-	17/11/2017	Sale	50,225	-	-	3,811,449	0.84
		-	-	24/11/2017	Purchase	155,233	-	-	3,966,682	0.87
		-	-	01/12/2017	Purchase	90,973	-	-	4,057,655	0.89
		-	-	08/12/2017	Purchase	100,109	-	-	4,157,764	0.92
		-	-	15/12/2017	Purchase	145,865	-	-	4,303,629	0.95
		-	-	22/12/2017	Purchase	149,584	-	-	4,453,213	0.98
		-	-	05/01/2018	Sale	84,964	-	-	4,368,249	0.96
		-	-	12/01/2018	Purchase	82,942	-	-	4,451,191	0.98
		-	-	12/01/2018	Sale	1,611	-	-	4,449,580	0.98
		-	-	19/01/2018	Sale	8,620	-	-	4,440,960	0.98
		-	-	26/01/2018	Sale	20,461	-	-	4,420,499	0.97
		-	-	02/02/2018	Sale	38,559	-	-	4,381,940	0.97
		-	-	09/02/2018	Sale	29,718	-	-	4,352,222	0.96
		-	-	23/02/2018	Purchase	25,497	-	-	4,377,719	0.96
		-	-	16/03/2018	Purchase	21,589	-	-	4,399,308	0.97
		-	-	23/03/2018	Purchase	2,357	-	-	4,401,665	0.97
		-	-	30/03/2018	Purchase	11,137	4,412,802	0.97	4,412,802	0.97
8	AMANSA HOLDINGS PRIVATE LIMITED	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	2,894,464	-	-	2,894,464	0.64
		-	-	06/10/2017	Purchase	11,271	-	-	2,905,735	0.64
		-	-	13/10/2017	Purchase	304,895	-	-	3,210,630	0.71
		-	-	20/10/2017	Purchase	22	-	-	3,210,652	0.71
		-	-	27/10/2017	Purchase	125,477	-	-	3,336,129	0.73
		-	-	31/10/2017	Purchase	20,916	-	-	3,357,045	0.74
		-	-	03/11/2017	Purchase	337,424	-	-	3,694,469	0.81
		-	-	10/11/2017	Purchase	46,284	-	-	3,740,753	0.82
		-	-	17/11/2017	Purchase	72,487	-	-	3,813,240	0.84
		-	-	01/12/2017	Purchase	123,753	-	-	3,936,993	0.87
		-	-	08/12/2017	Purchase	10,262	-	-	3,947,255	0.87
		-	-	15/12/2017	Purchase	109,318	-	-	4,056,573	0.89
		-	-	23/03/2018	Purchase	276,558	-	-	4,333,131	0.95
		-	-	30/03/2018	Purchase	47,301	4,380,432	0.96	4,380,432	0.96

Annexure C (Contd.)

Sl No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018		Cummulative Shareholding during the year	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
9	SBI MAGNUM EQUITY FUND	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	968,242	-	-	968,242	0.21
		-	-	06/10/2017	Purchase	2,139,956	-	-	3,108,198	0.68
		-	-	13/10/2017	Purchase	104,654	-	-	3,212,852	0.71
		-	-	20/10/2017	Purchase	1,700	-	-	3,214,552	0.71
		-	-	27/10/2017	Purchase	63,672	-	-	3,278,224	0.72
		-	-	31/10/2017	Purchase	199,463	-	-	3,477,687	0.77
		-	-	03/11/2017	Purchase	135,264	3,612,951	0.80	3,612,951	0.80
10	AZIM HASHAM PREMJI	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	Purchase	2,798,774	2,798,774	0.62	2,798,774	0.62

Sl No	For Each of the Directors and KMP	Shareholding at the beginning of the year April 1, 2017		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, 2018		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 Shares	% of total shares of the company
1	Bhargav Dasgupta	-	-	-	-	-	-	-	-	-
		-	-	26/05/2017	375,000	ESOS	-	-	375,000	0.08
		-	-	29/09/2017	508	IPO allotment	375,508	0.08	375,508	0.08
2	Alok Kumar Agarwal	75,000	0.00	-	-	-	-	-	75,000	0.02
		-	-	26/05/2017	205,000	ESOS	-	-	280,000	0.06
		-	-	05/07/2017	175,000	ESOS	455,000	0.10	455,000	0.10
3	Sanjeev Mantri	-	-	-	-	-	-	-	-	-
			-	29/09/2017	508	IPO allotment	508	0.00	508	0.00
4	Lalita D. Gupte	-	-	-	-	-	-	-	-	-
		-	-	29/09/2017	1,782	IPO allotment	1,782	0.00	1,782	0.00
5	Gopal Balachandran	84,000	0.02	-	-	-	-	-	84,000	0.02
		-	-	24/05/2017	30,000	ESOS	-		114,000	0.03
		-	-	05/06/2017	20,000	ESOS	-		134,000	0.03
		-	-	06/07/2017	119,250	ESOS	253,250	0.06	253,250	0.06
6	Vikas Mehra	18,500	0.00	-	-	-	-	-	18,500	0.00
		-	-	07/04/2017	5,000	Sale	13,500	0.00	13,500	0.00
		-	-	29/09/2017	110	IPO allotment	110	0.00	13,610	0.00

V. INDEBTNESS

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

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	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)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	**-**	**48,500**	**-**	**48,500**
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	-	2,708	-	2,708
Total (i+ii+iii)	**-**	**51,208**	**-**	**51,208**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

Sr. No	Particulars of Remuneration	Bhargav Dasgupta Managing Director & CEO	Alok Kumar Agrawal Executive Director	Sanjeev Mantri Executive Director
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	504.86	290.90	299.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.46	0.32	11.81
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options#	1,022.50	1,113.00	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others-Retirals (PF)	24.32	11.40	12.85
	Total (A)	**1,555.14**	**1,415.62**	**324.09**

* 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.

Perquisite value of the stock options exercised

Annexure C (Contd.)

B. Remuneration to other Directors :

1. Independent Directors

(₹ in lacs)

Sr. No	Particulars of Remuneration	Name of Director				
		Ashvin Parekh	Uday Chitale	Suresh Kumar	Lalita D. Gupte	Ved Prakash Chaturvedi
1	Fee for attending Board/Committee Meeting	13.60	13.00	11.80	9.00	11.40
2	Commission	7.50	7.50	7.50	7.50	7.50
3	Others, please specify	-	-	-	-	-
	Total B (1)	**21.10**	**20.50**	**19.30**	**16.50**	**18.90**

Commission for FY2018 will be paid in FY2019

2. Other Non Executive Directors

(₹ in lacs)

Sr. No	Particulars of Remuneration					
1	Fee for attending Board/Committee Meeting	**No attending fees for Board/Committee or Commission is being paid to Non Executive Directors**				
2	Commission					
3	Others, please specify					
	Total B (2)					
	Total B = B(1) + B(2)	**21.10**	**20.50**	**19.30**	**16.50**	**18.90**

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

(₹ in lacs)

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	219.82	65.79	285.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14	0.24	0.38
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options#	524.03	-	524.03
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, Retirals	5.84	2.10	7.94
	Total (C)	**749.83**	**68.13**	**817.96**

*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.

Perquisite value of the stock options exercised

VII. Penalities/Punishment/Compounding of Offences :

(₹ in lacs)

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

Chanda Kochhar
Chairperson
DIN: 00043617

June 6, 2018
Mumbai

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 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 ₹ 7,441.6 million.

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

   The prescribed CSR expenditure requirement for FY2018 was ₹ 148.8 million.

5. **Details of CSR spent during the financial year**

   (a) Total amount to be spent for the financial year;

   Total amount spent towards CSR during FY2018 was ₹ 149.7 million.

   (b) Amount unspent, if any: Nil

   (c) Manner in which the amount spent during the financial year is detailed below:

S No	Projects/Activities	Sector	Location Districts (State)	Amount outlay (budget) project or programme wise (₹ million)	Amount spent onthe 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	25.9	25.2	68.1	Through NGO partners
2.	Eye check-up camps for under-privileged school kids led by employees covering 36,579 children. 5,583 cases of poor vision provided with spectacles.	Promoting healthcare	Conducted at 273 schools across 104 locations	10.3	11.7 (including employee volunteering cost of ₹ 2.4 million)	27.5	Direct
3.	The Company conducted awareness programmes on wellness and safe drinking water habits with children and teachers in select schools. Further, water purifiers were installed in these schools, thereby playing a supporting role in ensuring basic facilities aimed at children's wellness.	Promoting wellness and healthcare	Mumbai	1.0	1.1	1.4	Through NGO partners
4.	Projects of ICICI Foundation for Inclusive Growth	Promoting education, employment enhancing vocational skills and livelihood enhancement projects.	Pan-India	111.6	111.6	270.7	Amount spent through ICICI 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 FY2018 was ₹ 149.7 million which is higher than the budget of ₹ 148.8 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 21/03/2018.

2 We have examined the compliance of conditions of Corporate Governance by ICICI Lombard General Insurance Company Limited ('the Company') for the period September 27, 2017 to March 31, 2018, 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.	For PKF Sridhar & Santhanam LLP
Chartered Accountants	Chartered Accountants
(Firm Registration No. 302137E)	(Firm Registration No. 003990S/S200018)
(S N Chaturvedi)	(R. Suriyanarayanan)
Partner	Partner
Membership No. 040479	Membership No. 201402

Place: Mumbai

Date : April 25, 2018

Management's Discussion and Analysis

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

Fiscal 2018 saw few important reforms on economic policy front such as implementation of Goods and Services Tax (GST), The Insolvency & Bankruptcy Code and Real Estate Regulation Act (RERA).

Implementation of GST was a big step towards simplifying indirect tax structure and formal economy. GST is expected to boost India's GDP growth, improve manufacturing outlook and create jobs.

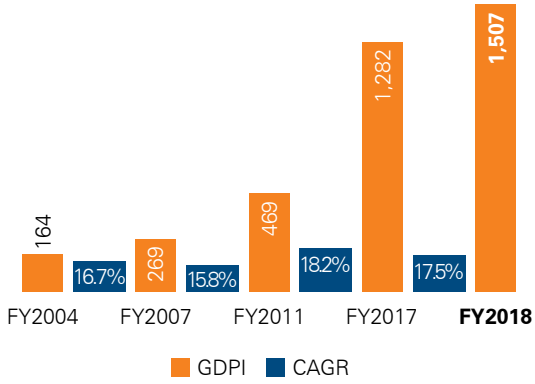
The Insolvency and Bankruptcy Code consolidated existing framework by creating single law for insolvency and bankruptcy dealing with insolvency of corporates, partnerships and individuals and other entities.

India's GDP growth outlook is improving with India's GDP growth projected at 7.4% for 2018 and 7.8% for 2019[1]. The increase in GDP growth will be driven by strong private consumption as well as fading transitory effect of demonetisation and implementation of GST.

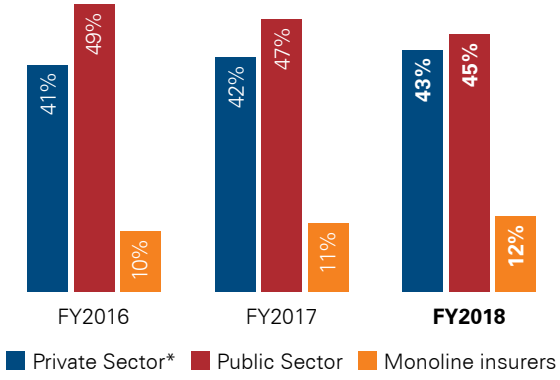
With the better growth outlook for GDP, country's stock market also attracted sizable inflows of foreign capital in addition to increased participation of domestic retail investors. The benchmark indices BSE Sensex and Nifty rose by 11.30% & 10.25% respectively for fiscal 2018[2].

Non-Life Insurance Industry developments

The non-life insurance industry continued to grow at robust pace for fiscal 2018, registering growth of 17.5%. The industry crossed important milestone of ₹ 1,500[3] billion GDPI for fiscal 2018, in just two years after having reached ₹ 964 billion for fiscal 2016. The industry has grown at a CAGR of approximately 17% for the last 16 years. Despite this, non-life insurance penetration continues to be around 0.8% of GDP against world average of 2.8%[4] and given India's demographic dividend, the sector is poised to reach newer heights in the coming years.

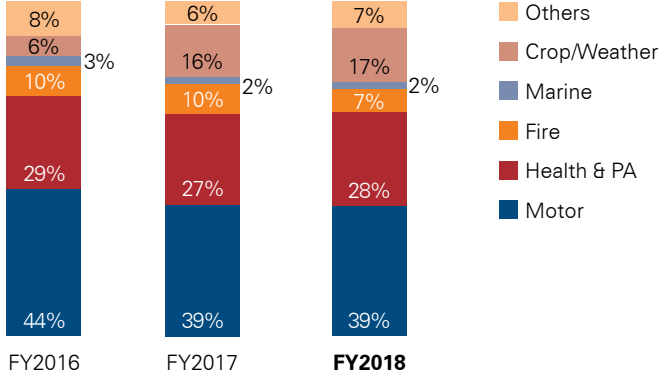


The private multi product players contributed to approximately 43% of the market for fiscal 2018.



*Excluding monoline insurers

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 24%, 27% & 19% for fiscal 2018. The product mix for the industry is given below:



[1]Source: IMF: World Economic Outlook, 2018
[2]Source: Bombay Stock Exchange and National Stock Exchange
[3]Source: IRDAI Report
[4]Source: Sigma 2016 Swiss Re Report

II. DISCUSSION ON FINANCIAL PERFORMANCE AND ANALYSIS OF FINANCIAL STATEMENTS

a. Overview of our business

We are the 4th largest[5] non- life insurer and the largest private-sector non-life insurer in India based on gross direct premium income for fiscal 2018. 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 2018, we issued 23.5 million policies and our gross direct premium income was ₹ 123.57 billion, translating into a market share, on a gross direct premium income basis of 8.2% among all non-life insurers in India and 16.8% among private-sector non-life insurers in India. Our key distribution channels are direct sales, individual agents, bank partners, other corporate agents, brokers and digital, through which we service our individual, corporate and government customers.

As of March 31, 2018, we had the largest total investment assets among the private-sector non-life insurers in India. As of March 31, 2018, we had ₹ 181.93 billion in total investment assets with an investment leverage (net of borrowings) of 3.90x. Our investment policy is designed with the objective of capital preservation and achieving superior total returns within identified risk parameters. Our annualised total portfolio return (without unrealised gains) for fiscal 2018 was 9.7%. Listed equities made up 15.6% of our total investment assets, by carrying value, as of March 31, 2018. Since fiscal 2004, our listed equity portfolio has returned an annualised total return of 29.8%, as compared to an annualised return of 17.0% on the benchmark S&P NIFTY index.

b. Basis of preparation and presentation of our financial statements

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards 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.

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 & 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 table below summaries the Revenue account.

(₹ billion)

	Fiscal 2017	Fiscal 2018
Premium earned (net)	61.64	69.12
Income from investments	10.01	11.27
Other income	0.44	0.28
Total (A)	**72.09**	**80.67**
Claims Incurred (net)	49.54	53.15
Commission paid (net)	(4.34)	(2.84)
Operating expenses related to insurance business	19.82	21.12
Total (B)	**65.02**	**71.43**
Operating Profit/ (Loss) C = (A-B)	**7.07**	**9.24**

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

[5]Source: IRDAI Report

Management's Discussion and Analysis (Contd.)

The table below summaries the Profit & Loss account.

(₹ billion)

	Fiscal 2017	Fiscal 2018
Operating profit/(loss)	7.07	9.24
Income from investments	3.09	4.06
Other income	0.02	0.08
Total (A)	**10.18**	**13.38**
Provisions (other than taxation)	0.09	0.68
Other expenses	0.99	0.74
Total (B)	**1.08**	**1.42**
Profit before tax	**9.10**	**11.96**
Provision for taxation	2.08	3.34
Profit after tax	**7.02**	**8.62**

Premium earned (net) (NEP)

(₹ billion)

	Fiscal 2017	Fiscal 2018
Premium from direct business written-net of service tax (GDPI)	107.25	123.57
Premium on reinsurance accepted	2.35	2.43
Gross Written Premium (GWP)	**109.60**	**126.00**
Less: Premium on reinsurance ceded	43.66	47.55
Net Written Premium (NWP)	**65.94**	**78.45**
Less: Adjustment for change in reserve for unexpired risks	4.30	9.33
Premium earned (net) (NEP)	**61.64**	**69.12**

Premium from direct business written-net of service tax, which we refer to as GDPI, is the total premium received by us before taking into account reinsurance assumed and ceded. This is calculated net of service tax on such premiums.

Our GDPI increased to ₹ 123.57 billion for fiscal 2018 from ₹ 107.25 billion for fiscal 2017, an increase of 15.2%. The increase was primarily due to growth in the GDPI from health, motor and crop/weather segments.

The increase in our GDPI from health insurance can be attributed to increase in retail and group health business. The increase in motor insurance segment is primarily due to price revision in Motor Third Party business and partly supported by increase in our long-term two-wheeler insurance business. Our GDPI from crop/weather increased to ₹ 23.71 billion for fiscal 2018 from ₹ 21.51 billion for fiscal 2017, an increase of 10.2%, primarily due to Prandhan Mantri Fasal Bilma Yojna (PMFBY). The GDPI growth for crop/weather insurance for industry for fiscal 2018 was 18.9%. The Company took a cautious approach in underwriting crop/weather insurance given the adverse loss experience exhibited in the Kharif season.

Premium on reinsurance accepted is the premium received by us due to risks that we reinsure, which we also refer to as "reinsurance inward". Premium on reinsurance accepted increased marginally to ₹ 2.43 billion for fiscal 2018 from ₹ 2.35 billion for fiscal 2017.

Hence, our GWP increased to ₹ 126.00 billion for fiscal 2018 from ₹ 109.60 for fiscal 2017, an increase of 15.0%.

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 ₹ 47.55 billion for fiscal 2018 from ₹ 43.66 billion for fiscal 2017 primarily due to increase in GDPI and an increase in crop/weather insurance for which we have had a lower rate of risk retention.

Our NEP increased to ₹ 69.12 billion for fiscal 2018 from ₹ 61.64 billion for fiscal 2017. The increase was primarily due to increase in NEP from motor, crop/weather and personal accident segments.

Our segmental NEP is shown in the table below.

(₹ billion)

Segment	Fiscal 2017	Fiscal 2018
Motor:		
Motor- Own Damage	19.73	23.00
Motor- Third Party	15.67	18.42
Motor- Total	35.40	41.42
Health Insurance	11.55	11.15
Crop/Weather Insurance	5.06	5.45
Marine:		

(₹ billion)

Segment	Fiscal 2017	Fiscal 2018
Marine-Cargo	1.83	1.91
Marine-Others	0.09	0.05
Marine- Total	1.92	1.96
Personal Accident	1.80	2.35
Fire	1.24	1.44
Engineering	0.66	0.74
Aviation	0.45	0.34
Workmen's Compensation	0.42	0.46
Public/Product Liability	0.07	0.12
Credit Insurance	0.02	0.03
Others	3.05	3.66
Total	**61.64**	**69.12**

Our NEP from Motor insurance grew to ₹ 41.42 billion for fiscal 2018 from ₹ 35.40 billion for fiscal 2017, an increase of 17.0%.

Our NEP from crop/weather insurance grew to ₹ 5.45 billion for fiscal 2018 from ₹ 5.06 billion for fiscal 2017, an increase of 7.6%.

Our NEP from health insurance reduced marginally to ₹ 11.15 billion for fiscal 2018 from ₹ 11.55 billion for fiscal 2017, a decrease of 3.5%. The decrease was due to our decision to largely exit from the mass health segment during fiscal 2018 which was partially offset by increase in retail and corporate health segments.

Income from investments (revenue account)

Income from investments (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 summaries the Income from investments (Revenue account).

(₹ billion)

Income from investments (revenue account)	Fiscal 2017	Fiscal 2018
Net profit on sale and redemption of investments	2.98	3.29
Interest, Dividend and Rent – Gross	7.03	7.98
Income from investments (revenue account)	**10.01**	**11.27**

Income from investments (revenue account) increased to ₹ 11.27 billion for fiscal 2018 from ₹ 10.01 billion for fiscal 2017, an increase of 12.5%. The increase in gross interest, dividend and rent (revenue account) to ₹ 7.98 billion for fiscal 2018 from ₹ 7.03 billion for fiscal 2017 was primarily due to increase in total investment assets attributable to the revenue account.

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 summaries the Other income (revenue account).

(₹ billion)

Other income (revenue account)	Fiscal 2017	Fiscal 2018
Foreign exchange gain/(loss)	(0.07)	(0.02)
Investment income from pool (terrorism)	0.24	0.28
Miscellaneous income	0.27	0.02
Other income (revenue account)	**0.44**	**0.28**

Other income (revenue account) decreased to ₹ 0.28 billion for fiscal 2018 from ₹ 0.44 billion for fiscal 2017, a decrease of 37.6%. This is primarily due to decrease in miscellaneous income to ₹ 0.02 billion for fiscal 2018 from ₹ 0.27 billion for fiscal 2017. Miscellaneous income for fiscal 2017 primarily included income booked upon the final determination of area coverages in crop/weather insurance based on actual measurements.

Claims Incurred (net)

Claims incurred (net) are the total claims incurred by us during a given period, both paid and outstanding, net of claims recovered from reinsurance ceded. Under guidance issued by the IRDAI, IBNR and IBNER reserves, which constitute claims outstanding, are not discounted. The table below summaries the Claims Incurred (net).

Management's Discussion and Analysis (Contd.)

(₹ billion)

Claims Incurred (net)	Fiscal 2017	Fiscal 2018
Claims paid- Direct	50.12	54.24
Claims paid on reinsurance accepted	1.33	1.08
Gross claims paid	**51.45**	**55.32**
Less: Claims recovered from reinsurance ceded	18.88	20.63
Net claims paid	**32.57**	**34.69**
Increase/(decrease) in claims outstanding	16.97	18.46
Claims incurred (net)	**49.54**	**53.15**

Claims incurred (net) increased to ₹ 53.15 billion for fiscal 2018 from ₹ 49.54 billion for fiscal 2017, an increase of 7.3%. This increase was lower than our increase in NEP of 12.1% for the same period. There was also an improvement in our overall Loss ratio to 76.9% for fiscal 2018 from 80.4% for fiscal 2017. The table below summaries the segmental loss ratios.

Segment	Fiscal 2017	Fiscal 2018
Motor:		
Motor-Own Damage	64.2%	53.7%
Motor-Third Party	97.4%	107.1%
Motor- Total	78.9%	77.4%
Health Insurance	97.9%	77.6%
Crop/Weather Insurance	84.2%	135.0%
Marine:		
Marine- Cargo	79.9%	54.1%
Marine- Others	170.0%	56.6%
Marine- Total	83.9%	54.2%
Personal Accident	41.3%	23.9%
Fire	68.4%	43.1%
Engineering	53.3%	24.0%
Aviation	135.8%	176.7%
Workmen's Compensation	49.5%	76.2%
Public/Product Liability	159.1%	117.1%
Credit Insurance	85.2%	50.0%
Others	50.6%	42.0%
Total	**80.4%**	**76.9%**

Commission paid (net)

Commission paid (net) comprises of Commission paid – Direct, Commission paid on reinsurance accepted subtracted by commission received from reinsurance ceded.

Commission on reinsurance ceded refers to the commissions on reinsurance arrangements received by us. This commission is generally computed as a percentage of the premium on reinsurance ceded. In the case of certain proportional reinsurance contracts where the premium rates are defined, the difference between the premium we receive for insuring a particular risk and the premium rate so defined in the reinsurance contract is considered as commission on reinsurance ceded.

(₹ billion)

Commission (net)	Fiscal 2017	Fiscal 2018
Commission paid – Direct	4.38	7.11
Commission paid on reinsurance accepted	0.32	0.32
Gross commission paid	**4.70**	**7.43**
Less: Commission received from reinsurance ceded	9.04	10.27
Commission paid (net)	**(4.34)**	**(2.84)**

Commission paid-Direct increased to ₹ 7.11 for fiscal 2018 from ₹ 4.38 for fiscal 2017, an increase of 62.8%. The increase was primarily due to reflection of distribution fees on motor 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 remained the same at ₹ 0.32 billion for fiscal 2018 and fiscal 2017.

Commission received from reinsurance ceded increased to ₹ 10.27 billion for fiscal 2018 from ₹ 9.04 billion for fiscal 2017, an increase of 13.7%. The increase was primarily due to increase in premium on reinsurance ceded.

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 increased to ₹ 21.12 billion for fiscal 2018 from ₹ 19.82 billion for fiscal 2017, an increase of 6.6%. The increase was primarily due to an increase in travel, conveyance and vehicle running expenses, business support expenses in line with increase in business volumes and advertisement and publicity charges.

Operating profit

Based on the above, operating profit increased to ₹ 9.24 billion for fiscal 2018 from ₹ 7.07 billion for fiscal 2017, an increase of 30.6%. Fire insurance contributed 14.4% and 14.1%, marine insurance contributed 5.1% and (1.4)%, and miscellaneous insurance (including motor insurance, health insurance and other lines of insurance) contributed 80.5% and 87.3% of our operating profit for fiscal 2018 and fiscal 2017, respectively. The increase in operating profit is largely driven by significant improvements in our loss ratios across the lines of business except for crop/weather and Motor Third Party segment.

Income from investments (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 summaries the Income from investments (profit & loss account).

(₹ billion)

Income from investments (profit and loss account)	Fiscal 2017	Fiscal 2018
Net profit on sale and redemption of investments	0.92	1.18
Interest, Dividend and Rent – Gross	2.17	2.88
Income from investments (profit and loss account)	**3.09**	**4.06**

Income from investments (profit and loss account) increased to ₹ 4.06 billion for fiscal 2018 from ₹ 3.09 billion for fiscal 2017, an increase of 31.3%. The increase in gross interest, dividend and rent (profit and loss account) to ₹ 2.88 billion for fiscal 2018 from ₹ 2.17 billion for fiscal 2017 was primarily due to an increase in total investment assets attributable to the profit and loss account.

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 0.08 billion for fiscal 2018 from ₹ 0.02 billion for fiscal 2017, an increase of 305.2%. We received interest income on tax refund of ₹ 0.08 billion for fiscal 2018 and ₹ 0.02 billion for fiscal 2017.

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.

Provisions (other than taxation) increased to ₹ 0.68 billion for fiscal 2018 from ₹ 0.09 billion for fiscal 2017, an increase of 618.6%. This was primarily due to an increase in provision for doubtful debts of ₹ 0.55 billion created on erstwhile policies issued under government sponsored mass health insurance scheme (RSBY).

Other expenses

Other expenses consist of expenses other than those related to insurance business, which include certain employees' remuneration and other expenses, managerial remuneration, directors' fees and CSR expenditure, charges on issuance of the Debentures, interest on the Debentures, expense 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 decreased to ₹ 0.74 billion for fiscal 2018 from ₹ 0.99 billion for fiscal 2017, a decrease of 25.6%. Operating expenses for fiscal 2017 included ₹ 427.9 million debited in P&L account being excess of IRDAI prescribed segmental limits pertaining to the

Management's Discussion and Analysis (Contd.)

motor 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 ₹ 11.96 billion for fiscal 2018 from ₹ 9.10 billion for fiscal 2017, an increase of 31.4%.

Provision for taxation increased to ₹ 3.34 billion for fiscal 2018 from ₹ 2.08 billion for fiscal 2017, an increase of 60.6%, primarily due to an increase in profit before tax and excess tax provision written back of ₹ 0.40 billion for fiscal 2017.

Profit after tax increased to 8.62 billion for fiscal 2018 from ₹ 7.02 billion for fiscal 2017, an increase of 22.8%.

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.

(₹ billion)

Particulars	At March 31, 2017	At March 31, 2018
Share capital	4.51	4.54
Reserves and Surplus	32.74	40.88
Share application money-pending allotment	0.01	-
Total Equity	**37.26**	**45.42**
Current liabilities	149.14	195.11
Provisions	35.48	44.78
Fair value change account	6.77	7.34
Borrowings	4.85	4.85
Total liabilities	**196.24**	**252.08**
Total equity and liabilities	**233.50**	**297.50**
Total Investments	**149.50**	**181.93**
Fixed assets		
Cost/gross block	7.48	7.91
Net block	3.83	4.06
Deferred tax asset	0.87	2.11
Cash and bank balances	1.94	5.92
Advances and other assets	77.36	103.48
Total Assets	**233.50**	**297.50**

Total assets increased to ₹ 297.50 billion at March 31, 2018 from ₹ 233.50 billion at March 31, 2017, an increase of 27.4%. This increase was primarily due to an increase in total investments to 181.93 billion for fiscal 2018 from ₹ 149.50 billion for fiscal 2017 Advances and other assets increased to ₹ 103.48 billion at March 31, 2018 from ₹ 77.36 billion at March 31, 2017, an increase of 33.8%. Dues from other entities carrying on insurance business (net) increased to ₹ 75.89 billion for fiscal 2018 from ₹ 49.99 billion for fiscal 2017 on account of adverse claim experience in crop/weather insurance segment which typically has high proportion of reinsurance.

Total liabilities increased to ₹ 252.08 billion at March 31, 2018 from ₹ 196.24 billion at March 31, 2017, an increase of 28.5%. This increase was primarily due to an increase in claims outstanding (gross) to ₹ 159.16 billion for fiscal 2018 from ₹ 118.05 billion for fiscal 2017, primarily in relation to crop/weather insurance and motor third party insurance.

Fair value change account–Shareholder funds increased to ₹ 1.86 billion at March 31, 2018 from ₹ 1.75 billion at March 31, 2017, an increase of 6.4%. This increase was primarily due to the increase in the market value of our equity portfolio compared to its cost price. Fair value change–Policyholder funds increased to ₹ 5.48 billion at March 31, 2018 from ₹ 5.03 billion at March 31, 2017, an increase of 9.0%. This increase was primarily due to the increase in the market value of our equity portfolio compared to its cost price.

Investments–Shareholders increased to ₹ 47.28 billion at March 31, 2018 from ₹ 39.83 billion at March 31, 2017, an increase of 18.7%. 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 Policyholder and Shareholder funds based on the ratio of their respective liabilities and assets also contributed to an increase in the Shareholders fund ratio.

iii. Liquidity and Capital Resources

The following table sets forth, for the periods indicated, a summary of cash flows from our statement of receipts and payments account.

(₹ billion)

Particulars	Fiscal 2017	Fiscal 2018
Net cash flow from (used in) operating activities	16.28	23.90
Net cash flow from (used in) investing activities	(19.90)	(18.96)
Net cash flow from (used in) financing activities	3.61	(0.96)

Cash flows from operating activities

Net cash flows from operating activities increased to ₹ 23.90 billion for fiscal 2018 from ₹ 16.28 billion for fiscal 2017. This increase was primarily due to an increase in premiums received from policyholders due to the growth of our business, partially offset by an increase in the payment of operating expenses and commissions.

Cash flows from investing activities

Net cash flows (used in) investing activities decreased to ₹ (18.96) billion for fiscal 2018 from ₹ (19.90) billion for fiscal 2017. This decrease was primarily due to a reduction in net purchase of equity and fixed income and net investment in money market instruments and liquid mutual funds, mainly from funds generated from operating activities.

Cash flows from financing activities

Net cash flows from financing activities decreased to ₹ (0.96) billion for fiscal 2018 from ₹ 3.61 billion for fiscal 2017. This decrease was primarily due to payment of interest in respect of issuance of Debentures of ₹ 4.85 billion for fiscal 2017.

iv. Contingent Liabilities

The Statement of contingent liabilities is provided below.

(₹ billion)

Particulars	At March 31, 2017	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	0.3	4.2
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	0.1	0.2

v. Borrowings

As of March 31, 2018, we had long term borrowings of ₹ 4.85 billion, total net worth of ₹ 45.41 billion and a total debt to net worth ratio of 10.7%.

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, 2018 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 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, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural and 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 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, 2018 amount to ₹ 181,926.7 million Refer schedule 8 & 8A (previous year: 149,504.5 million). Income from Investments amounted to ₹ 15,326.4 million (previous period: 13,104.6 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.

13. We also confirm:

    (a) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;

    (b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended and of the operating profit and of the profits of the Company for the year ended;

    (c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Companies Act, 1956 and Companies Act, 2013 to the extent applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

    (d) the management has prepared the financial statements on a going concern basis;

    (e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

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

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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 25, 2018

Management Report (Contd.)

Details of Claims Outstanding during the Preceding Five Years

Annexure 1

As at March 31, 2018

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	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	-	-	0	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	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	419	32,172.0	2,378	17,961.1	7	6,798.0	38,695	56,567.9	1,968	334,861.8	348	3,691.8	207	745.1
30 days to 6 months	512	26,464.9	1,645	6,266.9	10	6,993.6	10,496	6,825.2	7,438	29,124.1	362	622.9	345	294.2
6 Months to 1 Year	354	12,405.2	276	2,245.5	13	1,752.9	194	728.8	7,352	31,791.8	270	421.2	104	178.2
1 Year to 5 Years	1,010	23,798.7	294	2,470.6	48	4,174.7	12	71.7	25,931	104,734.6	3	13.9	18	709.7
More than 5 Years	232	2,604.8	47	379.0	69	1,227.2	-	-	18,023	51,422.7	-	-	1	2.1
Grand Total	**2,527**	**97,445.6**	**4,640**	**29,323.1**	**147**	**20,946.4**	**49,397**	**64,193.6**	**60,712**	**551,935.0**	**983**	**4,749.8**	**675**	**1,929.3**

As at March 31, 2016

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	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**

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather Insurance		Others	
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	4,406	34,143.1	36,142	39,710.9	8	4,815.8	19	430,710.9	4,298	38,596.6
117	2,470.4	226	954.1	159	625.3	632	1,406.6	1	2.8	142	6,957.8	1,424	1,686.0
183	2,689.0	223	568.4	42	58.9	543	916.6	2	4.7	89	179.7	165	1,323.1
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
152	2,404.7	60	498.3	-	-	-	-	34	170.5	31	77.1	52	4,076.9
1,187	**30,486.0**	**1,127**	**18,012.2**	**4,632**	**34,865.6**	**38,785**	**44,083.0**	**61**	**5,115.5**	**793**	**451,507.7**	**6,154**	**48,407.3**

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather Insurance		Others	
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
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
77	2,759.6	55	914.8	15	21.9	691	981.6	-	-	179	1,013.2	80	1,244.8
395	9,449.2	397	5,360.3	-	-	1,129	1,587.7	14	118.7	496	13,798.6	164	2,154.5
135	2,268.5	28	280.3	-	-	-	-	8	63.7	23	92.0	59	4,090.2
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**

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather Insurance		Others	
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	105.0	3,459.1	2,059	14,521.7
182	3,481.3	48	1,865.8	604	1,362.8	1,914	3,688.5	4	50.3	387.0	2,892.7	1,482	2,436.3
95	4,292.8	53	672.3	-	-	389	662.6	5	46.9	27.0	365.4	91	530.9
325	7,734.7	322	6,097.1	-	-	644	797.7	29	158.4	468.0	13,580.0	155	4,539.2
122	1,173.3	18	284.8	-	-	-	-	8	108.2	21.0	71.0	67	630.7
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**

Management Report (Contd.)

Details of Claims Outstanding during the Preceding Five Years (Contd.)

Annexure 1

As at March 31, 2015

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	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**

As at March 31, 2014

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	227	17,116.5	1,496	4,055.4	19	1,695.9	25,447	39,508.2	1,636	324,243.8	265	2,250.0	7	268.0
30 days to 6 months	317	12,236.1	1,264	3,984.2	13	1,914.3	8,018	5,426.2	7,850	14,958.0	514	558.8	2	50.8
6 Months to 1 Year	297	4,598.9	230	1,001.2	12	376.2	448	932.0	6,876	13,339.2	252	243.2	5	6.5
1 Year to 5 Years	1,260	11,926.1	347	3,514.4	43	937.5	39	218.5	35,801	84,633.8	7	41.4	7	11.4
More than 5 Years	129	1,106.7	84	176.1	62	781.3	-	-	10,062	17,637.2	-	-	3	9.3
Grand Total	**2,230**	**46,984.3**	**3,421**	**12,731.3**	**149**	**5,705.2**	**33,952**	**46,084.9**	**62,225**	**454,812.0**	**1,038**	**3,093.4**	**24**	**346.0**

(₹ 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**

(₹ 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
157	4,391.6	29	2,108.0	578	8,366.0	504,138	34,263.3	57	566.2	2,327	27,556.7	536,383	466,389.6
240	4,247.6	43	1,691.6	1,193	1,738.0	7,931	3,499.1	34	342.9	1,456	6,686.0	28,875	57,333.6
131	7,620.4	95	457.6	266	626.5	149	198.3	19	100.2	549	11,077.9	9,329	40,578.1
512	6,801.8	123	5,928.4	703	1,555.0	366	1,302.7	10	57.0	327	5,449.4	39,545	122,377.4
82	923.0	4	20.6	-	-	-	-	4	80.4	15	291.4	10,445	21,026.0
1,122	**23,984.4**	**294**	**10,206.2**	**2,740**	**12,285.5**	**512,584**	**39,263.4**	**124**	**1,146.7**	**4,674**	**51,061.4**	**624,577**	**707,704.7**

Management Report (Contd.)

Details of Average Claim Settlement time for the Preceding Five Years

Annexure 2

Period	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		For the year ended March 31, 2014	
Product	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	3,998	33	2,625	30	3,499	124	3,187	309	2,587	397
Marine Cargo	52,344	18	38,978	11	31,817	31	26,973	76	26,259	44
Marine Hull	18	757	16	479	33	785	44	842	69	1,026
Motor*	979,357	11	1,029,947	11	911,306	11	763,418	12	658,080	14
Workmen's Compensation	2,212	5	1,446	73	1,275	155	1,689	134	1,434	148
Public/Product Liability	1,262	194	342	110	110	180	212	52	4,125	60
Engineering	2,146	31	1,627	70	2,278	78	1,674	239	2,516	175
Aviation	375	269	345	819	199	192	135	246	175	296
Personal Accident	6,590	7	5,786	35	5,541	52	6,625	46	6,365	58
Health	443,790	5	1,040,618	8	611,066	6	2,584,015	9	5,698,323	13
Credit Insurance	69	20	84	107	93	122	96	270	45	119
Crop/Weather Insurance	3,985	35	2,096	97	2,549	38	-	-	-	-
Others	40,898	15	25,623	33	20,727	54	24,659	46	16,202	43
Total	**1,537,044**	**10**	**2,149,533**	**10**	**1,590,493**	**10**	**3,412,727**	**11**	**6,416,180**	**14**

* 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

Period	For the year ended March 31, 2018		For the year ended March 31, 2017	
Product	Claims Intimated	Amount (₹ in lacs)*	Claims Intimated	Amount (₹ in lacs)*
Fire	3,908	95,035.4	3,082	54,512.5
Marine Cargo	53,905	21,195.4	40,076	25,032.6
Marine Hull	26	3,108.2	33	12,172.4
Motor OD	976,601	165,439.3	1,023,892	176,066.0
Motor TP	21,152	142,853.7	25,088	134,849.2
Workmen's Compensation	2,399	3,926.3	1,667	3,223.8
Public/Product Liability	2,073	3,155.3	986	1,924.5
Engineering	2,253	8,381.0	1,702	13,430.3
Aviation	927	6,740.8	474	12,677.7
Personal Accident	6,762	21,329.1	6,231	14,242.6
Health	400,023	136,660.3	1,074,617	169,028.3
Credit Insurance	70	1,257.3	66	1,818.3
Crop/Weather Insurance	3,881	122,663.7	1,985	49,122.5
Others	43,332	26,704.0	25,489	19,992.0
Grand Total	**1,517,312**	**758,449.8**	**2,205,388**	**688,092.7**

* Amount of claims intimated includes change in reserve

List of Payments to Parties in which Directors are Interested

Annexure 4

(₹ in Lacs)

Sl. No.	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Aster DM Healthcare Private Limited	Mr. Suresh Mathukrishna Kumar[1]	Member	36.7	0.6
2	Bombay Gymkhana Limited	Ms. Chanda Kochhar	Member	0.8	31.2
		Mr. Dileep Choksi[2]	Member		
3	Bharat Forge Limited	Mrs. Lalita D. Gupte[3]	Director	2.4	0.0
4	FAL Corporation	Mr. Chandran Ratnaswami[4]	Director	1,160.8	5,417.2
5	First Capital Insurance Limited	Mr. Chandran Ratnaswami[4]	Director	1,261.7	1,989.7
		Mr. Ramaswamy Athappan[5]	Director		
6	ICICI Bank Limited	Ms. Chanda Kochhar	Director	11,758.5	21,023.6
		Mr. N. S. Kannan	Director		
		Mr. Dileep Choksi[2]	Director		
7	ICICI Foundation for Inclusive Growth	Ms. Chanda Kochhar	Trustee	1,116.0	928.0
		Mr. Bhargav Dasgupta	Trustee		
		Mr. N. S. Kannan	Trustee		
8	ICICI Prudential Life Insurance Company Limited	Ms. Chanda Kochhar	Chairperson	119.4	104.5
		Mr. N. S. Kannan	Director		
9	ICICI Prudential Asset Management Company Limited	Ms. Chanda Kochhar	Chairperson	118.6	0.1
		Mr. N. S. Kannan	Director		
		Mr. Ved Prakash Chaturvedi[6]	Director		
		Mr. Suresh Mathukrishna Kumar[1]	Director		
10	ICICI Securities Limited	Ms. Chanda Kochhar	Chairperson	420.3	318.5
		Mr. Uday Chitale[7]	Director		
11	ICICI Securities Primary Dealership Limited	Mr. N. S. Kannan	Chairman	19.5	175.4
		Mr. Ashvin Parekh	Director		
12	Janalakshmi Financial Services Private Limited	Mr. Uday Chitale[8]	Director	1.2	4.3
13	Kirloskar Brothers Limited	Mrs. Lalita D. Gupte[3]	Director	4.4	5.5
14	National Collateral Management Services Limited	Mr. Chandran Ratnaswami[4]	Director	0.2	49.5
15	Thomas Cook (India) Limited	Mr. Chandran Ratnaswami[4]	Director	1,144.9	3,684.3
16	Vedanta Limited	Mrs. Lalita D. Gupte[3]	Director	34.8	7,075.6
17	Others[9]				
	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	Ms. Chanda Kochhar	Member		
	Total Others			**1.0**	**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. Dileep Choksi has ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. July 01, 2016.

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

[4]Mr. Chandran Ratnaswami ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. July 02, 2017.

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

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

[7]Mr. Uday Chitale has retired as Director in ICICI Securities Limited w.e.f. June 27, 2016.

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

[9]Individual payments to parties during the period and aggregate payments during the previous period are less than ₹ 1 lac

Independent Auditor's Report

on Financial Statements of ICICI Lombard General Insurance Company Limited

To The Members of
ICICI Lombard General Insurance Company Limited
Report on 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, 2018, 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders/directions prescribed by the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders/directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI'), the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Act, 1999 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2018;

b. in the case of Revenue Accounts, of the operating profit in Fire, Marine and Miscellaneous 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.

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, 2018 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 IRDA Financial Statements Regulations, we have issued a separate certificate dated April 25, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.

2. As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002, 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 centralised and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.

   c) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   d) The Balance sheet, the Revenue account, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 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, 1938 and Insurance Laws (Amendment) Act, 2015 (to the extent notified), 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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. 5.2.21 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. 5.2.22 to the financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company} – Refer Note no. 5.2.23 to the financial statements.

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. 302137E)

(S N Chaturvedi)
Partner
Membership No. 040479

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

(R. Suriyanarayanan)
Partner
Membership No. 201402

Place: Mumbai
Date : April 25, 2018

Annexure 'A'

to the Independent Auditor's Report of even date on the Financial Statements of ICICI Lombard General Insurance Company Limited

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, 2018 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, issued by ICAI and deemed to be 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, 2018, 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, 2018 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 March 31, 2018. 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

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

(R. Suriyanarayanan)
Partner
Membership No. 201402

Place: Mumbai
Date : April 25, 2018

Independent Auditors' Certificate

To,
The Board of Directors,
ICICI Lombard General Insurance Company Limited,
ICICI Lombard House, 414, Veer Saavarkar 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 25, 2018)

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, 2018 on which we issued an unmodified audit opinion vide our report dated April 25, 2018. 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, 2018, we certify that:

1. We have reviewed the Management Report attached to the financial statements for year ended March 31, 2018, 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, 2018, 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

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

(R. Suriyanarayanan)
Partner
Membership No. 201402

Place: Mumbai
Date : April 25, 2018

Balance Sheet

At March 31, 2018

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	At March 31, 2018	At March 31, 2017
Sources of funds			
Share capital	5	4,539,483	4,511,507
Reserves and Surplus	6	40,872,146	32,741,436
Share application money-pending allotment		-	12,755
Fair value change account			
Shareholders funds		1,857,474	1,745,345
Policyholders funds		5,481,242	5,027,093
Borrowings	7	4,850,000	4,850,000
Total		**57,600,345**	**48,888,136**
Application of funds			
Investments-Shareholders	8	47,283,646	39,826,416
Investments-Policyholders	8A	134,643,034	109,678,099
Loans	9	-	-
Fixed assets	10	4,059,857	3,826,654
Deferred tax asset (Refer note 5.2.15)		2,114,128	872,289
Current assets			
Cash and bank balances	11	5,918,164	1,940,353
Advances and other assets	12	103,477,760	77,364,944
Sub-Total (A)		**109,395,924**	**79,305,297**
Current liabilities	13	195,112,294	149,135,765
Provisions	14	44,783,950	35,484,854
Sub-Total (B)		**239,896,244**	**184,620,619**
Net current assets (C) = (A-B)		**(130,500,320)**	**(105,315,322)**
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		**57,600,345**	**48,888,136**
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 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/200018

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 25, 2018

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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

Profit and Loss Account

for the year ended March 31, 2018

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

Particulars	Schedule	Year ended March 31, 2018		Year ended March 31, 2017	
1. Operating profit/(loss)					
(a) Fire Insurance			1,328,111		996,769
(b) Marine Insurance			469,366		(96,735)
(c) Miscellaneous Insurance			7,439,615		6,172,521
2. Income from investments					
(a) Interest, Dividend & Rent – Gross (Refer note 5.2.5)			2,879,042		2,166,738
(b) Profit on sale/redemption of investments			1,715,088		1,024,961
Less : loss on sale/redemption of investments			(535,202)		(99,475)
3. Other income					
(a) Interest income on tax refund			80,176		17,245
(b) Profit on sale/discard of fixed assets			1,329		2,869
(c) Recovery of bad debts written off			-		-
Total (A)			**13,377,525**		**10,184,893**
4. Provisions (Other than taxation)					
(a) For diminution in the value of investments			104,125		-
(b) For doubtful debts			593,822		133,871
(c) For future recoverable under reinsurance contracts			(18,777)		(39,357)
(d) Others			-		-
5. Other expenses					
(a) Expenses other than those related to Insurance Business					
(i) Employees' remuneration and other expenses			41,735		22,536
(ii) Managerial remuneration			70,934		77,610
(iii) Directors' fees			7,438		3,975
(iv) CSR Expenditure (Refer note 5.2.17)			149,645		125,164
(v) Charges on issuance of Non-convertible Debentures			-		21,326
(vi) Interest on Non-convertible Debentures			400,125		270,770
(vii) Expense related to Investment property			64,290		9,579
(viii) Listing Fees			1,340		-
(ix) Operating expenses borne by shareholders (refer note 5.1.9)			-		427,891
(b) Bad debts written off			-		5,313
(c) Loss on sale/discard of fixed assets			517		25,201
(d) Penalty (Refer note 5.1.14)			-		-
Total (B)			**1,415,194**		**1,083,879**
Profit before tax			**11,962,331**		**9,101,014**
Provision for taxation:					
(a) Current tax		4,586,991		2,017,157	
(b) Excess Tax Provision written back of earlier years		(578)		(404,607)	
(c) Deferred tax (Income)/Expense (Refer note 5.2.15)		(1,241,839)	3,344,574	469,625	2,082,175
Profit after tax			**8,617,757**		**7,018,839**
Appropriations					
(a) Interim dividends paid during the period		679,988		1,571,008	
(b) Proposed final dividend		-		-	
(c) Dividend distribution tax		138,430		319,820	
(d) Debenture Redemption Reserve		103,929		-	
(e) Transfer to General Reserves		-	922,347	-	1,890,828
Balance of Profit/(Loss) brought forward from last year			17,072,284		11,944,273
Balance carried forward to Balance sheet			**24,767,694**		**17,072,284**
Basic earnings per share of ₹ 10 face value (Refer note 5.2.14)			₹ 19.01		₹ 15.66
Diluted earnings per share of ₹ 10 face value (Refer note 5.2.14)			₹ 18.99		₹ 15.58
Significant accounting policies & notes to accounts	16				

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

As per our attached report of even date

For Chaturvedi & Co.
Chartered Accountants
Firm Regn No.: 302137E

SN Chaturvedi
Partner
Membership No: 040479

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn No.: 003990S/200018

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 25, 2018

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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, 2018

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2017-18	2016-17
1. Premiums earned (net)	1	1,440,912	1,237,079
2. Profit on sale/redemption of investments		106,517	85,635
Less : Loss on sale/redemption of investments		(33,362)	(8,379)
3. Others-			
Foreign exchange gain/(loss)		4,324	(2,894)
Investment income from pool (Terrorism and Nuclear)		226,613	207,096
Miscellaneous Income		344	2,013
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		177,265	181,830
Total (A)		**1,922,613**	**1,702,380**
1. Claims Incurred (net)	2	620,754	846,510
2. Commission (net)	3	(482,064)	(495,076)
3. Operating expenses related to insurance business	4	455,812	354,177
4. Premium deficiency		-	-
Total (B)		**594,502**	**705,611**
Operating Profit/(Loss) C = (A-B)		**1,328,111**	**996,769**
APPROPRIATIONS			
Transfer to Shareholders' Account		1,328,111	996,769
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		**1,328,111**	**996,769**
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/200018

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 25, 2018

(₹ in 000's)

Marine		Miscellaneous		Total	
2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1,957,559	1,920,765	65,718,877	58,478,198	69,117,348	61,636,042
87,025	75,419	4,599,119	3,148,284	4,792,661	3,309,338
(27,257)	(7,379)	(1,440,485)	(308,031)	(1,501,104)	(323,789)
(2,293)	(1,167)	(15,545)	(66,481)	(13,514)	(70,542)
-	-	48,388	37,820	275,001	244,916
445	2,657	16,331	267,524	17,120	272,194
144,827	160,140	7,653,854	6,684,810	7,975,946	7,026,780
2,160,306	**2,150,435**	**76,580,539**	**68,242,124**	**80,663,458**	**72,094,939**
1,060,780	1,612,373	51,465,704	47,084,432	53,147,238	49,543,315
247,683	180,149	(2,605,164)	(4,026,376)	(2,839,545)	(4,341,303)
382,477	454,648	20,280,384	19,011,547	21,118,673	19,820,372
-	-	-	-	-	-
1,690,940	**2,247,170**	**69,140,924**	**62,069,603**	**71,426,366**	**65,022,384**
469,366	**(96,735)**	**7,439,615**	**6,172,521**	**9,237,092**	**7,072,555**
469,366	(96,735)	7,439,615	6,172,521	9,237,092	7,072,555
-	-	-	-	-	-
-	-	-	-	-	-
469,366	**(96,735)**	**7,439,615**	**6,172,521**	**9,237,092**	**7,072,555**

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	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**

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Premium from direct business written-net of service tax	7,446,449	2,664,902	745,635	3,410,537	27,601,590	17,816,466	45,418,056	474,335
Add: Premium on reinsurance accepted	727,167	134,510	31,547	166,057	25,120	24,429	49,549	-
Less: Premium on reinsurance ceded	6,767,959	998,498	722,693	1,721,191	6,784,327	1,024,564	7,808,891	30,571
Net premium	**1,405,657**	**1,800,914**	**54,489**	**1,855,403**	**20,842,383**	**16,816,331**	**37,658,714**	**443,764**
Adjustment for change in reserve for unexpired risks	168,578	(33,510)	(31,852)	(65,362)	1,118,985	1,141,739	2,260,724	21,171
Total premium earned (net)	**1,237,079**	**1,834,424**	**86,341**	**1,920,765**	**19,723,398**	**15,674,592**	**35,397,990**	**422,593**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
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**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
197,631	2,248,110	578,477	3,578,214	16,675,776	335,733	21,509,317	5,379,325	96,394,974	107,251,960
1,723	284,037	457,206	10,342	495,006	-	2,554	158,955	1,459,372	2,352,596
111,906	1,850,704	580,062	880,501	5,158,415	311,384	16,459,936	1,975,042	35,167,412	43,656,562
87,448	**681,443**	**455,621**	**2,708,055**	**12,012,367**	**24,349**	**5,051,935**	**3,563,238**	**62,686,934**	**65,947,994**
18,133	23,760	5,800	903,808	463,241	257	(11,019)	522,861	4,208,736	4,311,952
69,315	**657,683**	**449,821**	**1,804,247**	**11,549,126**	**24,092**	**5,062,954**	**3,040,377**	**58,478,198**	**61,636,042**

Schedules

forming part of the financial statements

Schedule: 2

Claims Incurred (net)

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	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**

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Claims paid- Direct	3,101,206	1,898,252	190,678	2,088,930	16,607,017	7,978,492	24,585,509	155,656
Add: Re-insurance accepted	139,834	28,550	10,551	39,101	-	36,644	36,644	-
Less: Re-insurance ceded	2,590,425	656,848	152,185	809,033	4,227,365	3,269,501	7,496,866	8,343
Net Claims paid	**650,615**	**1,269,954**	**49,044**	**1,318,998**	**12,379,652**	**4,745,635**	**17,125,287**	**147,313**
Add: Claims outstanding at the end 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
Less: Claims outstanding at the beginning of the year	1,701,868	1,393,897	183,882	1,577,779	4,374,902	36,360,453	40,735,355	382,678
Total claims incurred	**846,510**	**1,465,555**	**146,818**	**1,612,373**	**12,661,826**	**15,272,460**	**27,934,286**	**209,381**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total- Miscellaneous	
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**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total- Miscellaneous	
2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
127,213	821,140	443,535	584,055	11,545,559	85,561	5,388,649	1,193,978	44,930,855	50,120,991
-	113,953	595,736	3,729	400,801	-	-	2,912	1,153,775	1,332,710
51,562	660,474	521,934	86,615	1,120,376	79,175	5,219,390	239,532	15,484,267	18,883,725
75,651	**274,619**	**517,337**	**501,169**	**10,825,984**	**6,386**	**169,259**	**957,358**	**30,600,363**	**32,569,976**
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
106,769	802,682	596,151	1,851,154	3,441,735	33,779	473,809	1,625,686	50,049,798	53,329,445
110,265	**350,567**	**610,914**	**745,955**	**11,301,090**	**20,519**	**4,263,705**	**1,537,750**	**47,084,432**	**49,543,315**

Schedules

forming part of the financial statements

Schedule: 3

Commission

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	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**

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Commission paid								
- Direct	264,511	213,212	8,182	221,394	1,648,561	-	1,648,561	43,681
Add: Commission on re-insurance Accepted	74,075	27,126	6,186	33,312	5	-	5	-
Less: Commission on re-Insurance Ceded	833,662	58,487	16,070	74,557	1,735,117	44,558	1,779,675	3,558
Net Commission	**(495,076)**	**181,851**	**(1,702)**	**180,149**	**(86,551)**	**(44,558)**	**(131,109)**	**40,123**

Schedule: 3A

Commission Paid-Direct

(₹ in 000's)

Particulars	2017-18	2016-17
Agents	1,147,816	919,407
Brokers	3,531,668	1,875,372
Corporate agency	2,252,173	1,578,484
Motor Insurance Service Providers	182,761	-
Point of Sale	4,006	-
Referral	-	-
Total	**7,118,424**	**4,373,263**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total- Miscellaneous	
2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	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)**

(₹ in 000's)

Miscellaneous									Total
Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total- Miscellaneous	
2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
12,043	112,032	15,145	343,393	1,292,206	25,865	2,258	392,174	3,887,358	4,373,263
371	38,865	78,202	289	72,310	-	513	25,828	216,383	323,770
3,871	310,981	11,591	593,897	3,760,775	50,774	1,497,096	117,899	8,130,117	9,038,336
8,543	**(160,084)**	**81,756**	**(250,215)**	**(2,396,259)**	**(24,909)**	**(1,494,325)**	**300,103**	**(4,026,376)**	**(4,341,303)**

Schedules

forming part of the financial statements

Schedule: 4

Operating expenses related to insurance business

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmen's Compensation
	2017-18	2017-18	2017-18	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)

Particulars	Fire	Marine						
		Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmen's Compensation
	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Employees' remuneration & welfare benefits	145,051	181,264	5,413	186,677	1,358,312	1,093,342	2,451,654	54,749
Travel, conveyance and vehicle running expenses	13,453	14,432	434	14,866	74,777	60,198	134,975	5,968
Training expenses	1,456	2,382	71	2,453	20,660	16,627	37,287	431
Rents, rates & taxes *	16,771	20,365	595	20,960	256,251	206,203	462,454	5,616
Repairs & Maintenance	10,376	10,810	314	11,124	114,185	91,852	206,037	3,897
Printing & stationery	1,561	1,769	52	1,821	26,088	20,997	47,085	595
Communication	8,153	9,946	271	10,217	134,613	108,168	242,781	3,388
Legal & professional charges	13,153	17,394	512	17,906	215,746	173,640	389,386	5,714
Auditors' fees, expenses etc								
(a) as auditor	349	449	14	463	5,029	4,048	9,077	111
(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	36	46	2	48	134	112	246	6
Advertisement and publicity	13,518	17,319	371	17,690	429,906	344,976	774,882	7,477
Interest & Bank Charges	2,277	2,928	70	2,998	60,400	48,488	108,888	1,116
Others								
(a) Business support services	74,796	95,862	1,639	97,501	2,922,989	2,343,716	5,266,705	50,110
(b) Sales promotion	37,744	48,403	1,031	49,434	1,174,665	942,473	2,117,138	21,072
(c) Miscellaneous expenses	4,274	5,537	212	5,749	(3,933)	(2,802)	(6,735)	427
Depreciation	11,209	14,312	429	14,741	170,182	137,022	307,204	3,630
Service tax on premium account	-	-	-	-	-	-	-	-
Total	**354,177**	**443,218**	**11,430**	**454,648**	**6,960,004**	**5,589,060**	**12,549,064**	**164,307**

* Rent expense is net off rental income of ₹ 27,999 thousand (previous year ₹ 26,489 thousand)

(₹ in 000's)

Public/Product Liability 2017-18	Engineering 2017-18	Aviation 2017-18	Miscellaneous Personal Accident 2017-18	Miscellaneous Health Insurance 2017-18	Miscellaneous Credit Insurance 2017-18	Miscellaneous Crop/Weather Insurance 2017-18	Miscellaneous Others 2017-18	Miscellaneous Total-Miscellaneous 2017-18	Total 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**

(₹ in 000's)

Public/Product Liability 2016-17	Engineering 2016-17	Aviation 2016-17	Miscellaneous Personal Accident 2016-17	Miscellaneous Health Insurance 2016-17	Miscellaneous Credit Insurance 2016-17	Miscellaneous Crop/Weather Insurance 2016-17	Miscellaneous Others 2016-17	Miscellaneous Total-Miscellaneous 2016-17	Total 2016-17
10,535	72,381	36,282	207,064	825,325	8,203	161,932	308,725	4,136,850	4,468,578
1,165	6,565	2,597	13,661	67,268	814	41,028	24,922	298,963	327,282
80	718	439	2,799	11,330	22	3,153	3,877	60,136	64,045
1,032	8,340	5,475	32,074	209,099	374	226,707	46,177	997,348	1,035,079
723	5,126	3,157	17,964	72,488	325	23,356	27,448	360,521	382,021
111	772	503	4,679	19,855	49	4,151	4,193	81,993	85,375
562	4,200	2,925	16,613	59,788	225	16,618	23,734	370,834	389,204
1,077	6,519	4,397	30,744	165,633	17,387	280,109	35,403	936,369	967,428
22	170	114	675	2,994	6	1,259	888	15,316	16,128
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2	16	7	31	215	1	105	56	685	769
929	7,672	7,173	48,888	149,922	171	15,041	54,640	1,066,795	1,098,003
153	1,243	1,084	7,259	22,514	32	748	8,262	151,299	156,574
5,388	45,409	47,273	332,262	926,791	787	3,534	357,291	7,035,550	7,207,847
2,610	21,466	19,962	137,771	420,660	470	36,859	152,580	2,930,588	3,017,766
243	1,773	577	1,681	28,129	93	27,904	5,008	59,100	69,123
701	5,485	3,700	22,403	97,633	201	39,198	29,045	509,200	535,150
-	-	-	-	-	-	-	-	-	-
25,333	**187,855**	**135,665**	**876,568**	**3,079,644**	**29,160**	**881,702**	**1,082,249**	**19,011,547**	**19,820,372**

Schedules

forming part of the financial statements

Schedule: 5

Share Capital

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Authorised Capital		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	4,750,000	4,750,000
Issued Capital		
453,948,304 (previous year : 451,150,686) Equity Shares of ₹ 10 each	4,539,483	4,511,507
Subscribed Capital		
453,948,304 (previous year : 451,150,686) Equity Shares of ₹ 10 each	4,539,483	4,511,507
Called up Capital		
453,948,304 (previous year : 451,150,686) Equity Shares of ₹ 10 each	4,539,483	4,511,507
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	**4,539,483**	**4,511,507**

Note: Of the above, 253,843,806 shares are held by the holding company, ICICI Bank Limited (previous year : 285,605,284 shares)

Schedule: 5A

Share Capital

Pattern of shareholding

[As certified by the management]

Shareholder	At March 31, 2018		At March 31, 2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	253,843,806	55.92%	285,605,284	63.31%
- Foreign (FAL Corporation)	-	0.00%	154,777,462	34.31%
Others				
- Indian	76,703,219	16.90%	10,436,090	2.31%
- Foreign	123,401,279	27.18%	331,850	0.07%
Total	**453,948,304**	**100.00%**	**451,150,686**	**100.00%**

Schedule: 6

Reserves and Surplus

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.17)		
- Opening balance	15,335,510	15,003,165
- Additions during the period	331,371	332,345
- Deductions during the period- share issue expenses	-	-
- Closing balance	15,666,881	15,335,510
4. General Reserves		
- Opening balance	333,642	333,642
- Additions during the period	-	-
- Deductions during the period	-	-
- Closing balance	333,642	333,642
- Less: Debit balance in Profit and Loss Account	-	-
- Less: Amount utilised for Buy-back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves		
- Debenture Redemption Reserve		
- Opening balance	-	-
- Additions during the period	103,929	
- Deductions during the period	-	
- Closing balance	103,929	-
7. Balance of Profit in Profit and Loss Account	24,767,694	17,072,284
TOTAL	**40,872,146**	**32,741,436**

Schedule: 7

Borrowings

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
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

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	13,784,821	11,308,734
2. Other Approved Securities (note 3 below)	-	64,471
3. Other Investments		
(a) Shares		
(i) Equity (note 4 below)	6,572,485	5,717,359
(ii) Preference	12,353	15,356
(b) Mutual Funds	-	-
(c) Debentures/Bonds (note 5 below)	9,581,511	6,015,647
(d) Investment Properties-Real Estate (note 6 below)	1,415,907	1,447,046
(e) Other Securities	1,333,342	1,272,356
4. Investments in Infrastructure and Housing	11,020,771	9,284,227
Total Long Term Investments	**43,721,190**	**35,125,196**
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	-	255,705
2. Other Approved Securities (note 7 below)	775,491	1,773,835
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures/Bonds	544,090	129,152
(d) Other Securities (note 8 below)	1,007,030	1,592,410
4. Investments in Infrastructure and Housing	1,235,845	950,118
Total Short Term Investments	**3,562,456**	**4,701,220**
Total investments	**47,283,646**	**39,826,416**

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 40,078,436 thousand (previous year: ₹ 33,561,109 thousand).

2. Aggregate market value of investments (other than listed equities) is ₹ 40,126,619 thousand (previous year: ₹ 34,656,388 thousand).

3. Long term other approved securities includes fixed deposit amounting to ₹ Nil (previous year: Fixed deposits of ₹ 64,471 thousand).

4. Includes investments qualifying for Infrastructure and Housing investments of ₹ 473,190 thousand (previous year: ₹ 622,392 thousand).

5. Includes investments in Perpetual Bonds of ₹ 3,661,663 thousand (previous year: ₹ Nil).

6. Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 94,140 thousand (previous year: ₹ 57,094 thousand). The fair value of Real Estate is ₹ 1,699,752 thousand (previous year: ₹ 1,780,692 thousand) which is based on a valuation report.

7. Short term other approved securities includes Certificate of Deposits amounting to ₹ 475,729 thousand, Fixed deposits amounting to ₹ 63,276 thousand and Commercial Paper amounting to ₹ 236,486 thousand (previous year: Certificate of Deposits amounting to ₹ 1,114,742 thousand, Fixed deposits amounting to ₹ 290,803 thousand and Commercial Paper amounting to ₹ 368,290 thousand).

8. Includes investment in mutual fund amounting to ₹ 1,007,030 thousand (previous year: ₹ 1,592,410 thousand).

9. Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8)

Schedules

forming part of the financial statements

Schedule: 8A

Investments-Policyholders

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	40,678,131	32,543,329
2. Other Approved Securities (note 3 below)	-	185,529
3. Other Investments		
(a) Shares		
(i) Equity (note 4 below)	19,394,985	16,452,935
(ii) Preference	36,452	44,192
(b) Mutual Funds	-	-
(c) Debentures/Bonds (note 5 below)	28,274,431	17,311,326
(d) Investment Properties-Real Estate (note 6 below)	-	-
(e) Other Securities	3,263,269	3,006,800
4. Investments in Infrastructure and Housing	32,521,594	26,717,370
Total Long Term Investments	**124,168,862**	**96,261,481**
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	-	735,845
2. Other Approved Securities (note 7 below)	2,288,423	5,104,595
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures/Bonds	1,605,574	371,661
(d) Other Securities (note 8 below)	2,933,276	4,470,348
4. Investments in Infrastructure and Housing	3,646,899	2,734,169
Total Short Term Investments	**10,474,172**	**13,416,618**
Total investments	**134,643,034**	**109,678,099**

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 113,380,965 thousand (previous year: ₹ 91,649,161 thousand).
2. Aggregate market value of investments (other than listed equities) is ₹ 112,685,496 thousand (previous year: ₹ 93,840,089 thousand).
3. Long term other approved securities includes fixed deposit amounting to ₹ Nil (previous year: Fixed deposits of ₹ 185,529 thousand).
4. Includes investments qualifying for Infrastructure and Housing investments of ₹ 1,396,354 thousand (previous year: ₹ 1,791,069 thousand).
5. Includes investments in Perpetual Bonds of ₹ 10,812,754 thousand (previous year: ₹ Nil).
6. Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ NIL (previous year: ₹ Nil).
7. Short term other approved securities includes Certificate of Deposits amounting to ₹ 1,403,847 thousand, Fixed deposits amounting to ₹ 186,724 thousand and Commercial Paper amounting to ₹ 697,852 thousand (previous year: Certificate of Deposits amounting to ₹ 3,207,915 thousand, Fixed deposits amounting to ₹ 836,847 thousand and Commercial Paper amounting to ₹ 1,059,833 thousand).
8. Includes investment in mutual fund amounting to ₹ 2,933,276 thousand (previous year: ₹ 4,470,348 thousand).
9. Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8 in Schedule 16)

Schedule: 9

Loans

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
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	**-**	**-**

Notes:- There are no loans subject to restructuring (previous year ₹ Nil).

Schedules

forming part of the financial statements

Schedule: 10

Fixed Assets

Particulars	Cost/Gross Block			
	April 01, 2017	Additions	Deductions	March 31, 2018
Goodwill	-	-	-	-
Intangibles-Computer Software	3,245,615	317,315	-	3,562,930
Land-Freehold	2,411,770	-	-	2,411,770
Leasehold Property	-	-	-	-
Buildings	237,611	-	-	237,611
Furniture & Fittings	681,293	21,161	15,648	686,806
Information Technology Equipment	474,673	33,446	964	507,155
Vehicles	20,959	86,232	2,271	104,920
Office Equipment	409,572	14,042	24,378	399,236
Others	-	-	-	-
Total	**7,481,493**	**472,196**	**43,261**	**7,910,428**
Work in Progress				
Grand total	**7,481,493**	**472,196**	**43,261**	**7,910,428**
Previous year	7,131,148	525,264	174,919	7,481,493

Schedule: 11

Cash and Bank Balances

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Cash (including cheques, drafts and stamps)	312,780	384,031
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months) *	3,044,078	322,769
(bb) Others	-	-
(b) Current Accounts	2,561,306	1,233,553
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	**5,918,164**	**1,940,353**

* 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 ₹ Nil) placed with BSE Ltd as a part of Listing Obligation (refer note 5.1.2)

(₹ in 000's)

	Depreciation			Net Block	
April 01, 2017	For the year ended	On Sales/ Adjustments	March 31, 2018	March 31, 2018	March 31, 2017
-	-	-	-	-	-
2,505,224	344,337	-	2,849,561	713,369	740,391
-	-	-	-	2,411,770	2,411,770
-	-	-	-	-	-
37,273	14,861	-	52,134	185,477	200,338
556,983	52,521	15,581	593,923	92,883	124,310
412,573	53,266	826	465,013	42,142	62,100
3,394	14,358	303	17,449	87,471	17,565
250,539	30,150	23,841	256,848	142,388	159,033
-	-	-	-	-	-
3,765,986	**509,493**	**40,551**	**4,234,928**	**3,675,500**	**3,715,507**
				384,357	111,147
3,765,986	**509,493**	**40,551**	**4,234,928**	**4,059,857**	**3,826,654**
3,400,867	522,888	157,769	3,765,986	3,826,654	

Schedules

forming part of the financial statements

Schedule: 12

Advances and Other Assets

(₹ in 000's)

Particulars	At March 31, 2018		At March 31, 2017	
Advances				
Reserve deposits with ceding companies		1,473		1,472
Application money for investments		-		-
Prepayments		267,133		109,594
Advances to Directors/Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		659,582		1,760,035
MAT credit entitlement		-		266,522
Others				
- Sundry Advances & Deposits	943,766		521,310	
- Provision for doubtful debts	(6,166)		(6,165)	
- Surplus in Gratuity fund	-		2,280	
- Advance for Investment in property	-		-	
- Advance for IPO Expenses	-			
- Advance to Employees against expenses	522	938,122	153	517,578
Total (A)		**1,866,310**		**2,655,201**
Other Assets				
Income accrued on investments/deposits		4,677,873		3,425,923
Outstanding Premiums	20,009,217		19,935,390	
Less : Provisions for doubtful debts	679,489	19,329,728	132,752	19,802,638
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	77,092,786		51,156,475	
Less : Provisions for doubtful debts	1,213,040	75,879,746	1,165,955	49,990,520
Due from subsidiaries/holding company		-		-
Assets held for unclaimed amount of policyholders	1,286,156		1,203,787	
Add: investment income accruing on unclaimed amount	138,002	1,424,158	80,734	1,284,521
Others				
- Service Tax and GST unutilised credit	-		55,993	
- Service Tax and GST paid in advance	-		104,341	
- Unsettled investment contract receivable	259,010		-	
- Margin deposit	40,100		40,100	
- Salvage stock	-		5,083	
- Sundry receivable	835	299,945	624	206,141
Total (B)		**101,611,450**		**74,709,743**
Total (A+B)		**103,477,760**		**77,364,944**

Schedule: 13

Current Liabilities

(₹ in 000's)

Particulars	At March 31, 2018		At March 31, 2017	
Agents' Balances		119,752		85,059
Balances due to other insurance companies (net)		19,903,868		8,101,889
Deposits held on re-insurance ceded		130,227		6,303,568
Premiums received in advance		295,161		882,918
Unallocated Premium		4,197,457		7,269,087
Sundry Creditors		4,473,169		2,958,050
Due to subsidiaries/holding company		84,844		53,968
Claims Outstanding (gross)		159,160,313		118,050,618
Due to Officers/Directors		-		-
Unclaimed amount of policyholders (refer note no. 5.2.13)	1,122,939		1,249,546	
Add: investment income accruing on unclaimed amount	138,002	1,260,941	80,734	1,330,280
Others:				
- Statutory Dues	311,261		405,848	
- Salary Payable	4,712		4,716	
- Collections-Environment Relief fund (refer note no. 5.2.8)"	1,265		919	
- Book Overdraft	3,243,945		2,565,470	
- Employee rewards	1,122,791		723,892	
- Deposits	40,790		36,810	
- Interim dividends payable	179		149	
- Dividend distribution tax on interim dividend	-		91,754	
- Interest accrued but not due on Borrowings	270,770		270,770	
- Service Tax/GST Liability	490,849	5,486,562	-	4,100,328
Total		**195,112,294**		**149,135,765**

Schedules

forming part of the financial statements

Schedule: 14

Provisions

(₹ in 000's)

Particulars	At March 31, 2018		At March 31, 2017	
Reserve for unexpired risk	44,377,741		35,047,532	
Less: Unabsorbed enrollment costs-Government Schemes	-	44,377,741	-	35,047,532
Reserve for premium deficiency		-		-
For taxation (less advance tax paid and taxes deducted at source)		-		-
For proposed dividends		-		-
For dividend distribution tax		-		-
Others				
- Gratuity	84,055		-	
- Long term performance pay	218,447		283,449	
- Accrued leave	73,639		105,028	
- For future recoverable under reinsurance contracts	30,068	406,209	48,845	437,322
Total		**44,783,950**		**35,484,854**

Schedule: 15

Miscellaneous expenditure
(To the extent not written off or adjusted)

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
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, 2018

1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 as a joint venture between ICICI Bank Limited and Fairfax Financial Holdings Limited. The joint-venture agreement dated October 4, 2000 (as amended/restated from time to time) entered among Fairfax Financial Holdings and ICICI Bank was terminated pursuant to a termination agreement executed on July 3, 2017.

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.

During the year, 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 ₹ 57,009,391 thousand. 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 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.

3 Use of estimates

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

4 Significant accounting policies

4.1 Revenue recognition

Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax/goods and service tax. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable.

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

Income from reinsurance ceded

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

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

4.3 Reinsurance premium

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

4.4 Reserve for unexpired risk

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.

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. In computing the overall Premium deficiency in Miscellaneous revenue account level, the Premium deficiency arising out of reinsurance acceptances from declined risk pool is not considered as per regulatory guidelines. 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 on the basis prescribed by IRDAI.

(B) Valuation

Investments are valued as follows:

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Debt securities and Non – convertible preference shares

All debt securities including government securities and non-convertible 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.

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 and investment properties. 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 & 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 and any cost directly attributable to bringing the asset to its working condition for its intended use.

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

Depreciation on fixed assets is provided using 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 period in which they are acquired.

Intangibles Assets

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

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.

4.12 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.

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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.

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.

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.

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.

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

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

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

4.17 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.

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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.

4.20 Cash and cash equivalents

Cash & cash equivalent include cash and cheques on hand, bank balances and other investments (fixed deposits) with original maturity of three months or less which are subject to insignificant risk of changes in values.

5. Notes to accounts

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent liabilities

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
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)	4,166,548	302,737
Reinsurance obligations to the extent not provided for in accounts	-	-
Others : (Refer note-3, 4 & 5 below)	157,829	90,772

Note: (1) The Company has disputed the demand raised by Income Tax Authorities of ₹ 227,099 thousand (previous year: ₹ 230,184 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 & 2010-11 in respect of which the Company has received favorable appellate order, which is pending for effect to be given by the Assessing Authority.

(2) (i) The Company has disputed the demand raised by Service Tax Authorities of ₹ 72,763 thousand (previous year: ₹ 72,553 thousand), the appeals of which are pending before the appropriate Authorities.

(ii) The Company has received order from Goods & Service Tax Authority wherein demand (including interest and penalty) of ₹ 3,866,686 thousand (previous year: ₹ Nil) has been raised on disallowance of certain input tax credits. The Company is contesting the disputed tax liability and is in the process of filing an appeal before the appropriate Authorities.

(3) The Company has received a demand of ₹ 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 ₹ 41,400 thousands against these RSBY Policies. The company has filed an appeal with National Grievance Redressal Committee (NGRC)

(4) During the previous year, the Company has disputed the demand raised by Comprehensive Health Insurance Agency Kerala (CHIAK) of ₹ 90,772 thousand, the appeal of which was pending before National Grievance Redressal Committee (NGRC). NGRC has decided the appeal against the company. Though the company has decided to contest the order, the liability on this account has been fully provided for during the year.

(5) Unclaimed amounts of Policyholder's outstanding for a period of more than 10 years as on September 30, 2017 of ₹ 153,329 thousand (Including interest thereon of ₹ 19,651 thousand) (Previous year: ₹ NIL) has been transferred by the Company to the Senior Citizen's welfare fund and shown as contingent liability in terms of IRDAI circular no. IRDA/F&A/CIR/MISC/20/02/2018 dated February 6, 2018.

5.1.2 The assets of the Company are free from all encumbrances except for a fixed deposit of ₹ 540,100 thousand (previous year: ₹ NIL) placed with Yes Bank Limited (Included in short term deposit account in Schedule – 11) for issuing bank guarantee in favour of BSE Limited as part of listing obligation.

5.1.3 Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 250,056 thousand (previous year: ₹ 169,917 thousand).

5.1.4 Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 909,308 thousand (previous year: ₹ 401,808 thousand).

5.1.5 Claims

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

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
In India	54,107,948	50,307,124
Outside India	1,207,629	1,146,577

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

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
More than six months	35,125,420	28,733,262
Others	124,034,893	89,317,356

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

(₹ in 000's)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Count	Amount	Count	Amount
Intimated	483	467,156	306	208,335
Paid	756	21,873	497	55,888
Outstanding	356	298,011	370	300,400

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

Sector	For the year ended March 31, 2018					For the year ended March 31, 2017				
	GDPI ₹ in 000's	No. of Policies	% of Policy	No. of lives	% of GDPI	GDPI ₹ in 000's	No. of Policies	% of Policy	No. of lives	% of GDPI
Rural	27,087,941	717,698	3.05	-	21.92	24,032,050	566,999	3.20	-	22.41
Social	378,553	0	0.00	6,275,397	0.31	2,222,984	18	0.00	17,727,686	2.07
Urban	96,102,052	22,802,165	96.95	-	77.77	80,996,926	17,165,474	96.80	-	75.52
Total	**123,568,546**	**23,519,863**	**100.00**		**100.00**	**107,251,960**	**17,732,491**	**100.00**		**100.00**

5.1.7 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, 2018		For the year ended March 31, 2017	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	21%	79%	22%	78%
Marine – Cargo	Value at risk	70%	30%	68%	32%
Marine – Hull	Value at risk	7%	93%	9%	91%
Miscellaneous					
- Engineering	Total sum insured	34%	66%	31%	69%
- Motor	Total sum insured	89%	11%	83%	17%
- Workmen's Compensation	Value at risk	90%	10%	95%	5%
- Public Liability	Value at risk	55%	45%	65%	35%
- Personal Accident	Value at risk	72%	28%	76%	24%
- Aviation	Value at risk	40%	60%	55%	45%
- Health	Value at risk	67%	33%	70%	30%
- Credit Insurance	Value at risk	8%	92%	7%	93%
- Crop/Weather Insurance	Value at risk	27%	73%	26%	74%
- Others	Value at risk	70%	30%	70%	30%

5.1.8 (A) Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ NIL(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 ₹ 25,063,263 thousand (previous year: ₹ 24,860,129 thousand).

All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and are performing investments.

(B) Allocation of investment income

Investment income which is directly identifiable is allocated on actuals to revenue account(s) and profit and loss account as applicable. Investment income which is not directly identifiable has been allocated on the basis of the ratio of average policyholder's investments to average shareholder's investments, average being the balance at the beginning of the year and at the end of the reporting year.

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

5.1.9 Allocation of expenses

During the year, the Company has reviewed and revised its Board approved methodology on the allocation and apportionment of expenses as required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016 as set out below:

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; and

In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses in excess of segmental limits are to be borne by the shareholder's. During the current financial year expenses of management for all segments are within the prescribed segmental limits (previous year: ₹ 427,891 thousand was in excess for the motor segment and was borne by the shareholders).

Had the Company followed the earlier methodology, Operating expense of ₹ 885,300 thousand would have been in excess of segmental limits pertaining to Motor segment and same would have reduced proportionately from each expenditure head and borne by shareholders.

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5.1.10 Employee Benefit Plans

(A) Defined contribution plan

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to staff provident fund	168,203	155,493

(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, 2018	For the year ended March 31, 2017
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	540,390	417,465
Current Service Cost	71,775	62,550
Interest Cost	39,110	33,910
Actuarial Losses/(Gain)	10,310	66,131
Liabilities assumed on Acquisition	-	-
Benefits Paid	(54,003)	(39,666)
Closing Defined Benefit Obligation	607,582	540,390
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	542,670	421,344
Expected Return on Plan Assets	39,923	31,470
Actuarial Gains/(Losses)	(5,063)	18,732
Contributions by Employer	-	110,790
Assets acquired on acquisition	-	-
Benefits paid	(54,003)	(39,666)
Closing Fair Value of Plan Assets	523,527	542,670
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, 2018	At March 31, 2017
Fair Value of Plan Assets at the end of the year	(523,527)	(542,670)
Present Value of the defined obligations at the end of the year	607,582	540,390
Liability recognised in the balance sheet	(84,055)	-
Asset recognised in the balance sheet	-	2,280
Investment details of plan assets		
100% Insurer Managed Funds	523,527	542,670
Assumptions		
Discount Rate	7.45% p.a.	6.90% p.a.
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.

(₹ in 000's)

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	71,775	62,550
Interest on Defined Benefit Obligation	39,110	33,910
Expected return on Plan Assets	(39,923)	(31,470)
Net Actuarial Losses/(Gains) recognised in year	15,373	47,399
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	**86,335**	**112,389**

Experience adjustments of five years is given below

(₹ in 000's)

	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined Benefit Obligation	607,582	540,390	417,465	384,444	307,903
Plan assets	523,527	542,670	421,344	382,942	293,845
Surplus/(Deficit)	(84,055)	2,280	3,879	(1,502)	(14,059)
Exp. Adj on Plan Liabilites	28,632	44,699	(32,494)	5,957	25,459
Exp. Adj on Plan Assets	(5,063)	18,732	(11,373)	26,894	14,860

Accrued Leave

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

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	105,028	81,818
Add: Provision made during the year	(31,389)	23,210
Closing balance	73,639	105,028

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Long Term Performance Pay

The Company has schemes for Long Term Performance incentive plan. The plan is a discretionary deferred compensation plan with a vesting period of three years. The Company has determined the liability on the basis of Actuarial valuation.

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	283,449	252,162
Add: Provision made during the year	(65,002)	31,287
Closing balance	218,447	283,449
Assumptions		
Discount Rate	6.75% p.a.	6.35% p.a.

5.1.11 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:

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and allowances	109,520	117,541
Contribution to provident and other funds	4,856	4,279
Perquisites	1,559	790

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

(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:

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and allowances	165,424	137,925
Contribution to provident and other funds	5,301	4,535
Perquisites	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.

5.1.12 (A) Share Capital

During the year the Company has allotted 2,797,618 equity shares (previous year: 3,612,240 equity shares) under ESOP raising ₹ 359,347 thousand (previous year: ₹ 368,468 thousand).

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

(B) Share Application

At March 31, 2018 the Company had not received any share application money (previous year: ₹ 12,755 thousand) against which shares are yet to be allotted.

5.1.13 Outsourcing, business development and marketing support expenses

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

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Outsourcing expenses	1,770,139	1,473,291
Business development		
- Sales promotion	3,868,826	3,090,152
- Business support services	5,808,351	7,387,433
Marketing support	1,763,337	1,124,452

5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2018:

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	- (-)	- (-)	- (-)	- (-)
2	Service Tax Authorities	- (-)	- (-)	- (-)	- (-)
3	Income Tax Authorities	- (-)	- (-)	- (-)	- (-)
4	Any other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5	Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6	Registrar of Companies/NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act, 1956	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	- (-)	- (-)	- (-)	- (-)
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, 2017

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5.1.15 Summary of Financial Statements for five years:

(₹ in 000's)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
Operating Result					
Gross direct premium	123,568,546	107,251,960	80,907,071	66,777,956	68,561,645
Net premium income #	78,447,557	65,947,994	54,348,919	44,276,854	44,979,957
Income from investments (net)@	11,267,503	10,012,329	9,299,869	7,641,750	6,593,546
Other income	278,607	446,568	400,599	227,116	195,955
Total income	89,993,667	76,406,891	64,049,387	52,145,720	51,769,458
Commissions (net) (including brokerage)	(2,839,545)	(4,341,303)	(3,279,732)	(3,738,213)	(2,290,885)
Operating expenses	21,118,673	19,820,372	17,112,042	13,870,587	12,145,729
Net incurred claims & other outgoes	53,147,238	49,543,315	39,282,142	34,434,368	36,189,051
Change in unexpired risk reserve	9,330,209	4,311,952	6,132,746	1,923,506	1,450,824
Operating Profit/(Loss)	9,237,092	7,072,555	4,802,189	5,655,472	4,274,739
Non-Operating Result					
Total income under shareholder's account(net of expenses)	2,725,239	2,028,459	2,274,739	1,251,749	927,634
Profit/(Loss) before tax	11,962,331	9,101,014	7,076,928	6,907,221	5,202,373
Provision for tax	3,344,574	2,082,175	2,002,461	1,551,076	88,814
Profit/(Loss) after tax	8,617,757	7,018,839	5,074,467	5,356,145	5,113,559
Miscellaneous					
Policy holder's account:					
Total funds	134,006,827	107,240,107	88,920,306	70,427,250	73,972,565
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Shareholder's account:					
Total funds	45,411,629	37,252,943	31,756,464	28,233,291	23,810,921
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Paid up equity capital	4,539,483	4,511,507	4,475,384	4,465,940	4,450,555
Net worth **	45,411,629	37,252,943	31,756,464	28,233,291	23,810,921
Total assets	162,853,555	233,508,755	156,758,044	136,563,891	135,448,793
Yield on total investments (annualised)	9%	10%	11%	10%	9%
Earnings per share (₹)	19.01	15.66	11.35	12.03	11.50
Book value per share (₹)	100.04	82.57	70.96	63.22	53.50
Total dividend (excluding dividend tax)	679,988	1,571,008	1,341,696	891,225	-
Dividend per share (₹)	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)

5.1.16 Ratio Analysis:

(A) For ratios at March 31, 2018 refer Annexure 1a and 1b and for March 31, 2017 refer Annexure 2a and 2b

(B) Solvency Margin

(₹ in 000's)

Solvency Margin	At March 31, 2018	At March 31, 2017
Required solvency margin under IRDAI Regulations (A)	21,907,300	18,102,500
Available solvency margin (B)	44,912,000	38,064,400
Solvency ratio actual (times) (B/A)	2.05	2.10
Solvency ratio prescribed by Regulation	1.50	1.50

5.1.17 Employee Stock Option Scheme (ESOS)

The Company instituted the ESOS Scheme pursuant to the resolutions passed by our Board and Shareholders on April 26, 2005 and July 22, 2005, respectively. The Company had granted Stock options to employees in compliance with the Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) guidelines, 1999. Pursuant to the ESOS Scheme, no eligible employee could, in aggregate be granted in a financial year, options greater than 0.1% of the issued equity share capital of the Company and the aggregate of options granted to the eligible employees under the ESOS Scheme was capped at 5% of the issued capital of our Company as on the date of such grants. ESOS Scheme was further amended pursuant to the resolutions passed by the Board and Shareholders on June 9, 2017 and July 10, 2017, respectively, to approve the amendment in the ESOS Scheme for, inter alia, aligning it with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Further, the exercise price was finalised by the Board Nomination and Remuneration Committee in concurrence with the Board based on an independent valuer's report. No fresh grant has been made under the ESOS after April 25, 2011.

The salient features of the Scheme are stated below:

Founder ESOPs:

Scheme	
Date of grant	April 26, 2005
No. of Options granted (in 000's)	917
Grant Price	₹ 35
Graded Vesting Period	
1st Year	50% of option
2nd Year	50% of option
Maximum term of option granted	Later of the thirteenth 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 (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		
1st Year		20% of option
2nd Year		20% of option
3rd Year		30% of option
4th Year		30% of option
Maximum term of option granted		Later of the thirteenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement		Equity

Performance ESOPs (2008):

Scheme		
Date of grant	2008	April 24, 2008
No. of Options granted (in 000's)		5,050
Grant Price		₹ 200
Graded Vesting Period		
1st Year		20% of option
2nd Year		20% of option
3rd Year		30% of option
4th Year		30% of option
Maximum term of option granted		Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement		Equity

Performance ESOPs (2009):

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

Performance ESOPs (2010):

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

Performance ESOPs (2011):

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

The estimated fair value is computed on the basis of binomial tree pricing model, of each stock option granted for Founder ESOPs and Performance ESOPs.

Nil options are vested during the year ended March 31, 2018 and ₹ 359,347 thousand was realised by exercise of options. During the year ended March 31, 2018 the Company has recognised a compensation cost of ₹ NIL (previous year: ₹ NIL) as the intrinsic value of the options. Had the company followed fair value method for valuing its options, no additional cost would have been charged in Revenue and Profit and Loss account and hence no change in Profit after tax, Basic EPS and Diluted EPS for year ended March 31, 2018 and previous year ended March 31, 2017.

The weighted average price of options exercised during the year ended March 31, 2018 is ₹ 130.1 (previous year: ₹ 101.8).

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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		Wholetime Directors'	
	At March 31, 2018	At March 31, 2017	At March 31, 2018	At March 31, 2017
Outstanding at the beginning of the year	2,185	5,904	995	1,100
Add: Granted during the year	-	-	-	-
Less: Forfeited/lapsed during the year	(21)	(78)	-	-
Less: Exercised during the year	(1,909)	(3,641)	(755)	(105)
Outstanding at the end of the year	255	2,185	240	995
Exercisable at the end of the year	255	2,185	240	995

The weighted average remaining contractual life of options outstanding at the end of the period is as follows

Exercise Price (in ₹)	At March 31, 2018		At March 31, 2017	
	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	-	-	8	1.1
35	9	0.1	78	1.1
40	6	1.1	208	2.1
60	23	2.1	524	3.1
200	-	-	1,100	1.1
91	110	1.3	217	2.3
114	260	2.1	742	3.1
109	87	3.1	303	4.1
Total	495	2.0	3,180	2.3

5.2 Other disclosures

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

IBNR (including IBNER) liability 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 Standard (APS) 33 issued by Institute of Actuaries of India (IAI) which is mandatory and effective from December 1, 2017, the peer review of statutory valuation of liabilities for March 31, 2018 has been carried out by an independent actuary.

5.2.2 Provision for Free Look period

The provision for Free Look period 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, 2017 (previous year: December 31, 2016) 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 during the year from INIP Administrator.

5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income is net of interest expense of ₹ 1,755 thousand (previous year: ₹ 24,262 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

An amount of ₹ 1,265 thousand is outstanding (Previous year: ₹ 919 thousand) towards Environment Relief fund (ERF) under Public Liability policies.

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5.2.9 Leases

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

Non Cancelable operating lease

The detail of future rentals payable are given below:

(₹ in 000's)

	At March 31, 2018	At March 31, 2017
a. not later than one year	1,302	1,452
b. later than one year and not later than five years	760	542
c. later than five years	-	-

An amount of ₹ 3,083 thousand (previous year: ₹ 2,588 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, 2018 (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 5.1.8 & 5.1.9 above. Segment revenue & results have been disclosed in the Revenue accounts.

During the financial year ended March 31, 2018, pursuant to the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016 the Company has reviewed and revised its policy of allocation of expenses compared to that followed until the year ended March 31, 2017. Consequently, the segmental results for the year ended March 31, 2017 and March 31, 2018 are not comparable.

Segmental Assets & Liabilities to the extent identifiable to business segment:

Segment	Current liabilities		Current Assets
	Year	Claims Outstanding	Outstanding Premium
Fire	FY 2017-18	15,370,707	36,129
	FY 2016-17	9,744,568	47,297
Engineering	FY 2017-18	3,048,607	80,240
	FY 2016-17	3,823,094	157,763
Marine Cargo	FY 2017-18	2,225,987	-
	FY 2016-17	2,932,304	-
Marine Hull	FY 2017-18	2,367,097	-
	FY 2016-17	2,094,647	-
Motor OD	FY 2017-18	6,862,700	-
	FY 2016-17	6,419,360	29
Motor TP	FY 2017-18	68,075,907	-
	FY 2016-17	55,193,491	-
Workmen Compensation	FY 2017-18	664,505	-
	FY 2016-17	474,982	-
Public/Product Liability	FY 2017-18	345,697	-
	FY 2016-17	192,936	-
Personal Accident	FY 2017-18	3,486,562	4,262
	FY 2016-17	4,166,716	11,654
Aviation	FY 2017-18	1,801,215	-
	FY 2016-17	1,762,049	-
Health	FY 2017-18	4,408,308	1,040,242
	FY 2016-17	4,810,557	1,609,810
Credit Insurance	FY 2017-18	511,089	-
	FY 2016-17	584,407	-
Crop/Weather Insurance	FY 2017-18	45,150,762	18,155,389
	FY 2016-17	22,339,527	17,967,482
Others	FY 2017-18	4,841,170	13,466
	FY 2016-17	3,511,980	8,603
Total Amount	**FY 2017-18**	**159,160,313**	**19,329,728**
	FY 2016-17	**118,050,618**	**19,802,638**

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.

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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 related party	Relationship
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
FAL Corporation (Affiliate of Fairfax Financial Holdings Limited)	Venturer in Joint Venture (Upto July 3, 2017)

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
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

Details of transaction with related parties for the year ended March 31, 2018 are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		Venturer in Joint Venture	
Premium income	1,699,440 (1,270,942)	9,113 (10,303)	4,332 (4,306)	215,943 (153,150)	89,112 (81,169)	66,771 (50,792)	- (-)	279 (250)
Income from interest & dividend	- (16,559)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Claim payments net of claims received	42,160 (31,339)	- (424)	1,945 (2,994)	-4,236 (-2,472)	30,043 (25,907)	11,806 (97)	- (-)	87 (5)
Commission/ Brokerage payouts	1,109,676 (882,177)	24,679 (22,204)	- (-)	- (-)	4,984 (5,936)	- (-)	- (-)	- (-)
Investment								
- Purchases	1,217,983 (24,719,367)	- (-)	1,321,400 (1,622,929)	3,978,445 (3,320,963)	- (-)	- (-)	- (-)	- (-)
- Sales	1,591,230 (23,130,754)	- (-)	549,393 (500,821)	4,511,052 (5,711,461)	- (-)	- (-)	- (-)	- (-)
Premium Paid	- (-)	- (-)	- (-)	11,634 (8,997)	- (-)	- (-)	- (-)	- (-)
Issue of Debentures	- (-)	- (-)	- (150,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Issue of Share capital	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7,550 (1,050)
Share premium on share issued	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	80,775 (2,850)
Interest on Debentures issued	- (-)	- (-)	- (2,633)	- (-)	- (-)	- (-)	- (-)	- (-)
Establishment & other expenditure	288,010 (256,315)	-17,214 (-16,713)	- (-)	-873 (-2,612)	2,298 (1,226)	- (-)	- (-)	115,934 (122,610)
Arranger fees for Debenture issue	- (-)	- (-)	- (14,550)	- (-)	- (-)	- (-)	- (-)	- (-)
IPO expenses recovered	193,615 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	332,140 (-)	- (-)
Dividend Paid	404,587 (999,618)	- (-)	- (-)	- (-)	- (-)	- (-)	116,083 (541,721)	1,115 (105)
Royalty expenses	52,641 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2017

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Balances with related parties at March 31, 2018, are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		Venturer in Joint Venture	
Assets								
Cash, Bank balances & Deposits	-684,903 (-1,345,956)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Other assets/ receivables	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Liabilities								
Capital	2,538,438 (2,856,053)	- (-)	- (-)	- (-)	- (-)	- (-)	449,788 (1,547,775)	7,550 (-)
Share premium	10,872,192 (10,872,192)	- (-)	- (-)	- (-)	- (-)	- (-)	3,819,959 (3,819,959)	80,775 (-)
Debentures	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Premium received in advance/Cash deposits	296,267 (29,378)	153 (3,792)	5,085 (339)	11,826 (102)	760 (520)	44,396 (3,810)	- (-)	- (-)
Others liabilities/ Payables	591,540 (353,224)	7,109 (-4,762)	- (171)	986 (20,176)	1,577 (6,775)	1,584 (17,725)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2017

During the year, the Company completed the 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 ₹ 57,009,391 thousand. As the IPO was through an offer for sale, the Company did not receive any proceeds from the offer.

5.2.13 Details of age-wise analysis of the unclaimed amount of the policyholders (excluding Income from Investment) for the year ended March 31, 2018

(₹ in 000's)

Particulars	Total Amount	Age-wise analysis						
		0-6 months	7-12 months	13–18 months	19–24 months	25–30 months	31–36 months	Beyond 36 months
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/policyholders	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the insured/policyholders on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	170,088 (205,676)	6,578 (1,951)	132 (49)	117 (2,108)	29 (2,575)	1,850 (1,706)	2,190 (7,445)	159,192 (189,842)
Cheques issued but not encashed by the policyholder/insured	952,851 (1,043,870)	233,703 (289,563)	34,286 (50,676)	58,545 (20,923)	29,320 (28,031)	17,985 (21,280)	25,198 (23,374)	553,814 (610,023)
Total	**1,122,939 (1,249,546)**	**240,281 (291,514)**	**34,418 (50,725)**	**58,662 (23,031)**	**29,349 (30,606)**	**19,835 (22,986)**	**27,388 (30,819)**	**713,006 (799,865)**

Figure in brackets pertain to year ended March 31, 2017

Movement in unclaimed amount of policy holders due

(₹ in 000's)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	1,330,280	1,231,496
Add: Amount transferred to unclaimed amount during the year	809,505	842,766
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	8,910	7,621
Add: Investment income	77,997	80,734
Less: Amount paid during the year	812,422	832,337
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred)	153,329	-
Closing balance	**1,260,941**	**1,330,280**

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5.2.14 Details of earning per share for the year ended March 31, 2018

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Profit/(loss) available to equity shareholders ₹	8,617,757	7,018,839
Weighted average number of equity shares		
Number of shares at the beginning of the year	451,151	447,538
Share issued during the year	2,797	3,613
Total number of equity share outstanding at the end of the year	453,948	451,151
Weighted average number of equity shares outstanding during the year	453,361	448,245
Add : Effect of dilutive issues of options and share application pending allotment	430	2,141
Diluted weighted average number of equity shares outstanding during the year	453,791	450,386
Nominal value of equity shares ₹	10	10
Basic earning per share ₹	19.01	15.66
Diluted earning per share ₹	18.99	15.58

5.2.15 Deferred taxes

The major components of deferred tax are as under:

(₹ in 000's)

Particulars	Deferred tax asset at March 31, 2018	Deferred tax asset at March 31, 2017
Timing differences on account of:		
Reserve for Unexpired Risks	1,376,111	336,896
Provision for escalation in lease rentals	40,452	32,655
Leaves accrued	25,733	36,350
Provision for doubtful debts	671,832	466,388
Total	**2,114,128**	**872,289**
Net deferred tax asset/(liability)	2,114,128	872,289
Deferred tax expense/(income) recognised in the Profit and Loss A/c	**(1,241,839)**	**469,625**

5.2.16 REPO/Reverse repo transactions

(₹ in 000's)

Particulars	For the year ended March 31, 2018			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at March 31, 2018
Securities sold under repo (At cost)				
Government Securities	109,647 (57,023)	493,741 (2,516,501)	325,503 (1,211,707)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under reverse repo (At cost)				
Government Securities	545,948 (1,057,982)	4,330,498 (1,057,982)	2,019,287 (1,057,982)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2017

5.2.17 During the year ended March 31, 2018 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 ₹ 148,824 thousand (previous year: ₹ 123,988 thousand).

(b) Amount spent during the year is ₹ 149,645 thousand (previous year: ₹ 125,164 thousand).

(₹ in 000's)

	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	**-** **(-)**
(ii)	On purposes other than (i) above	149,645 (125,164)	- (-)	**149,645** **(125,164)**
	(a) Contribution to ICICI Foundation projects (Skill development & sustainable livelihoods; elementary education & healthcare)	111,600 (92,800)	- (-)	**111,600** **(92,800)**
	(b) Ride to safety (helmet distribution to children)	25,173 (23,746)	- (-)	**25,173** **(23,746)**
	(c) Access to Healthcare: Sanitation and Healthcare (Preventive and Curative)	1,133 (-)	- (-)	**1,133** **(-)**
	(d) Eye check-up camps for under privileged school children led by employees	11,739 (8,328)	- (-)	**11,739** **(8,328)**
	(e) Contribution to Disaster Relief fund	- (290)	- (-)	**-** **(290)**

Figure in brackets pertain to year ended March 31, 2017

5.2.18 Terms of Borrowings

(A) Gist of the terms of issue are as follows:

Series	1/2016-2017
Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures
Face Value (per security)	₹ 1,000,000
Issue Size	₹ 4,850,000 thousand
Issue Date/Date of Allotment	July 28, 2016
Redemption Date	July 28, 2026
Call option Date	July 28, 2021
Coupon Rate	8.25% per annum
Credit Rating	"AAA" by CRISIL and "AAA" by ICRA
Listing	Listed on WDM segment of NSE and BSE
Frequency of the Interest Payment	Annual

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(B) Maturity Pattern from the date of issue

(₹ in 000's)

Maturity buckets	Borrowings
1 to 5 years	-
Above 5 years	4,850,000
Total	**4,850,000**

(C) Debenture Redemption Reserve

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 for the period ended March 31, 2018 on this account is ₹ 103,929 thousand.

5.2.19 Disclosures on other work given to auditors

Pursuant to Corporate Governance Guidelines issued by IRDAI on May 18, 2016, the additional work entrusted to the statutory auditor is given below:

(₹ in 000's)

Name of the Auditor	Services rendered	For the year ended March 31, 2018	For the year ended March 31, 2017
Chaturvedi & Co	Report on restated financial statements, the related certificates and the comfort letters in relation to the initial public offering of the Company's equity shares by certain selling shareholders including related out-of-pocket expenses but excluding applicable taxes.	5,165	-
PKF Sridhar & Santhanam LLP		5,054	-

In accordance with SEBI rules, the remuneration disclosed above has been reimbursed by the selling shareholders and hence does not reflect as charge in Company's Profit and Loss Account

5.2.20 As at March 31, 2018 there are no (previous year: ₹ NIL) outstanding forward exchange contracts.

5.2.21 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)

5.2.22 (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, 2018, the Company did not have any outstanding long term derivative contracts (previous year: ₹ NIL).

5.2.23 For the year ended March 31, 2018, the company is not required to transfer any amount into the Investor Education & Protection Fund (previous year: ₹ NIL).

5.2.24 Dividend

Interim dividend appropriation for the year ended March 31, 2018 amounted to ₹ 818,418 thousand (Previous year ₹ 1,890,828 thousand) including dividend distribution tax of ₹ 138,430 thousand (Previous year ₹ 319,820 thousand).

The Board of directors have also proposed a final dividend of ₹ 1,134,871 thousand (Previous year: ₹ NIL) subject to requisite approvals. Dividend distribution tax on the same amounts to ₹ 233,276 thousand (Previous year: ₹ NIL).

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. According to the amended rules, the above mentioned proposed dividend and Dividend distribution tax is not recorded as a liability at March 31, 2018.

5.2.25 Previous year figures have been regrouped, reclassified in the respective schedule and notes wherever necessary, to conform to current year classifications. The details of changes are as under:

Sr. No.	Regrouped from	Regrouped to	Period	Amount (in ₹ 000's)	Reason
1	Schedule 8A Investments-Policyholders (Short term Investments – (d) Other Securities)	Schedule 12 Advances and Other Assets – Other Assets – Assets held for Unclaimed amount of policyholders	March 2017	1,284,521	As per IRDAI Master Circular on Unclaimed Amounts of Policyholders Ver 01 dated July 25, 2017; investment of Unclaimed Amount shall be shown under the Schedule of Current Assets to the Balance Sheet.

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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 25, 2018

Annexure-1A 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

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/Net worth = (Share capital + Reserve & Surplus)-(Miscellaneous expenditure + Debit balance in profit & loss account)
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset = Short term investments + Cash and bank balances
5 Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/(loss) = Net premium earned-Net claims incurred-Net commission-Operating expense

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Crop/ Weather Insurance	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-1B 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

Annexure-2A Analytical Ratios

as at March 31, 2017

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	33%	18%	16%	7%	14%	9%	10%	9%	15%
2	Gross Direct Premium to Net Worth Ratio	2.88								
3	Growth rate of Net Worth	17%								
4	Net Retention Ratio	60%	17%	64%	7%	52%	75%	94%	83%	94%
5	Net Commission Ratio	-7%	-35%	10%	-3%	10%	0%	0%	0%	9%
6	Expense of Management to Gross Direct Premium Ratio	23%								
7	Expense of Management to Net Written Premium Ratio	37%								
8	Net Incurred Claims to Net Earned Premium	80%								
9	Combined Ratio	104%								
10	Technical Reserves to Net Premium Ratio	2.32								
11	Underwriting balance Ratio	(0.05)	0.43			(0.17)				
12	Operating Profit Ratio	11%								
13	Liquid Assets to liabilities Ratio	14%								
14	Net earnings Ratio	11%								
15	Return on Net Worth Ratio	19%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.10								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/Net worth = (Share capital + Reserve & Surplus)-(Miscellaneous expenditure + Debit balance in profit & loss account)
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/(loss) = Net premium earned-Net claims incurred-Net commission-Operating expense

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Crop/ Weather Insurance	Others	Total miscellaneous	Basis of calculations
69%	13%	12%	28%	20%	3%	263%	29%	35%	(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%	27%	44%	75%	70%	7%	23%	64%	64%	NWP/(GDPI + RI accepted)
10%	-23%	18%	-9%	-20%	-102%	-30%	8%	-6%	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
								(0.06)	(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, 2017

1	(a) No. of shares	451,150,686
2	(b) Percentage of shareholding (Indian/Foreign)	65.7%/34.3%
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	₹ 15.66 and ₹ 15.58
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 15.66 and ₹ 15.58
6	(iv) Book value per share (₹)	82.57

Receipts & Payment Account (Direct basis)

for the year ended March 31, 2018

(₹ in 000's)

			Year ended March 31, 2018		Year ended March 31, 2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
1	- Premium received from policyholders, including advance receipt		131,180,312		103,976,106	
2	- Other receipts (including-environment relief fund & Motor TP pool and Terrorism Pool)		374,397		536,839	
3	- Receipt/(payment) from/to re-insurer net of commissions & claims recovery		(13,210,925)		(5,645,382)	
4	- Receipt/(payment) from/to co-insurer net of claims recovery		2,942,444		2,940,420	
5	- Payments of claims (net of salvage)		(54,505,848)		(49,937,862)	
6	- Payments of commission and brokerage		(6,941,674)		(5,200,964)	
7	- Payments of other operating expenses *2		(22,669,799)		(20,925,615)	
8	- Preliminary and preoperative expenses		-		-	
9	- Deposits, advances & staff loans (net)		(423,035)		(167,646)	
10	- Income tax paid (net)		(3,219,438)		(1,968,829)	
11	- Service taxes & Goods and service tax paid		(9,628,051)		(7,329,184)	
12	- Cash flows before extraordinary items			23,898,383		16,277,883
13	- Cash flows from extraordinary operations			-		-
14	**Net cash from operating activities**			**23,898,383**		**16,277,883**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
1	- Purchase of fixed assets (including capital advances)		(750,290)		(538,300)	
2	- Proceeds from sale of fixed assets		3,522	(746,768)	3,586	(534,714)
3	- Purchase of investments		(120,236,708)		(138,142,997)	
4	- Loans disbursed		-		-	
5	- Sale of investments		86,694,401		116,769,117	
6	- Repayments received		-		-	
7	- Rent/interest/dividends received		9,278,410		7,793,364	
8	- Investments in money mkt instruments and liquid mutual fund (net)		6,072,145		(5,761,179)	
9	- Other payments (Interest on IMTPIP)		-		-	
10	- Other payments (Advance payment for purchase of real estate)		-		-	
11	- Expenses related to investments		(18,377)		(22,536)	
12	- Other (Deposit received on leasing of premises)		-	(18,210,129)	-	(19,364,231)
13	**Net cash from investing activities**			**(18,956,897)**		**(19,898,945)**

(₹ in 000's)

			Year ended March 31, 2018		Year ended March 31, 2017	
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
	1	- Proceeds from issuance of share capital/ application money (including share premium & net of share issue expenses)	346,592		381,224	
	2	- Proceeds from borrowing	-		4,850,000	
	3	- Repayments of borrowing	-		-	
	4	- Brokerage and other expenses on borrowings	-		(21,326)	
	5	- Interest/Dividends paid	(1,310,267)		(1,596,512)	
	6	**Net cash from financing activities**		**(963,675)**		**3,613,386**
D	**Effect of foreign exchange rates on cash and cash equivalents, net**			-		-
E	**Net increase/(decrease) in cash and cash equivalents**			**3,977,811**		**(7,676)**
	1	Cash and cash equivalents at the beginning of the year		**1,940,353**		**1,948,029**
	2	Cash and cash equivalents at end of the period*1		**5,918,164**		**1,940,353**

*1 Cash and cash equivalent at the end of the period includes short term deposits of ₹ 3,044,078 thousand (previous period: ₹ 322,769 thousand)balances with banks in current accounts ₹ 2,561,306 thousand (previous period: ₹ 1,233,553 thousand) and cash including cheques and stamps in hand amounting to ₹ 312,780 thousand (previous period: ₹ 384,031 thousand)

*2 Includes payments towards Corporate Social Responsibility of ₹ 149,645 thousand (previous period: ₹ 125,164 thousand)

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/200018

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 25, 2018

For and on behalf of the Board

Chanda Kochhar
Chairperson

N. S. Kannan
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

Glossary

Technical/Insurance Industry related Terms/Abbreviations

Term	Description
Accident Year/AY	AY is the fiscal year in which a claim event occurred (regardless of when the claim was reported or the loss was recorded)
Accretion of discount/amortisation of premium	Premium/discount refers to the price paid for a bond as against the par value of the bond. This discount or premium is spread over the remaining life of the bond and is called accretion or amortisation, respectively
Acquisition Cost	Costs that vary with, and are primarily related to, the acquisition of new, and renewal of insurance contracts. These include, amongst others, commissions and policy issue expenses
Adjuster/Surveyor	An independent professional appointed by an insurer which seeks to determine the extent of its liability with respect to a claim that is submitted
Agent tied to an insurance company	An agent of an insurance company who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business related to the issuance, continuance, renewal or revival of insurance policies
All risk insurance policy	A type of insurance policy that covers a broad range of risks, including risks that are not explicitly excluded in the policy contract
Allocated Loss Adjustment Expenses/ALAE	Claim-related expenses that are directly attributable to a specific claim
Available Solvency Margin/ASM	Available solvency margin means the excess of value of assets of an insurance company over the value of its liabilities, with certain further prescribed adjustments by the IRDAI
Broker	A licensed person/firm who arranges insurance contracts with insurance companies and/or reinsurance companies on behalf of his clients for remuneration
Cashless facility	A facility extended by an insurance company to the insured where the payments of the costs of treatment/repair availed by the insured in accordance with the policy terms and conditions are directly made to the network provider by the insurance company
Certificate of registration	Certificate granted by the IRDAI under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, registering an insurance company to transact the classes of business specified therein
Claim Incurred (net)	Claim incurred (net) are gross incurred claims less all claims recovered from reinsurers related to those gross incurred claims. The gross claims incurred comprise of claims paid, settlement costs, wherever applicable and change in the outstanding provision for claims at the period end
Claim Reserves	The reserves in respect of the claims which have already occurred. It is determined as the aggregate of outstanding claim reserves and incurred but not reported claim reserves
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

Term	Description
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
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 net written premium
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
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)	Gross Direct Premium Income is the total premium received before taking into account reinsurance assumed and ceded
Gross Written Premium/GWP	Gross Written Premium is the sum of GDPI and reinsurance inward premium accepted
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

Glossary (Contd.)

Term	Description
Incurred But Not Reported Claim Reserves/IBNR	Includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the accounting date and ALAE
Indian Motor Third Party Insurance Pool/IMTPIP	The IMTPIP was a multilateral arrangement for insurance set up by the IRDAI in respect of third-party claims against commercial vehicles, the losses or gains from which were shared by all Indian non-life insurance companies in proportion to their overall market share. The IMTPIP was effective from April 1, 2007 to March 31, 2012
Indian Motor Third-party Declined Risk Pool/IMTPDRP	The IMTPDRP was an arrangement for insurance, set up by the IRDAI, in respect of standalone third-party claims against commercial vehicles that insurers "declined" to keep on their books. The losses or gains from such pool were shared by Indian non-life insurance companies that failed to meet a certain quota of third-party insurance policies underwritten. The IMTPDRP was effective from April 1, 2012 to March 31, 2016
Inland Marine	Coverage for property that may be in transit, held by a bailee, at a fixed location, or a movable good that is often at different locations
Insurance underwriting	The process by which an insurance company examines risk and determines whether the insurer will accept the risk or not, classifies those accepted and determines the appropriate rate for coverage provided
Intermediary	Entities like insurance brokers, re-insurance brokers, insurance consultants, individual/corporate agents, third-party administrators, surveyors, loss assessors and any other entities as may be specified by the IRDAI for undertaking insurance related activities
Investment Income	Investment income will include, income taken to revenue account and profit and loss account (interest, profit/loss on sale, accretion of discount, amortisation of premium, dividend earned during the period) and taken to financial statements pertaining to all the securities held under that category during that period
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 Modified National Agriculture Insurance Scheme 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

Term	Description
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 unexpired risk reserve 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	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 customers' loyalty to the brand. Surveyed customers are asked to rate the company on a scale of 0-10 in terms of how likely they are to recommend the company to others. Respondents are grouped as follows: Promoters – Those who give a rating of 9-10 Passives – Those who give a rating of 7-8 Detractors – Those who give a rating of 0-6 NPS = % Promoters-% Detractors
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
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 refers to Overall GDPI in the non-life insurance industry as a percentage of Gross Domestic Product of India
Obligatory cession	The portion of risk that Indian non-life insurance companies are required by law to cede to General Insurance Corporation of India (GIC Re).
Outstanding Claim Reserves/OS Reserves	The provision made in respect of all outstanding reported claims as on the accounting date. OS Reserves include ALAE
Over-the-counter (OTC) products	Pre-defined products with standardised price, terms and conditions offered to customers
Place of Business	A regional office, a zonal office, a divisional office, branch office or any subordinate office or any other office by whatever name called set up within India or a 'representative or a liaison office of Indian insurers' or a 'foreign branch office of Indian insurer' set up outside India by the insurers registered in India

Glossary (Contd.)

Term	Description
Policyholders' Funds	The policyholders funds shall be the sum of (a) estimated liability for outstanding claims including incurred but not reported and incurred but not enough reported (b) unexpired risk reserve ("URR") (c) catastrophe reserve (d) premium deficiency (e) other liabilities net off other assets. Other liabilities" comprise of (i) premium received in advance (ii) unallocated premium (iii) balance due to other insurance companies (iv) due to others members of third party pool ("IMTPIP"), if applicable and (v) Sundry creditors (due to policyholders). Other assets comprise of (i) outstanding premium (ii) due from other entities carrying on insurance business including re-insurers (iii) balance with terrorism pool (if applicable) and (iv) balance with motor third party pool, if any (if applicable)
Portability	The right accorded to an individual health insurance policyholder (including family cover), to transfer the credit gained for pre-existing conditions and time bound exclusions, from one insurer to another or from one plan to another plan of the same insurer
Pradhan Mantri Fasal Bima Yojana/PMFBY	A Government of India programme under which the central and state governments subsidise the purchase of yield-based crop insurance for farmers. The PMFBY was launched in April 2016 and covers food crops, oilseeds and commercial and horticultural crops
Premium Deficiency Reserve	The reserve held in excess of the unearned premium reserve, 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

Term	Description
Reinstatement premium	A prorated insurance or reinsurance premium charged for the reinstatement of the amount of a primary policy or reinsurance coverage limit that has been reduced or exhausted by loss payments under such coverages.
Reinsurance	Reinsurance is a transaction whereby one company, the reinsurer, agrees to indemnify another insurance company, the reinsured against all or part of the loss that the latter sustains under a policy or policies that it has issued, in return for a premium
Reinsurance ceded/accepted	Reinsurance means an insurance contract between one insurance company (cedant) and another insurance company (reinsurer) to indemnify against losses on one or more contracts issued by the cedant in exchange for consideration. The consideration paid/received is termed as reinsurance ceded/accepted. The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions
Reserving Triangle	A table showing development of estimated ultimate loss amount and the corresponding outstanding reserves for each accident year 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
RSM/Required Solvency Margin	Shall be the higher of the amounts of RSM 1 and RSM 2 for each line of business ("LOB") separately. RSM 1 means required solvency margin based on net premiums, and shall be determined as 20% of the amount which is the higher of (a) the gross premiums multiplied by a factor specified for each LOB and (b) the net premiums. RSM 2 means required solvency margin based on net incurred claims and shall be determined as 30% of the amount which is the higher of (a) the gross incurred claims multiplied by a factor specified for each LOB and (b) the net incurred claims
Salvage	Value recoverable from sale of scrap/recovered material arising from claim
Senior Citizen Welfare Fund/SCWF	As part of the Finance Act 2015, the government has brought in the Senior Citizens' Welfare Fund Act, 2015 (SCWF). This mandates the transfer of unclaimed amounts of policyholders to the fund (SCWF) after a period of 10 years.

Glossary (Contd.)

Term	Description
Shareholders' Funds	Shareholders' funds comprise of share capital plus all reserves and surplus (except revaluation reserve and fair value change account) as at the balance sheet date, represented by investments of funds held in business beyond solvency margin
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 available solvency margin to the required solvency margin
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)	Weather Based Crop Insurance Scheme is an index based insurance cover which aims to mitigate the hardship of the insured farmers against the likelihood of financial loss by providing protection against variation in specified weather indices such as rainfall, humidity, temperature etc. or a combination of these factors

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