

SERVICE EXCELLENCE



Forward-looking statement

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

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Service Excellence

General insurance has evolved beyond its role of offering financial protection against risks to life and personal assets. Today, it plays a far more comprehensive role of managing risks through preventive and proactive measures. At ICICI Lombard, we recognise these winds of change.

For us, therefore, engagement with our customers is less about transaction and more about solutions. Through constant innovation and best practices, we have reformulated our products and processes to meet customer expectations. Not only that, we have significantly expanded our service platform and integrated it with other business elements to offer a complete solution package to our customers.

Which is why, we are on our way to becoming a truly customer-centric organisation. We are aligning our strategies and processes to emerge as a company with deep knowledge of customer requirements. We are focused on offering solutions to our customers across the product life cycle – from pre-sale, policy purchase, claim settlement and post settlement.

As we lead the way for the General Insurance sector in India, Service excellence will play a pivotal role in our aspiration to excel in customer satisfaction.

Shaping culture around customers



ICICI Lombard General Insurance Company Limited (ICICI Lombard) is the largest private sector general insurance companies in India. ICICI Lombard is a joint venture between ICICI Bank (India's second largest bank) and Fairfax Financial Holdings Limited (a Canada based diversified financial services company) in 74:26 ratio.

For more than 13 years, ICICI Lombard has empowered its customers by providing prudent risk management solutions. With an array of customer oriented products and services, it has established itself as a single point destination for meeting the diverse general insurance related needs of its customers.

The Company's offerings are customer-centric, focusing on the overall well-being and comfort of the customer. It has always ensured that its customers are provided with convenient and relevant solutions during the entire life cycle of their

relationship i.e. from the policy advise stage to renewals to claims.

The product and service offerings include:

- Motor Insurance
- Health Insurance
- Travel Insurance
- Home Insurance
- Specialty Lines Insurance
- Property Insurance
- Marine Insurance
- Mass Health Insurance
- Weather Insurance

As the Company moves ahead, it is being transformed into an organisation that strives to offer service excellence to its customers. Bundling innovative service offerings into the product proposition will add tremendous value to customers and better address their discerning needs. ICICI Lombard remains committed to provide the best to its customers.

₹ 71.34 billion

Gross Written Premium (GWP)
as on March 31, 2014

273

Pan-India branches as on
March 31, 2014

11.22 million

Policies issued in FY2014

7,345

Head Count

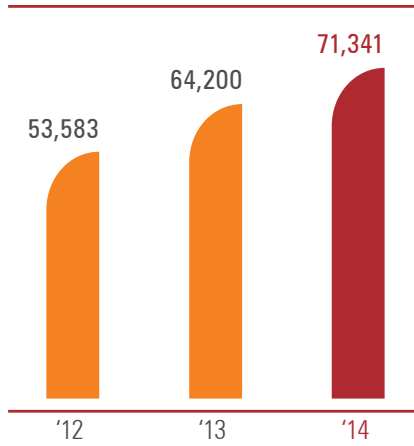
6.44 million

Claims settled in FY2014

Performance Highlights FY2014

Revenue Growth

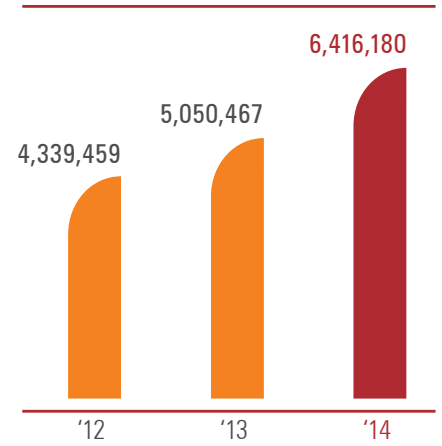
(Gross Written Premium ₹ in million*)



* Excluding Motor TP inward

Claims Settled

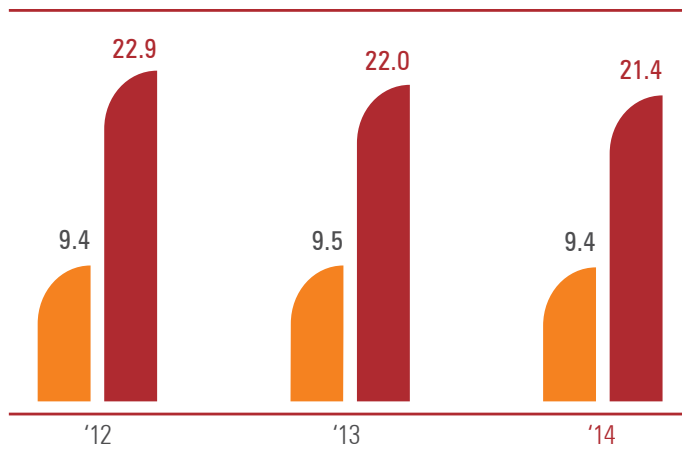
(Number of claims settled*)



* Excluding Motor TP

Market Share

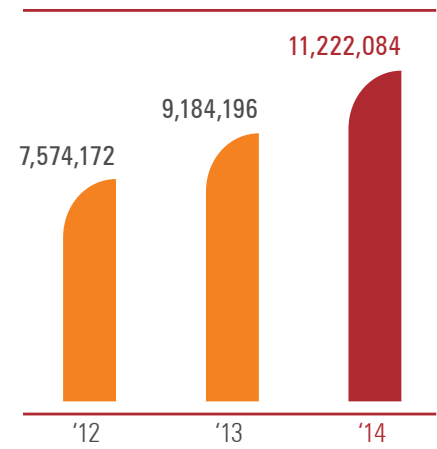
(%)



■ Total Industry ■ Private Sector

Policy Growth

(Number of policies sold)



Awards and Accolades

ICICI Lombard General Insurance has been consistently recognised for its customer-centric approach and innovative solutions at different award forums. These awards are a testimony to the trust reposed by its customers.



Most preferred Company for Health Insurance - Consumer Voice

ICICI Lombard General Insurance emerged as the preferred Company in terms of Customer satisfaction and Quality of Health Insurance services in a study commissioned by Dept. of Consumer Affairs, Govt. of India and conducted by Consumer Voice under Jago Grahak Jago Campaign.

A total of 3,313 respondents participated in the survey, which was conducted across 8 cities in India that included the top 4 metros and Bangalore, Hyderabad, Ahmedabad and Lucknow. The responses were based on actual claim experience of the respondents who had utilised health insurance policies of different insurers. In another testimony to the company's claim settlement processes, ICICI Lombard was also the most recommended company with 87.7% respondents planning to recommend the insurer to their friends and relatives.



E-business Leader' General Insurance Category - Indian Insurance Award 2013

ICICI Lombard received the 'E-business' Leader Award in the General Insurance category by the Indian Insurance Award, 2013. The 3rd Annual Edition of the General Insurance Awards honoured performance, growth, product and market innovation, customer service and technology.

Corporate Information

Board

Chanda Kochhar
Chairperson

R. Athappan
Director

Dileep Choksi
Director

Zarin Daruwala
Director

N. S. Kannan
Director

S. Mukherji
Director

Chandran Ratnaswami
Director

M. K. Sharma
Director

H. N. Sinor
Director (upto April 18, 2014)

Ashvin Parekh
Director (w.e.f. April 18, 2014)

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Board Nomination & Remuneration Committee

M. K. Sharma
Chairman

Chanda Kochhar

Chandran Ratnaswami

H. N. Sinor
(upto April 18, 2014)

Dilip Choksi
(w.e.f. April 18, 2014)

Investment Committee

Chandran Ratnaswami
Chairman

N. S. Kannan

Bhargav Dasgupta

Manalur Sandilya

S. Gopalakrishnan

Gopal Balachandran

Audit Committee

Dileep Choksi
Chairman

R. Athappan

S. Mukherji

H. N. Sinor
(upto April 18, 2014)

M. K. Sharma
(w.e.f. April 18, 2014)

Ashvin Parekh
(w.e.f. April 18, 2014)

Risk Management Committee

S. Mukherji
Chairman

R. Athappan

H. N. Sinor
(upto April 18, 2014)

Ashvin Parekh
Director (w.e.f. April 18, 2014)

Bhargav Dasgupta

Policyholder Protection Committee

M. K. Sharma
Chairman

S. Mukherji

Chandran Ratnaswami

Bhargav Dasgupta

Corporate Social Responsibility Committee

M. K. Sharma
Chairman

S. Mukherji

R. Athappan

Bhargav Dasgupta

Auditors

Khandelwal Jain & Co.
Chartered Accountants

Chaturvedi & Co.
Chartered Accountants

MAKING
MOTOR
INSURANCE

GO FURTHER!





Insurance has significantly evolved over time, a case in point being motor insurance that started as a basic third party motor insurance cover. The future, though lies in taking the leap to service differentiation. For a customer, a policy will offer far greater value, if the insurer assumes the responsibility of ensuring quality repair of the damaged vehicle instead of merely financing the said expenses. This to us is a manifestation of our comprehensive role as a risk manager, and not just a risk financier.



Similarly, assistance services such as emergency vehicle replacement or temporary accommodation will provide timely help to a customer whose vehicle has broken down. It will add tremendously to the customer's experience and value derived. This progressively transforms a motor insurance policy from being a mere risk mitigation tool to a comprehensive travel assistance offering.

Message from the Chairperson



Dear Shareholders,

FY2014 saw subdued growth trends in India amid persistently high inflation, even as there were improvements in key parameters such as the current account deficit. Economic growth is likely to improve gradually, though realising our full potential would require focused measures to revive the investment cycle and boost consumption.

The general insurance industry continued to grow in double digits in FY2014. The sector has the potential for sustained high growth given the low penetration of non-life insurance and increasing consumer awareness of the need for risk mitigation. This is even more relevant in the context

of rapidly changing lifestyles and growing propensity for purchase of expensive personal assets. Consumer-friendly measures in health insurance regulations implemented last year, together with various awareness-enhancing initiatives by the regulator augur well for the future of this segment.

ICICI Lombard continued to strengthen its position in an industry which is getting increasingly competitive with the entry of several international as well as specialised players. The Company has consistently focused on its differentiator – a customer-centric value proposition. At the same time,

The Company has consistently focused on its differentiator – a customer-centric value proposition. At the same time, it has adopted a strategy to follow a segmented approach with an emphasis on more profitable product lines.

it has adopted a strategy to follow a segmented approach with an emphasis on more profitable product lines. The company maintained its market leadership among the private sector general insurers, recording gross written premium of ₹ 71.34 billion in FY2014 compared to ₹ 64.20 billion in FY2013. Having returned to profitability in the previous fiscal, the company achieved 67% growth in profit after tax to ₹ 5.11 billion in FY2014. This translates into a return on equity of 24%.

ICICI Lombard also plays an active role in various long-term and sustainable social initiatives. We continue to create a transformative impact on healthcare delivery for the poor and also contribute towards achieving inclusive growth. The company has covered over 21.9 million beneficiaries in five years through its participation in schemes such as Rashtriya Swasthya Bima Yojana (RSBY). It also provided risk cover to over 12.3 million farmers during the same period through its weather insurance offerings, helping them to mitigate the risk arising from adverse weather conditions.

Going forward, we remain committed to our customer-centric service proposition, leveraging technology for enhanced customer convenience. The company has already taken significant steps in this area which include real-time customer intimation and predictive analytics. These will continue to expand in scope to help us further enrich the customer experience.

Backed by a strong market position, ongoing investments in operational efficiency and innovative services, we will continue to re-think and re-engineer our business processes and pioneer new benchmarks on the customer service front. We will also keep optimising our investments and pave the way for sustained and profitable growth in future. We are focused on building a general insurance company that sets benchmarks and creates sustainable value for all stakeholders. We will also continue with our commitment to social initiatives that benefit the less-privileged sections of our society.

I would like to take this opportunity to acknowledge the contribution of our employees in building a robust foundation for the organisation. I am confident that ICICI Lombard will continue to achieve greater milestones and lead the growth of a vibrant general insurance industry in the coming years.

Chanda Kochhar

Chairperson, ICICI Lombard GIC Limited

Message from the Chairman, Fairfax Asia



Dear Shareholders,

Over the past twelve years, ICICI Lombard General Insurance has consolidated its position as India's largest private sector non-life insurance company. The company has achieved this by focusing on its core values and relentlessly pursuing its vision over the years. As we step into the new financial year, we are sure that our partnership with the company will grow stronger in times to come.

The global economic scenario continues to show gradual and sustained improvement with signs of recovery both in US and Europe. On the other hand, emerging economies, which were considered the growth engines pulling the world out of a slowdown, seem to be facing some

issues in terms of tepid domestic growth and inflationary concerns. We believe that these are temporary hurdles and the economic scenario should further improve across developed and emerging economies.

The General Insurance industry worldwide continues to display robustness even though different countries remain at different levels of insurance penetration and growth curve. Observing the insurance market trends across the globe, we feel that the Indian General insurance industry is well positioned to benefit from its growth prospects compared to several developed and other emerging nations. Even as the country looks at increasing non-life insurance penetration, adequacy of

As we jointly work together towards raising the bar higher, we are deeply encouraged by the company's focus and efforts towards being a customer-centric organisation.

coverage too remains significantly below the global average and some emerging market peers. This indicates that the industry should gear itself to take advantage of the enhanced business opportunities in the near future as demographic trends remain favourable. Introduction of some much anticipated reforms and policy measures will further add a fillip to the industry's growth prospects.

Our association with ICICI Lombard keeps strengthening year after year. Since inception, we have closely partnered with ICICI Lombard and witnessed the company make sustained efforts to put in place prudent risk management and underwriting practices. Further, the overall industry continues to grow at multiples of GDP. This gives us immense confidence in this alliance and its future prospects.

As we jointly work together towards raising the bar higher, we are deeply encouraged by the company's focus and efforts towards being a customer-centric organisation. Its commitment towards service excellence has led to several best practices and first-of-its-kind service initiatives being introduced across its business verticals. Globally, organisations have adopted best practices in the customer service area as product construct becomes increasingly commoditised and customer relationship becomes the critical success factor. We are sure that these steps will go a long way towards preparing a distinct position for ICICI Lombard and offer it a favoured status in the minds of Indian consumers.

Another area of critical importance today is adoption of technology and digital platforms as they get further

embedded in consumers' lives. We are happy to note the progress made by ICICI Lombard on this front as it innovates and introduces new offerings that compliment the capabilities of multiple platforms including online, mobile and social media.

Even as the Company excels on the business front, it has ensured that it fulfils its role of being a responsible corporate citizen. We are happy to note the recent initiatives of the company in terms of its commitment towards and encouraging its employees to directly participate in initiatives aimed at helping the weaker sections of the community of which it is an integral part. At the same time, the company's contribution towards financial inclusion in close coordination with government bodies and other institutions is bound to play an important role in the country's efforts towards achieving inclusive growth.

We reaffirm our continued support to the Company with the confidence that our combined capabilities and a unified strategic focus will drive further growth for the Company and create tremendous corporate value in the years to come.

Ramaswamy Athappan

Chairman, Fairfax Asia Limited

Even as the company excels on the business front, it has ensured that it fulfils its role of being a responsible corporate citizen.

Message from the Managing Director & CEO



The Indian General Insurance industry continued to grow in double digits in FY2014, although the pace was slower. Profitability was impacted, despite reduced losses from the declined Third Party Motor Pool as catastrophic events, such as Cyclone Phailin, Uttarakhand floods and hailstorms, resulted in significant claims. Going forward, macro drivers — increased consumer awareness towards risks associated with health and personal assets; the recently introduced consumer oriented health insurance regulations; and new distribution measures introduced by IRDA — will provide impetus to the industry.

In FY2014, we consolidated our position as India's largest private sector General Insurance Company. Gross Written Premium increased to ₹ 71.34 billion from ₹ 64.20 billion. Profit after Tax rose to ₹ 5.11 billion, a 67% growth over ₹ 3.06 billion achieved in FY2013. We achieved this sterling performance by adopting a deeply segmented approach and built on product lines, which were not too price sensitive. We also focused on niche segments, where we ensured customer loyalty through innovative value-additions and strengthened our long-term client relationships. There was a conscious attempt to reduce our dependence on segments like Mass Health and Corporate Health that witnessed increased price competition, despite deteriorating loss ratios.

Customer Centricity has been our focus area since inception, as we continue to raise our service benchmarks. During the year, we honoured 6.4 million claims, an increase of 27% over the previous fiscal. In spite of this increased volume,

Dear Shareholders,

The global economy exhibited a mixed outlook in FY2014. US and UK progressed on the path to recovery, though growth level remained muted. At the same time, the Eurozone and Japan continued to display fragile growth. Emerging markets too had to adjust to subdued growth levels during the year. The Indian economy witnessed significant improvement in current account deficit and progressed on the fiscal front. However, GDP growth remained at sub 5% levels and inflation remained persistently high. India's growth prospects are expected to improve as inflationary headwinds recede and capital investments rise.

customer grievances declined by 54% as we further strengthened our processes and empowered our team to ensure the highest levels of customer satisfaction. As an industry leader, we took the lead in expanding the scope of services for customers. During the year, we introduced first-of-its-kind initiatives, such as Emergency Accommodation and Alternative Vehicle as part of our Road Side Assistance Cover for Motor Insurance customers. On the Health insurance front, we launched India's First Cashless OPD in the Group Health insurance space. At the same time, to enhance the customer's claim experience and build complete transparency in our communication standards, we introduced 'Time stamped SMS', notifying customers of the exact status of their claims at every stage.

Technology remains a key thrust area for us and we have invested substantially in technology solutions for improved process efficiency and customer experience. We focused on analytics to predict cases of fraud, thereby hastening the processing of genuine claims. We augmented our mobile solutions by expanding the scope of customer focused apps to cover purchase, instant renewal and claim intimation in health, motor and travel insurance. During the year, we introduced the 'Social Sign-in' facility, enabling customers to seamlessly connect to our digital platform.

Our focus on providing insurance solutions for Government welfare initiatives, primarily in the rural areas resulted in covering 3.42 million BPL families in FY2014. In collaboration with the Ministry of Road Transport & Highways, we launched a pilot scheme to provide hospitalisation

insurance cover for the benefit of the road accident victims of the Gurgaon-Jaipur National Highway 8.

We continued to receive accolades for our initiatives during the year. In a survey commissioned by the Ministry of Consumer Affairs and conducted by Consumer Voice under 'Jago Grahak Jago' campaign, we were rated as the Preferred Health Insurance Company in terms of Customer satisfaction and Quality of health insurance services. The survey finding, conducted across 3,300 health insurance customers who had experienced claim settlement, is a testimony to our claim processing capabilities and customer centric approach. We also received the prestigious 'E-Business Leader' award in the General Insurance category from Indian Insurance Award, an acknowledgement of our technological prowess.

At ICICI Lombard, we have always contributed to community wellbeing in more ways than one. Since 2011, we have organised health check-up camps, benefiting underprivileged children across the country. The initiative is driven by our Team as part of contributing to the community. Launched under the aegis of Caring Hands, this unique exercise has touched more than 50,000 children from over 200 schools in the last three years. In FY2014, our employees reached out to 21,242 students across 173 schools in 73 cities on a single day by conducting focused eye check-up camps. The cases diagnosed with poor vision were re-examined later and provided with corrective lenses at no cost.

Continuous learning and knowledge enhancement is imperative in our business and has been one of our

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key competitive advantages. At ICICI Lombard, our leaders have set a teaching agenda through the 'Leaders as Teachers' program, wherein our leaders own the learning programme and transfer knowledge and experiences to the next generation employees. Further, the learning maps for each individual are integrated with leadership and functional competencies through a structured certification process linked to the individual's career progression. This has transformed our approach from product to knowledge driven solutions selling and ingrained customer centricity in our culture.

As we set the agenda to achieve significant milestones next year, I would like to thank our stakeholders for their unending support and encouragement. We shall continue to lead the General Insurance arena with innovative products and services to emerge as the Insurer of Choice for the Indian consumer.

Bhargav Dasgupta
 Managing Director & CEO

EDUCATING THE CUSTOMER





Traditional thinking suggests that the onus of seeking information lies with the customer. From knowing the policy terms, scheme exclusions to understanding the claim process - it has hitherto been the responsibility of the customer. If we were to reverse this thought process, the customer's experience can be transformed radically.



At ICICI Lombard, we focus precisely on this. We endeavour to keep our customers updated at all times through welcome calls, continuous updates and timely information on policy renewal, claim processing etc. It helps our customers stay up to date and connected.

NOT JUST ACTIVE, BUT **PROACTIVE**





When it comes to health or any other insurance, just fulfilling the promise is not good enough. Encouraging the customer to follow healthy practices and focus on wellbeing is more prudent.



That is why we introduced an entire gamut of health management services. These include planned check-ups, second opinion, knowledge dissemination tools and so on. Such measures help our customers derive better value from their policy and reduce instances of emergency medical treatments.

General Insurance Sector Overview

₹ 728.50 billion

Industry's Gross Written Premium value in FY2014

9.4%

ICICI Lombard's market share of general insurance industry

The general insurance industry in India continued to grow in double digits in FY2014 though the pace was slower compared to previous years. The industry recorded a Gross Written Premium (GWP) of ₹ 728.50 billion in FY2014 compared to ₹ 646.96 billion in the previous fiscal, thereby registering growth of 12.6%.

Health and Motor insurance segments remained the primary

growth drivers during the year, contributing the largest share. Health insurance business grew to ₹ 176.20 billion in FY2014 from ₹ 153.43 billion in FY2013 (including specialised health institutions), registering a growth of 14.8%. Motor insurance business too grew at a near similar pace, increasing by 13.7% amounting to ₹ 338.91 billion in FY2014 compared to ₹ 298.01 billion in the previous fiscal.



Organisational Structure

ICICI Lombard's operating structure is designed from the customer's viewpoint. With the focus on providing a facilitating platform aimed at offering innovative solutions, ICICI Lombard's organisation structure comprises four verticals: Corporate Solutions Group, Financial Inclusion Solutions Group, Retail and Shared Services.

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

Corporate Solutions Group

Corporate Solutions group comprises various sub-divisions that include:

- Specialised Industry Group that caters to large clients in specialised business segments
- International Business Group to cover international risks of Indian business interests

- Small and Medium Enterprises Group that caters to small and medium companies across industries
- Financial Institutions Group that covers risks of companies in the financial services sector

In the FY2014, the Corporate Solutions Group achieved key milestones as summarised below:

Improved market share across traditional lines of business

Marine Cargo: The industry witnessed a muted growth of 5% amid volatile foreign exchange rates and decline in imports. ICICI Lombard fared far better having grown by 24% and increased its market share to 9.7% in FY2014 compared to 8.4% in FY2013. This was a result of innovations such as Global Marine program and automation of highly service oriented transactions including transit policy issuance and claims management.

Property: ICICI Lombard improved its market share to 7.2% in FY2014 compared to 6.6% in FY2013 using a portfolio de-risking strategy which helped spread concentration risk.

Liability (excluding sterilisation): Liability share was registered at 10.6% in FY2014 marginally higher than 10.5% in FY2013.

Selective approach in price sensitive segments

Group Health: The Group Health Portfolio witnessed pricing pressure in the the second half of the year under review, despite deteriorating loss ratios. As a conscious strategy, ICICI Lombard decided to avoid writing businesses at loss making prices thereby decreasing its market share to 9.4% from 9.8%.

Financial Inclusion: Financial inclusion segment declined by 21% in FY2014 due to closure of the

textiles schemes. ICICI Lombard followed a selective approach in this segment to maintain profitability. At the same time, the company ventured into new and sustainable business opportunities such as Road Safety insurance and J&K Govt Employees Insurance.

Tapping growth opportunity in Crop insurance business

The crop insurance market witnessed a 7% growth in FY2014 aided by good monsoons. MNAIS scheme grew by 36% even as the market for NAIS and WBCIS schemes remained static at ₹ 1,050 crore and ₹ 2,200 crore, respectively. ICICI Lombard achieved 19% growth in WBCIS and MNAIS schemes during the fiscal under review compared to 13.3% in FY2013 by enhancing its geographical spread and diversifying its risk portfolio.

Strategic initiatives to create differentiation in the market

The Corporate Solutions Group moved ahead on its long term strategy to engage with end customers and better position itself as a risk expert. This was achieved by training the sales team in solution selling, imparting industry specific knowledge, sharing best practices and benchmarking insurance portfolios. The Group carried out marine-specific loss control programs, property-specific risk mitigation activities, introduced innovative offerings like cashless OPD, good distribution practices to specific industries and accounts. It also successfully positioned itself as a wellness provider, having implemented wellness activities across 112 accounts. To provide these services, it entered into strategic arrangements with specific solution providers like Zicom, Xtralis, Tyco and Green Circle.

Financial Inclusion Solutions Group

ICICI Lombard's Financial Inclusion Solutions Group (FISG) focuses on providing insurance solutions for government welfare initiatives, primarily in the rural areas. Working closely with the government, ICICI Lombard has designed innovative products to deliver insurance solutions to economically disadvantaged sections of the society. For those who can least afford the setback of a failed crop or a major illness, these affordable products are critical. ICICI Lombard's evolving and scalable models, innovative product design, technology, claim processing and public-private collaboration deliver considerable insurance solutions to the rural masses.

Rashtriya Swasthya Bima Yojana

Rashtriya Swasthya Bima Yojana (RSBY) considered as one of the largest mass health initiatives in the world is a shining example of how a scheme can empower the country's poorest segment and successfully deliver health cover to them. The RSBY scheme provides health insurance to five members of every BPL family - including the family head, his spouse, up to three children and parents wherein the beneficiary can choose the best possible treatment for his family from the empanelled private as well as public hospitals.

ICICI Lombard's contribution to the scheme

- Covered 34.24 lakh BPL families last fiscal
- Implemented across seven states and Union Territories, including 42 districts

- Empanelled 1022 hospitals, including 522 private and 500 public

Leveraging RSBY's administrative and technology platform (i.e. smart cards and point-of-service devices), the project enrolled beneficiaries, while using electronic transfer of member and healthcare provider data. Every beneficiary policy was issued smart cards, embedded with biometric technology. The Company believes that the insurance scheme will have a transformative impact on healthcare delivery for the poor and contribute towards achieving inclusive growth.

Saving Lives

In one of the biggest initiatives taken by the Ministry of Road Transport & Highways and ICICI Lombard, the Government launched a scheme on pilot basis to provide emergency hospitalisation benefits to the road accident victims on Gurgaon- Jaipur National Highway-8. The treatment of bodily injury caused by and arising out of road accidents was provided on a cashless basis and took care of the road accident victim's immediate need of hospitalisation. The Government placed 6 advanced life saving and 5 basic life saving ambulances on the identified stretch to carry the accident victims from the accident spot to the nearest hospital to provide emergency medical treatment. Implemented by ICICI Lombard, the scheme provides cover to the victim for the first 48 hours subject to treatment expense limit of ₹ 30,000 per individual.

The scheme which was launched on July 29, 2013 has received more than 1,100 calls for ambulance services. Accordingly, medical emergency

treatment has been offered to more than 730 accident victims.

Health Insurance Scheme for Handloom Weavers

Weavers and ancillary workers are an important segment of India's handloom sector which is the second largest employment generator after agriculture. Contributing to the country's economy, these workers are engaged in warping, winding, dyeing, printing, finishing, sizing, jhala-making and jacquard cutting. Providing cover to this skilled populace, the health insurance scheme provides a family coverage of comprehensive healthcare and medical assistance to the weavers. It also has a provision for Outpatient Department (OPD) services. The scheme covers pre-existing as well as new diseases with an annual limit of ₹15,000 per family.

ICICI Lombard covered 17.5 lakh families last year and settled over 37 lakh claims under this scheme.

Women Sericulturist Health Insurance

The scheme aims at financially enabling women sericulture farmers and workers, reelers, spinners and ancillary workers across India to access healthcare facilities.

Highlights of the scheme

The scheme covers women beneficiaries (as the prime insured), her spouse and two children for comprehensive healthcare, including provision for OPD services.

OPD has fulfilled the void of primary healthcare facilities in rural India. Over the years, it has covered people across various age groups and genders. Healthcare awareness has

resulted in considerable increase in the enrolment of weavers and artisans community and led to an improvement in women healthcare. This scheme covers five states, namely Karnataka, Tamil Nadu, Jammu and Kashmir, Jharkhand and Assam. Last year, over 61,915 families were enrolled and issued health cards.

Weather Insurance

In FY2014, ICICI Lombard implemented the Weather Based Crop Insurance Scheme (WBCIS), an index-based scheme in 12 states, enrolling 3.9 million farmers across the loanee and non-loanee categories. ICICI Lombard also implemented the Modified Agricultural Insured Scheme (MNAIS) in 62 districts.

The vertical contributed ₹ 5.91 billion to ICICI Lombard's direct business in FY2014. WBCIS' Gross Written Premium (GWP) was ₹ 4.61 billion while MNAIS GWP was ₹ 1.29 billion. The Company retained its leadership position amongst the private players for WBCIS and increased its market penetration from 81 districts in FY2013 to 89 districts in FY2014. It also received mandates to implement WBCIS in Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal.

In order to serve farmers across India in a comprehensive way, a Central sector scheme of National Crop Insurance Programme was formulated by merging MNAIS, WBCIS and Coconut Palm Insurance Scheme (CPIS) with effect from Rabi (winter) season of FY2014.

The National Crop Insurance Programme (NCIP) will now get implemented across the country and will replace National Agricultural Insurance Scheme (NAIS). This has led to the opening up of the Crop insurance sector with 10 private General insurance players implementing the scheme in various regions.

In FY2014, ICICI Lombard continued its focus on expanding the scope of financial inclusion for the economically challenged sections of the society and worked with various intermediaries including commercial banks, cooperative banks and social groups to create cost-effective delivery channels for farmers across 12 states.

Well made processes for claims servicing have been a critical part of ICICI Lombard's core customer proposition. To facilitate faster claim processing, the Company

availed the services of the National Collateral Management Services Limited, a group member of the National Commodities Exchange of India. It also joined other public and private vendors in the Automated Weather Stations (AWS) installation and maintenance domain. Moreover, the Company subscribed to data for over 1,200 AWS across the country. (Source: Weather reports from Indian Meteorological Department)



HEALTH INSURANCE IS

**ABOUT
HEALTH.**

**NOT ABOUT
HOSPITALISATION.**





Traditionally, Health insurance has played a risk mitigation role only in cases of hospitalisation or In-patient Department (IPD). Instances where treatment is rendered without hospitalisation i.e. Out-patient Department (OPD) exceed the cases of IPD.



We are among the pioneers to having introduced OPD benefits in health insurance policies, starting with Group Health customers and catering to the entire spectrum of medical treatments, including treatments that do not require hospitalisation.

First

in the industry to offer 'International Health Insurance'

9.5%

Market share of ICICI Lombard in Motor Insurance sector

Retail Group

The Company's retail segment exhibited robust growth by implementing innovative risk solutions for customers while using various tools to streamline the business.

This growth was achieved by further strengthening partner relationships, tracking product portfolios, and focusing on claim management system.

Motor Insurance

Motor Insurance being the largest portfolio (at 45% of the overall GWP), continued to drive the retail business, outperforming the industry average. It increased its market share to 9.5% by leveraging its strength in innovative product solutions, investing in distribution capabilities, strategic relationships and adopting new age technology solutions. The continued focus on development of strong customer life-cycle programs and building



Offering solution-oriented products is only a part of the Company's endeavour to provide a 360 degree offering to its customers. This includes its commitment to keep up with the changing needs of the customers and update its approach and processes to maintain the best-in-class service levels.

agency and direct distribution has led to the growth in old private car segment. The launch of new add-on covers such as Road Side Assistance, Engine Protect and Garage Cash also resulted in increased acceptance from customers.

Within the motor insurance segment, the company registered robust growth of 42% in the two-wheeler segment through increased penetration in existing tie-ups and development of alternate channels to increase distribution footprint.

Creating seamless product and process solutions to tap into the old preferred commercial vehicle segment through agency relationships helped drive growth in the Motor segment and circumvent the slowdown in new commercial vehicle sales and high third party losses. Further, investments were made in specific areas to ensure fraud control and loss minimisation.

Health Insurance

With changing lifestyle, India is witnessing a shift in consumer healthcare preferences and financial needs.

ICICI Lombard focused on creating solutions that cater to diverse audience with specific preferences.

During the fiscal under review, health insurance customers were migrated to a new product 'Complete Health Insurance' that offered a more comprehensive health insurance solution and empowered customers with 360 degree healthcare proposition.

The Company also introduced 'International Health Insurance', a first of its kind solution in the industry designed to provide individual customers with comprehensive cover for availing health treatment across the globe.

Travel Insurance

ICICI Lombard has transpired, as the second largest player in travel insurance segment by strengthening its distribution network, acquiring new partners and venturing in new business areas to cater to the untapped potential. The Company always strives to provide service experience of the highest quality at every phase of customer interaction.

Technical Advantages

With rapid technological advancement, ICICI Lombard ensures that the technical competence of its channel partners is enhanced. The Company provides them access to I-partner wherein all policy related

servicing can be carried at the agent's end. It has also acted as a very efficient platform for knowledge sharing and training.

New products like Motor Third Party policies for Private Car, Two Wheeler and Miscellaneous D vehicles are now available on I-partner along with an introduction of its sub-agent module.

Mobile platform has been a major focus area last fiscal. The Company launched android apps for Private Car and Two-wheeler proposal creation. It also launched a mobile swipe mechanism which facilitates quick and seamless payment options to become easily accessible to the customers through M-Swipe technology (Credit card and Debit card transactions through physical card swipe).

Offering solution-oriented products is only a part of the Company's endeavour to provide a 360 degree offering to its customers. This includes its commitment to keep up with the changing needs of the customers and update its approach and processes to maintain the best-in-class service levels.



by servicing. This has resulted in making some major inroads. The new customer centric add-ons offered in the Motor segment have been widely accepted, and this has helped the Company to maintain its position in the industry among the top three players in the 'Own Damage' segment. Besides Motor, in the health insurance space, the OPD and top-up product offerings are innovations which would help expand the market as a whole in the coming years. Also, a whole new range of offerings was launched in the value-added space in health insurance like health risk assessment, a variety of health check-ups, outcome based health management programmes and disease management offerings, which are aimed at improving the overall wellness of the consumers. The Company was also amongst the select few in the industry to offer property protection solutions and marine risk management solutions. Such differentiation in service offerings has helped to increase the market share in the property segment from 6.26% in FY2013) to 6.78% in FY2014 and marine lines of business from 8.30% in FY2013 to 9.38% in FY2014)

Shared services

Reinsurance

The Company's reinsurance program remains a combination of proportional and non-proportional treaties. The reinsurance program was structured, keeping in mind the organisation's philosophy of purchasing adequate cover in order to always protect value-at-risk. For FY2014, ICICI Lombard maintained its retention across key product segments. To protect the net account against single large losses and natural disasters, the Company continued to buy appropriate risk protection and catastrophe reinsurance. The Company got its net retained exposures modelled by international agencies to ensure

3

Among the top 3 players in the 'Own Damage' segment

adequate catastrophe protection. It also continued to purchase non-proportional protection for its speciality portfolio comprising liability, aviation, weather and offshore energy insurance solutions, thereby maximising retentions and ensuring protection of value at risk. ICICI Lombard continued its association with Scor Re, Swiss Re and Hannover Re for its key reinsurance programmes, while General Insurance Corporation (GIC) remained the Company's largest reinsurance partner.

Underwriting

The Company has been working on a solution-based approach towards insurance selling backed

Technology played a major role in enhancing service levels thereby leading to customer satisfaction in FY2014. A significant proportion of motor surveys were done through tablets, enabling faster processing. The Company also leveraged on its strong network of in-house motor surveyors to service the marine customers. In FY2014, the Company as always stood amongst the best in the published statistics for claim performance and addressing customer complaints effectively.

Risk Management

ICICI Lombard has a Risk management framework in place to ensure that various risks are identified, measured, mitigated and that policies and procedures are established to address these risks for systemic response and adherence.

The Company has identified 28 enterprise wide risks which are categorised under five broad categories viz. Credit risk, Market risk, Underwriting risk, Operational risk and Strategic risk.

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 Company further measures each of its risk components 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.

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

The Internal Audit function is responsible for review of risk management processes within the Company.

Effective execution of risk management ensures that losses occurring for retained risks remain within the predefined tolerance levels of the organisation. The ERM framework fosters an operating environment that ensures strong financial control and risk mitigation while enabling prudent risk taking to seize market opportunities.

The Company has identified 28 enterprise wide risks which are categorised under five broad categories viz. Credit risk, Market risk, Underwriting risk, Operational risk and Strategic risk



**AN
EMPOWERED
CUSTOMER IS A
WELL SERVED
CUSTOMER**





Technology today is not just restricted to facilitating engagement but has gradually evolved into an empowering tool. Mobile technology specifically has influenced the life of people in several ways.



Adapting to the new age technological mediums, ICICI Lombard launched 'Insure' – a mobile application on multiple operating platforms. This allowed our customers to self-intimate a claim, eliminating the need to involve multiple channels in the process and save time. Our new 'Insure' app for mobile phones comes with value-added features like renew policy, new policies, locating hospitals under network and tracking claim status among others.

Going a step-further, we enriched accessibility and convenience channels for customers. We customised the log-in channels integrating online social log-in ids (Facebook and Twitter), enabling our customers to seamlessly connect to our digital platform.

Cost Management

Responsible for cost planning, co-ordination, control and reporting of cost data of the Company, the Cost Management Group took various initiatives towards cost savings in FY2014. During the year, ICICI Lombard achieved savings and efficiencies in the key spending areas of travel and communication. The Cost management team constantly worked towards creating awareness amongst employees to save cost through simple and effective tools.

As the Company grows in its business, it has realised that it is important to deploy resources effectively to maximise value and build cost-effective tools to benefit internal and external customers.

Investments

Investments at ICICI Lombard are governed by the core value investing principles of the Company. In FY2014, the Company successfully achieved its investment objective of a superior total return on the investment portfolio, while adhering to its existing investment philosophy and applicable regulations.

Availability of superior investments at the right price and the Company's claim responsibilities are the two main primary factors determining the asset mix of the Company. The investment committee oversees the implementation of the investment policies laid down by the Board. It also directs the asset allocation strategy that ensures financial liquidity, security and diversification. ICICI Lombard strictly follows commensurate risk management practices, which aim to strengthen

the existing business and smoothly manage risks arising out of duration, market, credit, legal and operations.

On March 31, 2014, investments amounted to ₹65.74 billion, increasing by 26.77% over the previous year. The investment portfolio has grown at a Compounded Annual Growth Rate (CAGR) of 19.73% over the past five years. The realised return and total return for the year ended March 31, 2014 was 9.05% and 11.55%, respectively. The realised return has averaged 10.81% and total return has averaged 10.66% over the last five years. The ratio of year-end investment assets to net worth stood at 3.53%. Over the last 11 years, the average total return was 10.57%, as compared to 9% generated by the benchmark composite. It has thus resulted in a superior average return of 1.57% over the benchmark.

In addition to the above, investment assets of the funds representing the third-party motor pool amounted to ₹11.35 billion with YTM of 8.98%. Realised return for FY2012 from this portfolio was 8.73%.

Operations

ICICI Lombard continued its focus on process, technology and people to achieve operational excellence during the fiscal under review. The main building blocks of the strategy were:

- Centralisation of activities to ensure uniform processes
- Automation to ensure speed and accuracy
- Empowerment of employees to enable faster service at the frontlines

The Company embarked on centralising its customer servicing

activities under Corporate Health and non-health segment through consolidation at 3 hubs in the previous year. In FY2014, processes related to these activities were significantly optimised to eliminate redundant intermediate steps and reduce overall Turn Around Time (TAT) by 3-5 days.

During the year, processing of products such as motor, home and travel was centralised. This initiative not only provided benefits in terms of enabling greater control & accuracy in processing but also led to achieving economies of scale in terms of manpower deployment.

The Company continued its endeavour to make all payments through electronic mode to reduce overheads and inefficiencies of a paper based payment system. 80% payments by volume and 88% by value were paid through electronic modes as at end of FY2014.

Delivery of documents to customers within reasonable turn-around time and updating correct customer contacts is critical to ensuring positive customer experience. FY2014 witnessed a string of initiatives by the Logistics Control Unit (LCU). This included initiatives such customer call out before despatch, deployment of regional couriers and streamlining deliveries through the postal service. As a result, non-delivery percentage reduced by 6% in overall terms over FY2013.

As part of the initiative to achieve customer delight, self-service features were introduced to improve product usage convenience on the ecommerce platform. This platform now issues over 1 lakh policies and more than 3 lakh quotes every month. Continuing with investments

on the mobile channel, the Android mobile app for customers and agents was further enhanced. This provided anytime-anywhere access and faster processing along with real time status of policy and claims.

At ICICI Lombard, security and confidentiality of customer information is considered sacrosanct. The continued focus on security of customer and policy information through the implementation of a comprehensive security framework allowed the company to ensure safe custody of customer information. In an industry first, e-business channel became PCI/DSS certified, which is the industry standard for online customer payment transactions.

In FY2014, the technology infrastructure issued and serviced the highest number of business transactions in the company's history. The Company's strategy of streamlining processes and enhancing efficiency across its various touch points enabled it to issue 10.1 million policies and handle 6.3 million claims.

Customer support and PEG

During the financial year 2014, Customer support (CS) and Process excellence group (PEG) kept their focus in line with the organisation's priorities in terms of service excellence. Both teams worked in tandem to align the company's processes to deliver best-in-class customer experience across all its touch points. The intent was to design scalable solutions with the correct mix of human intervention and process automation.

Customer's entire lifecycle - policy purchase, servicing and claims - was studied to come up with the Time

and Event of the experience that both Company and customers share with each other. The Company took various initiatives to focus on the two most important pillars of customer's experience with an insurer i.e. Communication and Process.

Communication

The company standardised and unified external communication, in any form, written or verbal, across all products and touch points (call centre, branches and website) and throughout the customer's lifecycle.

Written communication

Content for every communication that the Company makes with the customer - proposal form, policy documents, letters, claim forms, SMS, emails etc - was standardised and simplified to enable better readability and customer comprehension. Unified technology architecture was implemented to integrate communication across multiple back end applications. It has enabled the Company to provide a common look and feel across all communication.

Verbal communication

A new set of metrics, basis competitive benchmarking, was devised to improve the call centre's quality that focused on softer aspects of call handling and problem resolution. Agents were trained on soft skills module comprising e-mail templates and voice scripting. An online knowledge repository, that serves as a dynamic product database providing a structured process flow and supporting voice scripts was provided to agents so as to enable them to provide solutions in the desired manner.

Process

Operational efficiency of customer impacting processes was improved to reduce the number of transfers required between internal teams. In addition to this, processes were also revamped in order to remove gaps that were causing customers to be diverted between touch points.

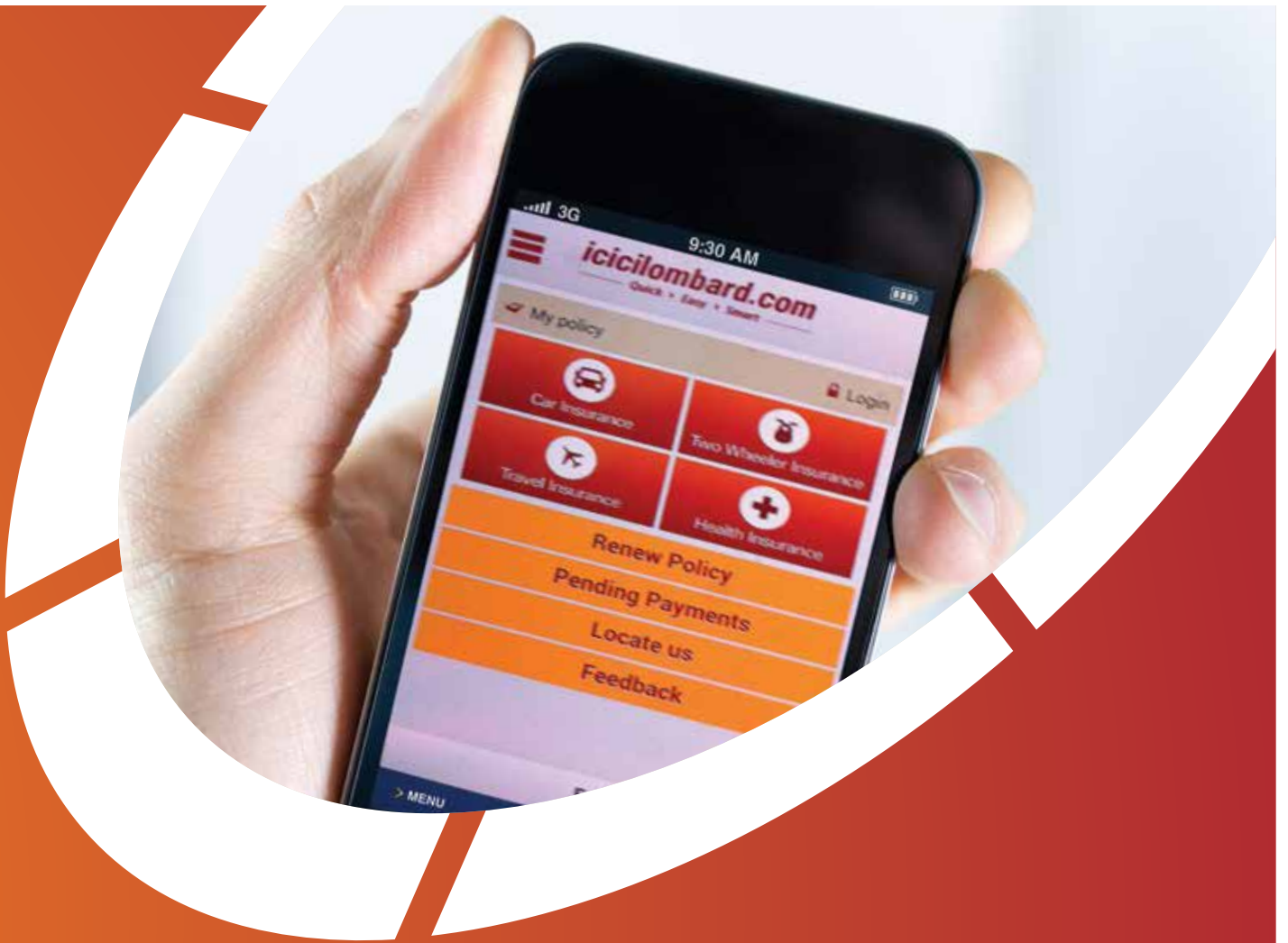
ICICI Lombard became the first insurer to carry out a premium bearing endorsement over phone which earlier required the customer to either send a cheque to a central office or visit a branch. In addition to this, the call centre was empowered to facilitate the non-premium bearing endorsements on call, instantly, thus reducing turn-around time and increasing first time resolution. Customer feedback via SMS/IVR was recorded and analysed to reduce cancellation and policy not received related complaints.

The aforementioned efforts have helped the Company reduce its complaints by 50%, repeat calls by 11% and increase FTR at the call centre by 2% vis-à-vis FY2013. The ratio of complaints to total policies issued now stands at 0.04% for FY2014 as against 0.11% for the previous fiscal.

ICICI Lombard became the first insurer to carry out a premium bearing endorsement over phone.

SERVICE ON THE GO, THE SMART WAY.





Conventional service methods need to be complemented with technology to ensure a seamless customer experience. At ICICI Lombard, we are leveraging the power of technology to integrate many service elements into our products and thus render the claim process hassle-free.



'Time-stamped' SMS is one such facility, where the policy holder is kept updated on claim processing status through regular sms'es with time stamping details. This not only relieves the customer of stress at a critical juncture but also provides a clear status throughout the claim processing cycle.



Delivering consistent services and exceeding customer expectations is integrated within the company's culture.

systems. Templates and scripts were created to bring standardisation and uniformity in messages communicated. Well defined service anchors were used to align with the expectations of established customer behaviour. This led the Company to be emotionally alive to customer's requirements and provide personalised solutions with a sense of ownership.

Delivering consistent services and exceeding customer expectations is integral to the company's culture. Ongoing learning programs have helped employees to be partners in their own growth and advancement.

"Deeksha Learning Centre " - the umbrella brand established for all learning interventions, offers three levels of certifications mapped to employees' role and competencies. The first level of certification, Code Orange, offers threshold knowledge requirements, essential for making the right start. Code Maroon offers advanced level of competencies. The last level, Code Maroon+ in partnership with CII London, offers domain expertise and knowledge with international benchmarking. The Company motivates its employees to actively pursue these initiatives, thereby building a culture conducive to nurturing continuous learning.

Human Resource

ICICI Lombard as a Company is in the business of delivering promises, the promise of being there with the customer when they need the Company the most. To fulfill its promises consistently, ICICI Lombard has structured its claim servicing processes to settle all genuine claims efficiently. In the journey towards enhancing customer experience, the Company is now focusing on providing personalised experience, across sales and service

processes. In the last fiscal, the Company conducted P2S(Product-to-Solutions) workshops to equip its sales team with critical skills and knowledge to identify and understand various risk exposures. This enabled the team to identify relevant risk solutions and provide Value added services to customers. The approach adopted was to change the mindset from selling products to delivering customised solutions. This would help to not only build long-term relationship with clients but also partner them in managing their risk portfolios better.

On the service front, the growing expectations of customers in terms of ease and convenience in services led to simplification of processes and

Corporate Social Responsibility

ICICI Lombard has always endeavored to go beyond its business focus and contribute to the well being of all stakeholders, including the community at large. The Company has taken several initiatives in the areas of preventive healthcare, road safety and disaster support being a responsible Corporate citizen.

Caring Hands Campaign

Launched in 2011, the Caring Hands Campaign is an initiative of ICICI Lombard, driven by its employees and aimed at the upliftment of the society. The campaign focuses on preventive healthcare through free health check-up camps for the benefit of underprivileged school children across the country. In the last 3 years, this initiative has covered over 50,000 children from more than 200 schools. Across various locations, cross functional teams are formed by employees to handle the entire exercise. Apart from facilitating camaraderie, it provides an opportunity for employees to showcase their leadership skills as they take up the onus of executing the entire project.

In FY2014, the Company's employees sharpened their focus by conducting exclusive eye check up camps.

We have taken several initiatives in the areas of preventive healthcare, road safety and disaster support to meet our social-economic objectives.

More than 50% of the Company's employees reached out to 21,242 students across 173 schools in 73 cities. The Company also provided corrective lenses to the students who were diagnosed with poor vision. The teams focused on children in the age-group of 5-7 years, which as validated by external research has a significant percentage of children suffering from poor vision. These children suffered due to not being diagnosed in time or from parental ignorance.

The Company remains committed to expanding the scope of this progressive initiative, hoping to make a positive contribution in the life of the country's future leaders.



Directors' Report

12.6 %

Industry growth between
April 2013 - March 2014

21.4 %

Market share of ICICI Lombard in
private sector general insurance
companies

To the Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) along with the audited statement of accounts for the financial year ended March 31, 2014.

Industry Overview

The gross premium of the industry grew from ₹ 646.96 billion in FY2013 to ₹ 728.50 billion in FY2014, a growth of about 12.6%. The market share of private sector general insurance companies for the corresponding period grew from 43.2% to 43.9%. ICICI Lombard led the private players in general insurance sector with a market share of 21.4% and an overall industry market share of 9.4%.

Financial Highlights

The financial performance for FY2014 is summarised in the following table:

Particulars	FY2013	FY2014
No. of Policies	9,184,196	11,222,084
		(₹ billion)
Gross written premium	64.20	71.34
Earned premium	40.09	43.53
Income from Investments	5.73	7.88
Profit/(Loss) before tax	2.82	5.20
Profit/(Loss) after tax	3.06	5.11

Appropriations

The profit after tax for the year ended March 31, 2014 is ₹ 5.11 billion. The profit available for appropriation is ₹ 4.18 billion after taking into account the balance of loss of ₹ 0.93 billion brought forward from the previous year. Your Directors have not recommended any dividend for the year.

Directors

Section 149 of the Companies Act, 2013 (the Act) which defines the composition of the Board has been notified effective April 1, 2014 and provides that an independent director shall not hold office for more than two consecutive terms of five years each provided that the director is re-appointed by passing a special resolution on completion of first term of five consecutive years.

As per the explanation provided under Section 149 of the Act, any tenure of an independent Director on the date of commencement of this Section i.e. April 1, 2014 shall not be counted as a term. The tenure of every independent director to

compute the period of first five consecutive years would be reckoned afresh from April 1, 2014. In term of the aforesaid provisions, the independent Directors of the Company will be eligible to hold office for a consecutive period of five years as per applicable provisions of the Companies Act, 2013.

H.N. Sinor expressed his desire to retire at the forthcoming Annual General Meeting. The Board placed on record its deep appreciation and gratitude for his guidance and contribution to ICICI Lombard. The Board at its Meeting held on April 18, 2014, approved the appointment of Ashvin Parekh, as an additional Director of the Company in place of H.N. Sinor. Ashvin Parekh is the Managing Partner of Ashvin Parekh Advisory Services LLP. He has over 35 years of work experience in business strategy, corporate planning, institutional strengthening and business transformation across industries including banking, insurance, pension and capital markets both in domestic and global markets. He is registered with the World Bank and Asian Development Bank as an expert in financial services. He has been a member of several committees constituted by Ministry of Finance, RBI, SEBI and IRDA.

Section 152 of the Act, also notified effective April 1, 2014 provides that independent directors would need to be excluded from the total number of directors for the purpose of computing the number of directors whose period of office will be liable to determination by retirement of directors by rotation.

In terms of the aforesaid provisions, N.S. Kannan and R. Athappan, being non-executive Directors of the Company would retire by rotation at the forthcoming AGM and are eligible for re-appointment. Both N.S. Kannan and R. Athappan have offered themselves for re-appointment.

The Members of ICICI Lombard in June 2009, based on the recommendations of the Board of Directors at its Meeting held on April 25, 2009, approved the appointment of Bhargav Dasgupta as Managing Director & CEO for a period of five years effective May 1, 2009 upto April 30, 2014. The requisite approval was received from Insurance Regulatory and Development Authority (IRDA) for the aforesaid appointment and remuneration.

The Board at its Meeting held on April 18, 2014, based on the recommendation of the Board Governance Committee (re-named as Board Nomination and Remuneration Committee), approved the re-appointment of Bhargav Dasgupta as Managing Director & CEO for a further period of five years effective May 1, 2014 up to April 30, 2019, subject to the approval of the Members and IRDA.

The resolution for the re-appointment is proposed to the Members in the notice of current AGM vide item no. 6 and the explanatory statement including the duration and terms of re-appointment as well as remuneration. You are requested to consider the re-appointment of Bhargav Dasgupta as Managing Director & CEO.

Auditors

The Joint Statutory Auditors, Khandelwal Jain & Co., Chartered Accountants and Chaturvedi & Co., Chartered Accountants, will retire at the ensuing AGM. On the basis of the recommendation of the Audit Committee, the Board, at its Meeting held on April 18, 2014 has proposed the re-appointment of Khandelwal Jain & Co., Chartered Accountants and Chaturvedi & Co. Chartered Accountants, as Joint Statutory Auditors to audit the accounts of the ICICI Lombard for the financial year ending March 31, 2015. You are requested to consider their re-appointment.

Whistle Blower Policy

ICICI Lombard has formulated a Whistle Blower Policy which is designed to provide its employees, a channel for communicating instances of breach in the code of conduct, legal violation, actual or suspected fraud and on the accounting policies and procedures adopted for any area or item. The framework of the policy strives to foster responsible and secure whistle blowing. This mechanism has been communicated to the employees and posted on the Company's intranet.

Registration

The certificate of registration of ICICI Lombard has been renewed by IRDA for FY2015.

Capital

The total capital invested by shareholders till March 31, 2014 including share premium, was ₹ 19.29 billion. The net worth of ICICI Lombard stood at ₹ 23.81 billion at March 31, 2014 as compared to ₹ 17.66 billion at March 31, 2013. The solvency position of ICICI Lombard at March 31, 2014 was 1.72 times as against 1.50 times prescribed by IRDA.

Corporate Social Responsibility

Pursuant to the provisions of Companies Act, 2013, ICICI Lombard has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee consists of four directors namely, M. K. Sharma, S. Mukherji, R. Athappan and Bhargav Dasgupta. The Committee is chaired by M. K. Sharma, an independent director of the Company.

Rural and Social Responsibility

ICICI Lombard issued more than 400,000 policies in rural areas and covered more than 80,000 lives falling within the norms of social responsibility, as prescribed by IRDA.

Public Deposits

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

Foreign Exchange Earning and Expenditure

During FY2014, expenditure in foreign currencies amounted to ₹ 3,894.9 million and earning in foreign currencies amounted to ₹ 4,224.1 million.

Additional Information

As required by the provisions of Section 134 of the Companies Act, 2013, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. In terms of the provisions of section

136 of the Companies Act, 2013 the Directors' Report is being sent to the shareholders of the Company excluding the Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary.

The provisions of Section 217(1)(e) of the Companies Act, 1956, 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.

Employee Stock Option Scheme

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

Options granted in the years 2005, 2006, 2007, 2008 and 2010 vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in subsequent four years. Options granted for the year 2011 vest in a gradual manner over a two-year period, with 40% and 60% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted by ICICI Lombard up to March 31, 2014 are given below:

Options granted	23,572,260
Options vested	17,518,698
Options exercised	5,368,060
Number of shares allotted pursuant to exercise of options	5,270,660
Options forfeited/lapsed	8,359,706
Extinguishment or modification of options	-
Amount realised by exercise of options (₹)	220,614,980
Total number of options in force	9,844,494

Directors' Responsibility Statement

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of ICICI Lombard at the end of the financial year and of the profit of ICICI Lombard for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and provisions of the Companies Act, 1956 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

Corporate Governance

ICICI Lombard General Insurance Company Limited (“the Company”) is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. 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.

I. Management Structure

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

- Strategic supervision is provided by the Board;
- Control and implementation of Company’s strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding the Company’s operations and financial performance is made available to stakeholders;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with;

- Compliance with applicable acts and regulations is achieved;
- Corporate culture that recognises and rewards adherence to ethical standards is developed.

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

II. Board Structure

At March 31, 2014, the Company’s Board of Directors consisted of twelve members. Out of the twelve members of the Board, four are nominated by ICICI Bank, two are nominated by Fairfax, three are independent Directors and three are wholetime Directors including the Managing Director & CEO. Except the wholetime Directors, all other Directors, including the Chairperson of the Board, are non-executive Directors. The composition of Board of Directors is in compliance with provisions of the Companies Act, 2013 and in accordance with Corporate Governance guidelines prescribed for insurance companies by IRDA. There is a clear segregation of responsibility and authority between the Chairperson and the wholetime Directors. The Board functions either as an entity *per se*, or through various committees constituted to oversee specific operational areas. There is an appropriate mix of executive, non-executive and independent Directors to maintain the professionalism and independence of the Board. The independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance and economics. None of the Directors are related to any other Director or employee of the Company.

Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda Kochhar (DIN: 00043617)	Chairperson, Non- Executive, Nominee of ICICI Bank	B.A, MBA, ICWA, MMS (Finance)	Banking & finance
R. Athappan (DIN: 00915847)	Non- Executive, Nominee of Fairfax	B.E. (Electrical), A.I.I.I.	Insurance
Dileep Choksi (DIN: 00016322)	Non- Executive, Independent	F.C.A, LL.B, ICWA	Accounting, Taxation, Corporate Restructuring and Mergers & Acquisitions
Zarin Daruwala (DIN: 00034655)	Non- Executive, Nominee of ICICI Bank	A.C.A, A.C.S	Banking & finance
N. S. Kannan (DIN: 00066009)	Non- Executive, Nominee of ICICI Bank	B.E. (Hon), PGDM, IIM, Bangalore, CFA	Banking & finance
S. Mukherji (DIN: 00057492)	Non- Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc Economics (London School of Economics), MMS	Banking & finance.
Chandran Ratnaswami (DIN: 00109215)	Non- Executive, Nominee of Fairfax	B.E. (Civil), MBA.	Investment & insurance.
M. K. Sharma (DIN: 00327684)	Non- Executive, Independent	B.A., LL.B, Diploma in Personnel Management	Corporate law, human resources management & risk management
H. N. Sinor (DIN: 00074905)	Non-Executive, Independent	B.Com, LL.B	Banking & finance.
Bhargav Dasgupta (DIN: 00047728)	Managing Director	PGDM, IIM Bangalore, B.E. (Mechanical)	Banking & insurance.
Alok Kumar Agarwal (DIN: 03434304)	Executive Director	B.E. (Chemical) PGDM, (IIM Calcutta)	Banking & insurance.
Neelesh Garg (DIN: 03435242)	Executive Director	PGDM, IIM Bangalore	Banking & insurance.

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other board business. The Board met four times in the year under review on April 15, 2013, July 24, 2013, October 16, 2013 and January 15, 2014. The Chairman of respective Committees briefs the Board regarding key matters deliberated during the Committee Meetings. The attendance record of the Directors is set out in the following table:

Name of the Director	Number of Board Meetings
	Attended
Chanda Kochhar	4/4
R. Athappan	1/4
Dileep Choksi	4/4
Zarin Daruwala	4/4
N. S. Kannan	4/4
S. Mukherji	4/4
Chandran Ratnaswami	2/4
M. K. Sharma	4/4
H. N. Sinor (upto April 18, 2014)	4/4
Bhargav Dasgupta	4/4
Alok Kumar Agarwal	4/4
Neelesh Garg	4/4

III. Board Committees ('the Committees')

The Board has constituted following Committees:

- (i) Board Nomination and Remuneration Committee
- (ii) Investment Committee
- (iii) Audit Committee
- (iv) Risk Management Committee
- (v) Policyholder Protection Committee
- (vi) Corporate Social Responsibility Committee

In addition to above, the Board has also constituted Bank Operation Committee and Share Transfer & Investor Grievance Redressal Committee comprising non-executive Director, wholetime Director and executives. 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 of the respective Committees briefs the Board on deliberations taken place at the Committee Meetings in relation to important discussions, noting and approvals. The role and composition of these Committees, alongwith the number of Meetings held during FY2014 and the attendance of the members are provided below:

(i) Board Nomination and Remuneration Committee

Terms of reference

The functions of this Committee include identification of persons who are qualified to become directors and who may be appointed as senior management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every director's performance, formulation of Remuneration Policy to include recommendation of remuneration for directors, key managerial personnel and senior management, approval of the policy for and quantum of bonus payable to the members of the staff, framing of guidelines for the Employees Stock Options Scheme and recommendation of the grant of stock options to the employees and wholetime Directors of the Company.

Composition

In terms of the provisions of Companies Act, 2013, the Board Nomination and Remuneration Committee (earlier named as Board Governance Committee) (the Committee) comprises four non-executive Directors, two of whom are independent Directors. The Committee was chaired by M. K. Sharma, an independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met once in the year under review on April 15, 2013.

Attendance record of the Members

Name of Member	Number of Meetings attended
M. K. Sharma, <i>Chairman</i>	1/1
Chanda Kochhar, <i>Non-executive Director</i>	1/1
Chandran Ratnaswami <i>Non-executive Director</i>	1/1
H. N. Sinor <i>Independent Director</i> <i>(upto April 18, 2014)</i>	1/1

The Board of Directors at its Meeting held on April 18, 2014 re-constituted the Board Nomination and Remuneration Committee pursuant to which Dileep Choksi was appointed as Member of the Committee in place of H.N. Sinor.

(ii) Investment Committee

Terms of reference

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

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

Composition

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

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 15, 2013, July 24, 2013, October 16, 2013 and January 15, 2014.

Attendance record of the Members

Name of Member	Number of Meetings attended
Chandran Ratnaswami ¹ , <i>Chairman</i>	2/4
N. S. Kannan, <i>Non-executive Director</i>	4/4
Manalur Sandilya, <i>Appointed Actuary</i>	4/4
Bhargav Dasgupta, <i>Managing Director & CEO</i>	4/4
S. Gopalakrishnan, <i>Chief- Investments</i>	4/4
Gopal Balachandran, <i>Chief Financial Officer</i>	4/4

1. The meetings of the Committee held on July 24, 2013 and October 16, 2013 were chaired by N. S. Kannan in absence of Chandran Ratnaswami, Chairman of the Committee.

(iii) Audit Committee

Terms of reference

The functions of the Committee include overseeing the Company's financial reporting process under Indian GAAP and US GAAP and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment/removal of external auditor(s), fixation of audit fee and payment for any other services, review of the quarterly and annual financial statements before submission to the Board, review and monitor the auditor's independence and performance, effectiveness of audit process, reviewing with the management, external auditors and internal auditors, evaluation of internal control systems, discussion with external auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit, discussion with internal auditors any significant findings and follow up there on, reviewing

the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, review of functioning of Whistle Blower Policy and reporting the matter to the Board, review of compliance with inspection and audit reports, review the Company's financial and risk management policies and looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, approval or any subsequent modification of transactions of the company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary and monitoring the end use of funds raised through public offers and related matters.

Composition

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

The composition of the Committee is given below along with the attendance of the members. The Committee met five times in the year under review on April 15, 2013, June 17, 2013, July 23, 2013, October 15, 2013 and January 14, 2014.

Attendance record of the Members

Name of Member	Number of Meetings attended
Dileep Choksi, <i>Chairman</i>	5/5
R. Athappan, <i>Non-executive Director</i>	1/5
S. Mukherji, <i>Non-executive Director</i>	4/5
H. N. Sinor, <i>Non-executive Director</i> (up to April 18, 2014)	5/5

The Board of Directors at its Meeting held on April 18, 2014 re-constituted the Audit Committee pursuant to which Ashvin Parekh was appointed as Member of the Committee in place of H.N. Sinor. The Board also appointed M.K. Sharma as Member of the Committee.

(iv) Risk Management Committee

Terms of reference

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

Composition

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

The composition of the Committee is given below along with the attendance of the members. The Committee

met four times in the year under review on April 15, 2013, July 23, 2013, October 15, 2013 and January 14, 2014.

Attendance record of the Members

Name of Member	Number of Meetings attended
S. Mukherji, <i>Chairman</i>	4/4
R. Athappan, <i>Non-executive Director</i>	0/4
H. N. Sinor, <i>Non-executive Director</i> <i>(upto April 18, 2014)</i>	4/4
Bhargav Dasgupta, <i>Managing Director & CEO</i>	4/4

The Board of Directors at its Meeting held on April 18, 2014 re-constituted the Risk Management Committee pursuant to which Ashvin Parekh was appointed as Member of the Committee in place of H.N. Sinor.

(v) Policyholder Protection Committee

Terms of reference

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

Composition

The Policyholder Protection Committee (the Committee) has been formed in accordance with the Corporate

Governance Guidelines issued by IRDA. It comprises three non-executive Directors and one executive Director. The Committee was chaired by M. K. Sharma, an independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 15, 2013, July 23, 2013, October 16, 2013 and January 14, 2014.

Attendance record of the Members

Name of Member	Number of Meetings attended
M. K. Sharma, <i>Chairman</i>	4/4
S. Mukherji, <i>Non-executive Director</i>	4/4
Chandran Ratnaswami, <i>Non-executive Director</i>	1/4
Bhargav Dasgupta, <i>Managing Director & CEO</i>	4/4

IV. Details of managerial remuneration for FY2013:

(i) Wholetime Directors

The Board based on the recommendation of the Board Governance Committee (re-named as 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 Act, 1938, prior approval of IRDA is obtained to effect the remuneration of wholetime Directors.

The details of remuneration of wholetime Directors are as under:

Particulars	₹ in 000's	
	FY2013	FY2014
Salaries and allowances	55,273	80,804
Contribution to provident fund	2,481	2,908
Perquisites	3,320	2,611

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 payable to them.

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

Name of Director	Amount (in ₹)
Dileep Choksi	1,60,000
M. K. Sharma	1,80,000
H. N. Sinor	2,60,000

iii) Non-executive nominee Directors

Non-executive nominee Directors were not paid any sitting fees during FY2014.

V. Internal Control

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

(i) Internal Audit Framework

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

The Company has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual risk-based internal audit plan is

drawn up on the basis of risk profiling of the businesses/ departments of the Company which is approved by the Audit Committee. The Board considers that the internal control framework is appropriate to the business.

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

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

(ii) Risk Management Framework

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

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

VI. Other information:

(i) Annual General Meetings

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

Annual General Meeting	Day, Date	Time	Venue
Eleventh AGM	Monday, June 20, 2011	11.00 a.m.	ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi,
Twelfth AGM	Thursday, June 14, 2012	9.30 a.m.	Mumbai 400 025
Thirteenth AGM	Monday, June 17, 2013	11.15 a.m.	

(ii) History of Dividends declared during last five years

Financial year	Dividend type	Percentage
2013-14	-	-
2012-13	-	-
2011-12	-	-
2010-11	Final Dividend	14%
2009-10	Final Dividend	16%

(iii) Means of Communication

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

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

(iv) Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200MH2000PLC129408, and the Company registration number is 11-129408.

(v) Registrar and Transfer Agents

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

3i Infotech Limited

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

(vi) Correspondence Address

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

Gopal Balachandran/Vikas Mehra

ICICI Lombard General Insurance Company Limited

414, Veer Savarkar Marg, Prabhadevi

Mumbai 400 025

Tel No. : +91-22-6196 1100

Fax No. : +91-22-6196 1323

Acknowledgements

ICICI Lombard is grateful to the Insurance Regulatory and Development Authority, Tariff Advisory Committee, Reserve Bank of India, General Insurance Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks

for the support and co-operation extended by the Policyholders, Reinsurers, Insurance Agents and Brokers.

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

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

For and on behalf of the Board

Chanda Kochhar

Chairperson

Mumbai, April 18, 2014

Certificate for compliance of the Corporate Governance Guidelines

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

Vikas Mehra
Company Secretary

Management Report

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

1. The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on August 03, 2001. The Company has obtained renewal of registration certificate from IRDA for the financial year 2014-15 as required under Section 3A of the Insurance Act, 1938.
2. We certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India.
5. We confirm that the required solvency margin has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings- investments, agents balances, outstanding premiums, amount due from other entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipts, debt securities which are stated at cost / amortised cost.
7. The entire gross risk exposure of the portfolio consists of fire, engineering, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural and credit insurance and other lines of business.

The 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 IRDA, as per the file and use procedure: this includes tariff as well as non tariff products.

While in property lines (Fire) the net retention has not exceeded ₹ 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 ₹ 5.0 million to ₹ 2,500.0 million (Previous year: between ₹ 5.0 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.

8. We confirm that there are no operations of the Company outside India.
9.
 - a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.
 - b) For average claims settlement time during the preceding five years, please refer Annexure 2.
 - c) For details of claims intimated, please refer Annexure 3.
10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortisation of premium / discount. The same is

in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) 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 Bond Valuer in respect of other debt instruments.

IRDA has issued Master Circular on IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 dated October 5, 2012 and Corrigendum dated July 3, 2013 (referred to as 'Circular') which is effective from April 1, 2013. As per the Circular, listed equity securities that are traded in active markets are required to be measured at fair value as at the Balance Sheet date. Measurement for the purpose of calculation of fair value shall be the last quoted closing price on NSE. However, in case of any stock not being listed in NSE, the insurer may value the equity based on the last quoted closing price in BSE.

The Company, w.e.f April 1, 2013, in compliance with the Master Circular, has valued its investment in equity securities accordingly.

Mutual fund investments are stated at fair value, being the closing net asset value as at Balance Sheet date.

Investments other than those mentioned above are valued at cost.

In accordance with the Regulation, unrealised gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are not taken to revenue(s)/profit and loss account but are

taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending realisation.

The Company assesses at each Balance Sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the revenue(s)/profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

11. Investments as at March 31, 2014 amount to ₹ 93,089.8 million (Refer Schedule 8, Previous year: ₹ 78,125.2 million). Income from Investments for the year ended March 31, 2014 amounted to ₹ 7,876.7 million (Previous year: ₹ 5,730.3 million).

Investments other than deposits with the banks, loans, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The Company's debt investment comprises largely of government securities, central government guaranteed bonds, AAA and AA/P1+ rated security.

All are performing investments with no arrears of any payments due. Investments are managed in consonance with the investment policy framed from time to time by the Board and are within the investment regulation and guidelines of IRDA.

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

- (b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended and of the operating profit and of the profit 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 (4 of 1938) / Companies Act, 1956 (1 of 1956)/ Companies Act, 2013 (to the extent notified), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the management has prepared the financial statements on a going concern basis;
- (e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. For payments made to individuals, firms, companies and organisations in which Directors are interested, please refer to Annexure 4

For and on behalf of the Board

Chanda Kochhar

Chairperson

S. Mukherji

Director

Dileep Choksi

Director

Bhargav Dasgupta

Managing Director & CEO

Alok Kumar Agarwal

Executive Director

Neelesh Garg

Executive Director

Gopal Balachandran

Chief Financial Officer

Vikas Mehra

Company Secretary

Mumbai, April 18, 2014

Details of Claims Outstanding during the preceding five years

Annexure -1

As at March 31, 2014

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

As at March 31, 2013

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 Days	560	7,769.5	831	2,691.9	4	224.7	21,963	25,297.2	1,720	332,790.8	93	1,598.9	372	596.0
30 Days to 6 Months	249	4,689.9	548	2,459.9	5	139.2	5,712	4,289.8	7,548	14,653.1	611	766.2	638	222.0
6 Months to 1 Year	231	3,931.9	123	413.9	13	80.8	276	916.5	7,796	18,052.6	193	253.3	90	40.5
1 Year to 5 Years	1,244	20,056.6	723	5,591.0	109	1,474.8	15	73.1	41,815	91,461.5	11	20.2	51	103.8
More than 5 Years	48	628.5	11	23.1	36	2,169.0	-	-	5,013	8,382.5	-	-	1	3.1
Grand Total	2,332	37,076.4	2,236	11,179.8	167	4,088.5	27,966	30,576.6	63,892	465,340.5	908	2,638.6	1,152	965.4

As at March 31, 2012

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 Days	98	6,585.5	1,864	2,667.3	8	233.6	16,861	17,547.1	2,056	319,386.6	55	1,095.5	353	187.6
30 Days to 6 Months	209	17,376.0	1,000	3,374.7	8	480.0	8,984	4,517.9	8,600	17,643.7	310	465.5	510	176.3
6 Months to 1 Year	94	1,659.0	140	646.4	12	348.9	602	1,040.7	8,605	19,505.3	148	285.2	21	16.3
1 Year to 5 Years	1,271	19,894.6	631	5,462.9	144	6,818.0	362	902.0	39,880	79,128.7	54	73.8	16	92.1
More than 5 Years	24	211.6	-	-	19	907.0	-	-	1,284	2,227.2	-	-	3	3.1
Grand Total	1,696	45,726.7	3,635	12,151.3	191	8,787.5	26,809	24,007.7	60,425	437,891.5	567	1,920.0	903	475.4

(₹ 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	57,333.7
131	7,620.4	95	457.6	266	626.5	149	198.3	19	100.2	549	11,077.9	9,329	40,577.8
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	707,704.5

(₹ 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
458	2,592.0	11	1,583.0	975	6,566.4	724,369	32,595.3	2	155.5	1,848	12,552.0	753,206	427,013.2
202	2,132.8	74	4,106.9	1,079	1,788.8	3,378	2,383.5	12	787.9	1,114	7,428.7	21,170	45,848.7
77	2,531.1	71	1,109.0	294	865.5	241	238.9	3	3.4	97	237.0	9,505	28,674.4
397	8,325.5	83	1,527.0	174	681.3	1,698	1,347.7	37	261.4	308	8,006.6	46,665	138,930.5
26	215.4	-	0.5	-	-	-	-	2	83.8	70	351.1	5,207	11,857.0
1,160	15,796.8	239	8,326.4	2,522	9,902.0	729,686	36,565.4	56	1,292.0	3,437	28,575.4	835,753	652,323.8

(₹ 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
115	1,544.1	21	1,468.8	426	3,769.0	455,408	23,978.0	-	46.8	753	5,767.4	478,018	384,277.4
208	2,839.5	27	789.5	1,526	2,520.5	748,125	5,530.7	3	11.3	1,432	6,758.0	770,942	62,483.1
107	4,369.2	20	592.0	388	498.0	236,938	880.1	2	15.7	685	1,890.4	247,762	31,748.6
326	4,687.6	64	1,320.9	148	220.0	10,376	4,002.4	66	1,163.2	1,371	9,448.8	54,709	133,215.4
20	127.1	2	35.0	-	-	-	-	3	-	8	244.2	1,363	3,755.8
776	13,567.5	134	4,206.2	2,488	7,007.5	1,450,847	34,391.2	74	1,237.0	4,249	24,108.8	1,552,794	615,480.3

Details of Claims Outstanding during the preceding five years

Annexure -1

As at March 31, 2011

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 Days	263	9,213.8	1,975	2,295.4	21	497.0	14,246	13,233.0	2,390	143,786.0	32	674.0	91	115.6
30 Days to 6 Months	222	7,908.0	1,174	2,920.9	15	98.5	8,443	4,757.8	10,260	20,062.1	116	228.1	-	0.0
6 Months to 1 Year	187	7,937.3	532	3,504.2	17	443.8	1,005	1,430.8	11,144	21,483.5	68	94.7	-	0.0
1 Year to 5 Years	890	22,024.7	428	2,240.9	151	9,771.4	479	1,062.0	35,939	66,647.2	94	81.2	15	45.0
More than 5 Years	17	293.7	3	4.4	18	401.7	-	-	149	295.9	-	-	1	5.0
Grand Total	1,579	47,377.5	4,112	10,965.8	222	11,212.4	24,173	20,483.6	59,882	252,274.7	310	1,078.0	107	165.6

As at March 31, 2010

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 Days	619	7,314.1	713	1,119.8	12	89.9	15,100	11,672.4	2,854	89,294.6	44	198.0	52	35.7
30 Days to 6 Months	286	15,398.7	885	2,040.2	18	81.4	8,767	5,434.0	10,835	20,776.6	224	189.9	2	0.6
6 Months to 1 Year	150	3,535.7	193	1,460.1	18	780.3	1,124	1,681.5	10,474	19,343.8	46	42.2	3	1.2
1 Year to 5 Years	176	23,199.4	241	2,061.5	139	11,104.5	227	467.1	24,434	42,728.6	2	4.8	15	50.1
More than 5 Years	9	26.7	19	60.9	13	89.9	-	0.0	12	28.1	-	0.0	-	0.0
Grand Total	1,240	49,474.6	2,051	6,742.5	200	12,146.0	25,218	19,255.0	48,609	172,171.7	316	434.9	72	87.6

(₹ 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
129	1,364.1	22	464.8	526	2,539.5	345,054	17,810.2	35	154.8	831	6,356.7	365,615	198,504.9
183	2,759.5	30	544.4	892	958.7	19,186	2,798.8	5	32.9	1,580	2,797.9	42,106	45,867.6
99	2,387.6	9	180.8	424	535.7	20,071	1,724.7	2	2.3	632	1,828.1	34,190	41,553.5
330	5,035.2	26	802.3	463	465.0	8,630	3,090.8	33	1,085.3	727	8,254.8	48,205	1,20,605.8
16	371.7	-	-	-	-	1	2.0	-	-	2	0.4	207	1,374.8
757	11,918.1	87	1,992.3	2,305	4,498.9	392,942	25,426.5	75	1,275.3	3,772	19,237.9	490,323	407,906.6

(₹ 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
126	1,415.0	1	3,854.6	484	2,056.8	208,163	13,674.6	2	-	968	1,583.9	229,138	132,309.4
262	4,324.7	3	536.3	1,161	1,104.0	135,130	4,468.9	6	-	2,376	2,319.0	159,955	56,674.3
198	2,539.4	8	2,199.7	350	427.1	6,605	1,088.9	12	-	1,184	5,005.9	20,365	38,105.7
306	5,485.2	16	390.2	307	386.3	2,217	1,827.0	20	4.9	1,140	6,976.2	29,240	94,685.6
7	75.3	-	0.0	-	0.0	-	0.0	-	-	1	-	61	280.9
899	13,839.6	28	6,980.8	2,302	3,974.2	352,115	21,059.4	40	4.9	5,669.0	15,885.0	438,759	322,055.9

Details of Average Claim Settlement time for the preceding five years*

Annexure -2

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011		For the year ended March 31, 2010	
	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	2,587	397	1,837	141	1,326	120	1,436	133	1,552	176
Marine Cargo	26,259	44	24,058	55	22,763	59	16,989	56	13,501	67
Marine Hull	69	1,026	56	894	74	728	54	435	105	431
Motor	658,080	14	544,309	15	454,501	16	451,362	17	405,163	20
Workmen's Compensation	1,434	148	1,149	162	699	80	577	83	376	107
Public/Product Liability	4,125	60	13,413	58	9,784	26	11,877	28	6,261	50
Engineering	2,516	175	1,520	113	1,606	107	1,563	229	1,551	167
Aviation	175	296	105	256	52	177	18	99	16	139
Personal Accident	6,365	58	7,356	92	9,277	54	7,925	96	12,561	49
Health	5,698,323	13	4,443,879	15	3,827,703	15	7,620,495	15	5,795,126	22
Credit Insurance	45	119	56	598	15	165	75	222	24	294
Others	16,202	43	12,729	102	11,659	87	16,030	121	14,347	68
Total	6,416,180	14	5,050,467	16	4,339,459	16	8,128,401	16	6,250,583	23

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

Details of Claims Intimated

Annexure -3

Product	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Claims Intimated	Amount (₹ in lacs)*	Claims Intimated	Amount (₹ in lacs)*
Fire	2,485	38,404.2	2,473	17,742.9
Marine Cargo	27,444	19,894.9	22,659	13,679.9
Marine Hull	51	2,644.6	32	(590.2)
Motor OD	664,066	121,255.9	545,466	103,752.9
Motor TP	23,288	65,129.9	22,840	64,300.9
Workmen's Compensation	1,564	2,104.6	1,490	2,095.2
Public/Product Liability	2,997	1,072.7	13,662	4,358.3
Engineering	2,478	21,601.3	1,904	9,363.4
Aviation	230	11,290.2	210	7,141.2
Personal Accident	6,583	9,773.6	7,390	12,394.6
Health	5,481,221	162,199.8	3,722,718	135,476.5
Credit Insurance	113	1,063.4	38	2,274.1
Others	17,439	51,626.7	11,926	35,688.9
Grand Total	6,229,959	508,061.8	4,352,808	407,678.6

*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, 2014	For the year ended March 31, 2013
1	3i Infotech Limited	Mr. H. N. Sinor	Director	94.0	159.2
		Mr. Dileep Choksi ¹	Director		
2	Asian Paints Limited	Mr. M.K.Sharma	Director	112.7	263.3
3	Birla Corporation Limited	Mr. M.K.Sharma ²	Director	-	6.2
4	Blue Star Limited	Mr. M.K.Sharma ³	Director	3.9	-
5	Bombay Gymkhana Limited	Ms. Chanda Kochhar	Member	4.6	-
		Mr. Dileep Choksi	Member		
6	Confederation of Indian Industry	Ms. Chanda Kochhar	Member	8.9	3.2
7	Cricket Club of India	Ms. Chanda Kochhar	Member	5.5	2.6
		Mr. Dileep Choksi	Member		
		Mr. N. S. Kannan	Member		
8	CRISIL Limited	Mr. H.N. Sinor	Director	-	9.3
9	ICICI Bank Limited	Ms. Chanda Kochhar	Director	13,703.3	10,426.7
		Mr. Dileep Choksi ⁴	Director		
		Mr. N. S. Kannan	Director		
10	ICICI Foundation for Inclusive Growth	Ms. Chanda Kochhar	Member	229.3	-
		Mr. N. S. Kannan	Member		
		Mr. Bhargav Dasgupta	Member		
11	ICICI Home Finance Company Limited	Mr. Dileep Choksi	Director	206.6	17.7
12	ICICI Prudential Life Insurance Company Limited	Ms. Chanda Kochhar	Director	187.4	188.3
		Mr. N. S. Kannan	Director		
13	ICICI Securities Limited	Ms. Chanda Kochhar	Director	398.0	459.4
		Ms. Zarin Daruwala	Director		
14	ICICI Securities Primary Dealership Limited	Mr. N. S. Kannan	Chairman	6.7	17.4
15	JSW Steel Limited	Ms. Zarin Daruwala	Director	5.5	89.9
16	KEC International Limited	Mr. M.K.Sharma ⁵	Director	279.7	887.9
17	Lupin Limited	Mr. Dileep Choksi ⁶	Director	289.5	-
18	McKinsey & Company	Mr. H. N. Sinor	Member	389.5	115.3
19	NSE IT Limited	Mr. Dileep Choksi ⁷	Director	19.9	14.7
20	Schrader Duncan Limited	Mr. M.K.Sharma	Member	8.1	2.7
21	State Bank of India	Mr. Dileep Choksi ⁸	Director	-	1.5
22	The Andhra Pradesh Paper Mills Limited	Mr. M.K.Sharma	Director	16.5	-
23	Thomas Cook (India) Limited	Mr. M.K.Sharma	Director	120.1	-
24	Wipro Limited	Mr. M.K.Sharma	Director	36.9	40.5
25	Others ¹⁰				
	ICICI Ventures Fund Management Company Limited	Mr. H. N. Sinor	Director		
		Mr. S. Mukherji	Director		
	National Sports Club of India	Ms. Chanda Kochhar	Member		
		Ms. Zarin Daruwala	Member		
		Mr. Neelesh Garg	Member		
	The Willingdon Sports Club	Mr. N. S. Kannan	Member		
	Total others			1.0	
26	Others ¹¹				
	Lakshmi Precision Screws Limited	Mr. B.V Bhargava ⁹	Director		
	Grasim Industries Limited	Mr. B.V Bhargava ⁹	Director		
	Total others				1.0

1 ceased to be Director in 3i Infotech Limited w.e.f. May 13, 2013

2 ceased to be Director in Birla Corporation Limited w.e.f. May 18, 2012

3 appointed as Director in Blue Star Limited w.e.f. May 13, 2013

4 appointed as Director in ICICI Bank w.e.f. May 8, 2013

5 ceased to be Director in KEC International Limited w.e.f. March 31, 2014

6 appointed as Director in Lupin Limited w.e.f. October 23, 2013

7 ceased to be Director in NSE IT Limited w.e.f. August 16, 2013

8 ceased to be Director in State Bank of India w.e.f. December 31, 2012

9 ceased to be Director in ICICI Lombard w.e.f. June 14, 2012

10 individual payments to parties during the year and aggregate payments during the previous year are less than ₹ 1 lac

11 pertaining to previous year where Individual payments are less than ₹ 1 lac

FINANCIAL STATEMENTS

Independent Auditors' Report

**To the Members of
ICICI Lombard General Insurance Company Limited**

Report on Financial Statements

1. 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, 2014, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue accounts'), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, a summary of significant accounting policies and other explanatory notes thereon.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), to the extent applicable, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; the Insurance Act, 1938, 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 ('IRDA') in this behalf, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and according to the information and explanations given to us, we report that the Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account read together with the schedules, the significant accounting policies and notes thereon are prepared in accordance with the

requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2014;
- in the case of Revenue Accounts, of the operating profit in Fire and Miscellaneous business and operating loss in Marine business for the year ended on that date;
- in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- in case of Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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 given to us we further report that:

- a) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this regard;
- b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Companies Act, 1956 and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDA in this regard. The Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this regard are in compliance with the accounting standards referred to under sub-section (3C) of the section 211 of the Companies Act, 1956, to the extent applicable, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- c) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
- d) 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;
- e) The Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
- f) Proper books of accounts as required by law have been maintained by the Company so far as appears from our examination of those books; and
- g) The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2014, other than for reinsurance accepted from Declined Risk Pool ('DR Pool') has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Actuarial Society of India in concurrence with the IRDA. In respect of reinsurance accepted from DR Pool, IBNR / IBNER has been recognised based on estimates received from DR Pool.
- h) On the basis of the written representations received from the directors of the Company, as on March 31, 2014 and taken on record by the Board of Directors, no Director of the Company is disqualified as on March 31, 2014 from being appointed as Director of the Company under clause (g) of sub-section (1) of Section 274 of the Act.

8. Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2014 and there are no apparent mistakes or material inconsistencies with the financial statements; and
- b) Based on the information and explanations received during the course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDA.

For **Khandelwal Jain & Co.**

Chartered Accountants
Firm Regn No: 105049W

Narendra Jain

Partner
Membership No:048725

Mumbai, April 18, 2014

For **Chaturvedi & Co.**

Chartered Accountants
Firm Regn No: 302137E

SN Chaturvedi

Partner
Membership No: 040479

Independent Auditors' Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books and records maintained by ICICI Lombard General Insurance Company Limited ('the Company') for the year ended March 31, 2014, we certify that:

- We have verified the cash balances maintained by the Company. As regards the securities relating to the Company's investments, the same have been verified with the dematerialised statement / confirmations received from the custodian;
- The Company is not the trustee of any trust; and
- No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Presentation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For **Khandelwal Jain & Co.**

Chartered Accountants
Firm Regn No: 105049W

Narendra Jain

Partner
Membership No:048725

Mumbai, April 18, 2014

For **Chaturvedi & Co.**

Chartered Accountants
Firm Regn No: 302137E

SN Chaturvedi

Partner
Membership No: 040479

Balance Sheet

at March 31, 2014

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	At March 31, 2014	At March 31, 2013
Sources of funds			
Share capital	5	4,450,555	4,370,152
Reserves and Surplus	6	19,360,366	14,216,414
Share application money-pending allotment		3,069	1,004,353
Fair value change account (Refer note 5.2.17 (B))		1,134,613	690,462
Borrowings	7	-	-
Total		24,948,603	20,281,381
Application of funds			
Investments	8	93,089,768	78,125,187
Loans	9	-	-
Fixed assets	10	3,894,946	4,004,329
Deferred tax asset (Refer note 5.2.16)		413,896	502,710
Current assets			
Cash and bank balances	11	1,619,661	2,696,152
Advances and other assets	12	36,430,522	33,358,591
Sub-Total (A)		38,050,183	36,054,743
Current liabilities	13	87,277,592	77,459,950
Provisions	14	23,222,598	21,874,638
Sub-Total (B)		110,500,190	99,334,588
Net current assets (C) = (A - B)		(72,450,007)	(63,279,845)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	929,000
Total		24,948,603	20,281,381
Significant accounting policies and notes to accounts	16		

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

As per our attached report of even date

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

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

Narendra Jain
Partner
Membership No: 048725

SN Chaturvedi
Partner
Membership No: 040479

Mumbai, April 18, 2014

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Gopal Balachandran
Chief Financial Officer

Vikas Mehra
Company Secretary

Profit and Loss Account

for the year ended March 31, 2014

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Year ended March 31, 2014	Year ended March 31, 2013
1. Operating profit/(loss)			
(a) Fire Insurance		485,376	(37,439)
(b) Marine Insurance		(417,207)	(207,858)
(c) Miscellaneous Insurance		4,206,570	2,966,385
2. Income from investments			
(a) Interest/Dividend & Rent – Gross		1,129,758	1,004,751
(b) Profit on sale/redemption of investments		340,515	150,991
Less: Loss on sale/redemption of investments		(101,841)	(38,588)
3. Other income			
(a) Interest income on tax refund		49,799	9,159
(b) Profit on sale/discard of fixed assets		1,372	14,336
(c) Recovery of bad debts written off		23,419	-
Total (A)		5,717,761	3,861,737
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		85,291	21,090
(b) For doubtful debts		(161,042)	541,920
(c) For future recoverable under reinsurance contracts		(122,412)	235,277
(d) Others		-	-
5. Other expenses			
(a) Expenses other than those related to Insurance Business			
(i) Employees' remuneration and other expenses		10,080	9,736
(ii) Managerial remuneration		41,324	16,073
(iii) Directors' fees		600	692
(b) Bad debts written off		637,026	196,681
(c) Loss on sale/discard of fixed assets		24,021	23,504
(d) Penalty (Refer note 5.1.14 (1))		500	-
Total (B)		515,388	1,044,973
Profit / (Loss) before tax		5,202,373	2,816,764
Provision for taxation:			
(a) Current tax/MAT payable		892,765	582,004
Less: MAT credit entitlement		(892,765)	(582,004)
(b) Deferred tax (Income)/Expense (Refer note 5.2.16)		88,814	(240,989)
		88,814	(240,989)
Profit / (Loss) after tax		5,113,559	3,057,753
Appropriations			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to General Reserves		-	-
Balance of Profit / (Loss) brought forward from last year		(929,000)	(3,986,753)
Balance carried forward to Balance sheet		4,184,559	(929,000)
Basic earnings per share of ₹ 10 face value (Refer note 5.2.15)		₹ 11.50	₹ 7.00
Diluted earnings per share of ₹ 10 face value (Refer note 5.2.15)		₹ 11.38	₹ 6.91
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 **Khandelwal Jain & Co.**
Chartered Accountants
Firm Regn No: 105049W

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

Narendra Jain
Partner
Membership No: 048725

SN Chaturvedi
Partner
Membership No: 040479

Mumbai, April 18, 2014

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Gopal Balachandran
Chief Financial Officer

Vikas Mehra
Company Secretary

Revenue Accounts

 for the year ended March 31, 2014

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2013-14	2012-13
1. Premium earned (net)	1	1,534,949	1,385,410
2. Profit on sale/redemption of investments		42,676	16,471
Less: Loss on sale/redemption of investments		(12,952)	(4,209)
3. Others			
Foreign exchange gain / (loss)		804	(6,828)
Investment income from pool (Terrorism)		145,181	117,109
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		142,140	97,368
Total (A)		1,852,798	1,605,321
1. Claims Incurred (net)	2	1,027,287	968,594
2. Commission (net)	3	(95,213)	36,383
3. Operating expenses related to insurance business (Refer Note 5.2.17 (A))	4	435,348	637,783
4. Premium deficiency		-	-
Total (B)		1,367,422	1,642,760
Operating Profit / (Loss) C = (A - B)		485,376	(37,439)
APPROPRIATIONS			
Transfer to Shareholders' Account		485,376	(37,439)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		485,376	(37,439)
Significant accounting policies and notes to accounts	16		

As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly, have been fully recognised in the Revenue Accounts as an expense.

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

As per our attached report of even date

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

Narendra Jain
Partner
Membership No:048725

Mumbai, April 18, 2014

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

SN Chaturvedi
Partner
Membership No: 040479

(₹ in 000's)

Marine		Miscellaneous		Total	
2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1,566,095	882,274	40,428,089	37,824,831	43,529,133	40,092,515
32,396	11,234	1,672,660	744,425	1,747,732	772,130
(9,832)	(2,871)	(507,634)	(190,251)	(530,418)	(197,331)
(2,893)	(1,679)	19,510	617	17,421	(7,890)
-	-	33,353	23,523	178,534	140,632
107,901	66,409	5,126,191	3,895,635	5,376,232	4,059,412
1,693,667	955,367	46,772,169	42,298,780	50,318,634	44,859,468
1,526,326	744,148	33,635,438	32,093,447	36,189,051	33,806,189
164,307	56,171	(2,359,979)	(1,923,736)	(2,290,885)	(1,831,182)
420,241	380,206	11,290,140	9,162,684	12,145,729	10,180,673
-	(17,300)	-	-	-	(17,300)
2,110,874	1,163,225	42,565,599	39,332,395	46,043,895	42,138,380
(417,207)	(207,858)	4,206,570	2,966,385	4,274,739	2,721,088
(417,207)	(207,858)	4,206,570	2,966,385	4,274,739	2,721,088
-	-	-	-	-	-
-	-	-	-	-	-
(417,207)	(207,858)	4,206,570	2,966,385	4,274,739	2,721,088

For and on behalf of the Board

Chanda Kochhar
 Chairperson

Dileep Choksi
 Director

Alok Kumar Agarwal
 Executive Director

Gopal Balachandran
 Chief Financial Officer

S. Mukherji
 Director

Bhargav Dasgupta
 Managing Director & CEO

Neelesh Garg
 Executive Director

Vikas Mehra
 Company Secretary

Schedules forming part of the financial statements

Schedule – 1 Premium Earned (net)

Particulars	Fire	Marine					
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
Premium from direct business written-net of service tax	4,870,154	1,900,250	617,367	2,517,617	20,737,195	11,400,807	32,138,002
Add: Premium on reinsurance accepted	1,166,436	137,745	94,425	232,170	1,456	420,462	421,918
Less: Premium on reinsurance ceded	4,487,943	550,863	625,777	1,176,640	5,219,111	2,891,012	8,110,123
Net premium	1,548,647	1,487,132	86,015	1,573,147	15,519,540	8,930,257	24,449,797
Adjustment for change in reserve for unexpired risks	13,698	(40,197)	47,249	7,052	724,663	775,622	1,500,285
Total premium earned (net)	1,534,949	1,527,329	38,766	1,566,095	14,794,877	8,154,635	22,949,512

Particulars	Fire	Marine					
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
Premium from direct business written-net of service tax	3,803,403	1,605,594	686,296	2,291,890	18,297,738	8,759,869	27,057,607
Add: Premium on reinsurance accepted	1,091,655	110,430	81,231	191,661	1,605	(108,821)	(107,216)
Less: Premium on reinsurance ceded	3,464,884	585,698	727,637	1,313,335	4,501,510	2,200,199	6,701,709
Net premium	1,430,174	1,130,326	39,890	1,170,216	13,797,833	6,450,849	20,248,682
Adjustment for change in reserve for unexpired risks	44,764	248,092	39,850	287,942	(111,400)	(1,058,519)	(1,169,919)
Total premium earned (net)	1,385,410	882,234	40	882,274	13,909,233	7,509,368	21,418,601

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
380,661	152,354	1,813,978	418,511	1,999,807	14,838,071	256,230	9,176,260	61,173,874	68,561,645
-	(393)	309,376	609,460	4,996	426,964	-	28,808	1,801,129	3,199,735
27,370	97,110	1,556,267	581,292	521,356	4,948,184	236,457	5,038,681	21,116,840	26,781,423
353,291	54,851	567,087	446,679	1,483,447	10,316,851	19,773	4,166,387	41,858,163	44,979,957
14,332	12,200	43,843	12,243	494,035	(1,166,344)	2,430	517,050	1,430,074	1,450,824
338,959	42,651	523,244	434,436	989,412	11,483,195	17,343	3,649,337	40,428,089	43,529,133

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
342,488	201,874	1,885,015	706,936	1,689,683	15,931,111	210,235	7,219,608	55,244,557	61,339,850
-	2,671	226,153	508,531	6,677	815,494	-	15,223	1,467,533	2,750,849
34,646	109,584	1,609,242	791,187	483,877	4,138,558	194,019	3,794,731	17,857,553	22,635,772
307,842	94,961	501,926	424,280	1,212,483	12,608,047	16,216	3,440,100	38,854,537	41,454,927
18,246	(89,969)	42,415	(14,636)	384,485	1,442,606	1,477	415,001	1,029,706	1,362,412
289,596	184,930	459,511	438,916	827,998	11,165,441	14,739	3,025,099	37,824,831	40,092,515

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
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
Claims paid- Direct	1,180,224	1,578,574	74,151	1,652,725	10,919,708	5,623,864	16,543,572
Add: Re-insurance accepted	458,564	26,662	-	26,662	13,372	5,688,343	5,701,715
Less: Re-insurance ceded	1,027,581	435,474	47,953	483,427	2,669,578	3,874,463	6,544,041
Net Claims paid	611,207	1,169,762	26,198	1,195,960	8,263,502	7,437,744	15,701,246
Add: Claims outstanding at the end of the period	1,394,260	808,459	98,574	907,033	3,648,181	33,068,023	36,716,204
Less: Claims outstanding at the beginning of the year	978,180	510,697	65,970	576,667	2,754,597	31,657,721	34,412,318
Total claims incurred	1,027,287	1,467,524	58,802	1,526,326	9,157,086	8,848,046	18,005,132

Particulars	Fire	Marine					
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
Claims paid- Direct	950,396	1,120,511	367,739	1,488,250	9,070,315	4,266,800	13,337,115
Add: Re-insurance accepted	1,575,440	14,075	-	14,075	3,251	6,944,817	6,948,068
Less: Re-insurance ceded	1,778,258	514,486	345,302	859,788	1,425,771	2,987,548	4,413,319
Net Claims paid	747,578	620,100	22,437	642,537	7,647,795	8,224,069	15,871,864
Add: Claims outstanding at the end of the period	978,180	510,697	65,970	576,667	2,754,597	31,657,721	34,412,318
Less: Claims outstanding at the beginning of the year	757,164	383,014	92,042	475,056	2,295,472	28,965,186	31,260,658
Total claims incurred	968,594	747,783	(3,635)	744,148	8,106,920	10,916,604	19,023,524

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
107,061	104,285	1,094,086	386,098	629,923	12,241,348	79,834	3,228,928	34,415,135	37,248,084
-	-	34,161	514,090	2,317	595,934	-	2,354	6,850,571	7,335,797
10,735	42,645	831,871	426,559	194,309	2,367,383	74,019	1,565,642	12,057,204	13,568,212
96,326	61,640	296,376	473,629	437,931	10,469,899	5,815	1,665,640	29,208,502	31,015,669
300,246	27,497	525,636	313,047	959,012	3,477,576	23,067	3,090,386	45,432,672	47,733,965
251,181	72,151	333,888	264,170	763,963	3,265,839	20,146	1,622,080	41,005,736	42,560,583
145,391	16,986	488,124	522,506	632,980	10,681,636	8,736	3,133,946	33,635,438	36,189,051

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
96,597	337,199	655,639	242,847	763,009	10,492,977	180,037	3,018,361	29,123,781	31,562,427
-	-	9,129	119,811	4,488	370,423	-	729	7,452,648	9,042,163
10,591	133,934	483,923	235,616	327,780	1,771,971	158,651	1,830,668	9,366,453	12,004,499
86,006	203,265	180,845	127,042	439,717	9,091,429	21,386	1,188,422	27,209,976	28,600,091
251,181	72,151	333,888	264,170	763,963	3,265,839	20,146	1,622,080	41,005,736	42,560,583
182,134	26,443	246,759	124,582	565,490	2,886,275	12,346	817,578	36,122,265	37,354,485
155,053	248,973	267,974	266,630	638,190	9,470,993	29,186	1,992,924	32,093,447	33,806,189

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
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
Commission paid							
- Direct	139,588	163,539	7,376	170,915	1,094,846	-	1,094,846
Add: Commission on re-insurance accepted	142,233	9,156	4,288	13,444	-	-	-
Less: Commission on re-insurance ceded	377,034	27,399	(7,347)	20,052	1,048,866	526,538	1,575,404
Net Commission	(95,213)	145,296	19,011	164,307	45,980	(526,538)	(480,558)

Particulars	Fire	Marine					
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
Commission paid							
- Direct	109,540	131,675	4,080	135,755	896,174	-	896,174
Add: Commission on re-insurance Accepted	132,940	6,742	2,395	9,137	81	1	82
Less: Commission on re-insurance Ceded	206,097	54,857	33,864	88,721	1,002,465	477,075	1,479,540
Net Commission	36,383	83,560	(27,389)	56,171	(106,210)	(477,074)	(583,284)

Schedule – 3A Commission Paid - Direct

Particulars	(₹ in 000's)	
	2013-14	2012-13
Agents	778,918	743,854
Brokers	1,478,108	1,093,487
Corporate agency	717,567	654,268
Referral	-	-
Total	2,974,593	2,491,609

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
31,389	6,835	97,770	10,009	174,134	998,489	12,114	238,504	2,664,090	2,974,593
-	127	27,824	117,907	313	16,089	-	2,868	165,128	320,805
2,914	8,172	351,557	11,431	315,466	2,258,297	33,615	632,341	5,189,197	5,586,283
28,475	(1,210)	(225,963)	116,485	(141,019)	(1,243,719)	(21,501)	(390,969)	(2,359,979)	(2,290,885)

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
27,282	5,735	86,272	7,424	145,111	855,026	9,090	214,200	2,246,314	2,491,609
-	192	16,425	90,748	286	23,887	-	517	132,137	274,214
5,137	9,027	346,730	22,439	226,763	1,620,675	22,279	569,597	4,302,187	4,597,005
22,145	(3,100)	(244,033)	75,733	(81,366)	(741,762)	(13,189)	(354,880)	(1,923,736)	(1,831,182)

Schedules

 forming part of the financial statements

Schedule – 4 Operating expenses related to insurance business

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine- Cargo	Marine- Others	Marine- Total				
	2013-14	2013-14	2013-14	2013-14	2013-14			
Employees' remuneration & welfare benefits	108,161	103,865	6,007	109,872	1,083,924	623,711	1,707,635	
Travel, conveyance and vehicle running expenses	11,925	11,451	662	12,113	119,501	68,763	188,264	
Training expenses	1,177	1,130	65	1,195	11,792	6,785	18,577	
Rents, rates & taxes*	20,515	19,700	1,139	20,839	205,590	118,301	323,891	
Repairs & maintenance	8,892	8,539	494	9,033	89,110	51,275	140,385	
Printing & stationery	2,664	2,558	148	2,706	26,696	15,362	42,058	
Communication	11,330	10,880	629	11,509	113,540	65,333	178,873	
Legal & professional charges	42,207	19,742	1,142	20,884	206,027	118,552	324,579	
Auditors' fees, expenses etc								
(a) as auditor	304	292	17	309	3,050	1,755	4,805	
(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	43	41	2	43	428	246	674	
Advertisement and publicity	30,414	29,206	1,689	30,895	304,793	175,384	480,177	
Interest & Bank charges	3,002	2,882	167	3,049	30,079	17,308	47,387	
Others								
(a) Miscellaneous expenses	134,209	128,878	7,454	136,332	1,343,968	773,346	2,117,314	
(b) Business & Sales promotion	43,398	41,674	2,410	44,084	434,902	250,251	685,153	
Depreciation	17,107	16,428	950	17,378	171,438	98,649	270,087	
Service tax on premium account	-	-	-	-	-	-	-	
Total	435,348	397,266	22,975	420,241	4,144,838	2,385,021	6,529,859	

*Rent expense is net off rental income of ₹ 23,663 thousand (previous period ₹ 20,451 thousand)

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine- Cargo	Marine- Others	Marine- Total				
	2012-13	2012-13	2012-13	2012-13	2012-13			
Employees' remuneration & welfare benefits	186,040	78,536	33,569	112,105	895,016	428,480	1,323,496	
Travel, conveyance and vehicle running expenses	19,122	8,072	3,450	11,522	91,993	44,041	136,034	
Training expenses	2,119	895	382	1,277	10,196	4,881	15,077	
Rents, rates & taxes *	29,224	12,337	5,273	17,610	140,592	67,307	207,899	
Repairs & Maintenance	14,395	6,077	2,597	8,674	69,252	33,154	102,406	
Printing & stationery	3,666	1,548	662	2,210	17,637	8,443	26,080	
Communication	18,930	7,991	3,416	11,407	91,069	43,598	134,667	
Legal & professional charges	45,587	16,362	6,994	23,356	186,467	89,269	275,736	
Auditors' fees, expenses etc								
(a) as auditor	416	175	75	250	2,000	957	2,957	
(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	70	30	13	43	339	162	501	
Advertisement and publicity	35,690	15,066	6,440	21,506	171,698	82,199	253,897	
Interest & Bank charges	4,899	2,068	884	2,952	23,570	11,284	34,854	
Others								
(a) Miscellaneous expenses	192,548	81,284	34,744	116,028	925,007	442,838	1,367,845	
(b) Business & Sales promotion	54,823	23,143	9,892	33,035	263,748	126,267	390,015	
Depreciation	30,254	12,772	5,459	18,231	145,550	69,680	215,230	
Service tax on premium account	-	-	-	-	-	-	-	
Total	637,783	266,356	113,850	380,206	3,034,134	1,452,560	4,486,694	

*Rent expense is net off rental income of ₹ 20,451 thousand (previous period ₹ 74,158 thousand)

(₹ in 000's)

Workmen's Compensation	Miscellaneous								Total- Miscellaneous	Total
	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others			
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14		
24,675	3,831	39,607	31,197	103,608	720,555	1,381	290,990	2,923,479	3,141,512	
2,720	422	4,367	3,439	11,423	79,440	152	32,081	322,308	346,346	
268	42	431	339	1,127	7,839	15	3,168	31,806	34,178	
4,680	727	7,512	5,917	19,652	136,669	262	55,194	554,504	595,858	
2,029	315	3,256	2,565	8,518	59,237	114	23,921	240,340	258,265	
608	94	975	768	2,552	17,747	34	7,167	72,003	77,373	
2,585	401	4,149	3,268	10,853	75,477	145	30,481	306,232	329,071	
4,690	728	7,528	5,930	19,693	136,959	262	165,196	665,565	728,656	
69	11	111	88	292	2,027	4	819	8,226	8,839	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
10	2	16	12	41	284	1	115	1,155	1,241	
6,938	1,077	11,137	8,772	29,134	202,616	388	81,824	822,063	883,372	
685	106	1,099	866	2,875	19,996	38	8,076	81,128	87,179	
30,617	4,754	49,145	38,710	128,559	894,080	1,714	361,068	3,625,961	3,896,502	
9,900	1,537	15,891	12,517	41,570	289,108	554	116,753	1,172,983	1,260,465	
3,903	606	6,264	4,934	16,387	113,966	218	46,022	462,387	496,872	
-	-	-	-	-	-	-	-	-	-	
94,377	14,653	151,488	119,322	396,284	2,756,000	5,282	1,222,875	11,290,140	12,145,729	

(₹ in 000's)

Workmen's Compensation	Miscellaneous								Total- Miscellaneous	Total
	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others			
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13		
16,752	9,874	92,204	34,579	82,649	779,255	10,283	353,139	2,702,231	3,000,376	
1,722	1,015	9,477	3,554	8,495	80,095	1,057	36,297	277,746	308,390	
191	112	1,050	394	942	8,877	117	4,025	30,785	34,181	
2,632	1,551	14,484	5,432	12,983	122,408	1,615	55,473	424,477	471,311	
1,296	764	7,134	2,676	6,395	60,295	796	27,323	209,085	232,154	
330	195	1,817	681	1,629	15,356	203	6,959	53,250	59,126	
1,705	1,005	9,382	3,518	8,410	79,290	1,046	35,932	274,955	305,292	
3,490	2,057	19,210	7,204	17,219	162,349	2,142	73,572	562,979	631,922	
37	22	206	77	185	1,741	23	789	6,037	6,703	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
6	4	35	13	31	295	4	134	1,023	1,136	
3,214	1,894	17,688	6,634	15,855	149,491	1,973	67,745	518,391	575,587	
441	260	2,428	911	2,177	20,521	271	9,301	71,164	79,015	
17,338	10,219	95,430	35,788	85,540	806,516	10,643	365,495	2,794,814	3,103,390	
4,937	2,910	27,171	10,190	24,355	229,635	3,030	104,064	796,307	884,165	
2,724	1,606	14,994	5,623	13,441	126,724	1,672	57,426	439,440	487,925	
-	-	-	-	-	-	-	-	-	-	
56,815	33,488	312,710	117,274	280,306	2,642,848	34,875	1,197,674	9,162,684	10,180,673	

Schedules

 forming part of the financial statements

Schedule – 5 Share Capital

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Authorised Capital		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	4,750,000	4,750,000
Issued Capital		
445,055,516 (previous year : 437,015,239) Equity Shares of ₹ 10 each	4,450,555	4,370,152
Subscribed Capital		
445,055,516 (previous year : 437,015,239) Equity Shares of ₹ 10 each	4,450,555	4,370,152
Called up Capital		
445,055,516 (previous year : 437,015,239) Equity Shares of ₹ 10 each	4,450,555	4,370,152
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	4,450,555	4,370,152

Note: Of the above, 325,883,744 shares are held by the holding company, ICICI Bank Limited (previous year : 320,635,518 shares)

Schedule – 5A Share Capital

Pattern of shareholding

[As certified by the management]

Shareholder	At March 31, 2014		At March 31, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	325,883,744	73.22	320,635,518	73.37
- Foreign	114,499,002	25.73	112,655,031	25.78
Others-(Employees/others)	4,672,770	1.05	3,724,690	0.85
Total	445,055,516	100.00	437,015,239	100.00

Schedule – 6 Reserves and Surplus

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.16)		
Opening balance	13,882,772	13,867,872
Additions during the period	960,393	14,900
Deductions during the period- share issue expenses	1,000	-
Closing balance	14,842,165	13,882,772
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	-	-
7. Balance of Profit in Profit and Loss Account	4,184,559	-
Total	19,360,366	14,216,414

Schedule – 7 Borrowings

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

Schedules

 forming part of the financial statements

Schedule – 8 Investments

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills	33,077,043	32,643,100
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity (note 5 below)	4,945,338	5,428,577
(bb) Preference	51,894	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	13,468,070	10,086,243
(e) Other Securities (note 6 below)	500,000	7,750,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	22,911,003	10,141,668
Other than Approved Investments	1,239,809	1,531,660
Total Long Term Investments	76,193,157	67,581,248
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3 below)	102,542	-
Other Approved Securities	175,248	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,372,263	1,182,892
(e) Other Securities (note 7 and 8 below)	14,074,491	8,549,319
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,050,900	300,000
Other than Approved Investments (note 4 below)	121,167	511,728
Total Short Term Investments	16,896,611	10,543,939
Total Investments	93,089,768	78,125,187

Notes:

- Aggregate book value of investments (other than listed equities) is ₹ 87,941,910 thousand (previous year: ₹ 68,788,542 thousand)
- Aggregate market value of investments (other than listed equities) is ₹ 88,838,432 thousand (previous year: ₹ 69,215,605 thousand)
- Includes investment of FRB GOI 2014 of ₹ 100,000 thousand under Section 7 of Insurance Act, 1938 (previous year: FRB GOI 2014 of ₹ 100,000 thousand)
- Includes investment in mutual fund amounting to ₹ 121,167 thousand (previous year ₹ 511,728 thousand)
- Includes investments qualifying for infrastructure and social sector investments of ₹ 837,848 thousand (previous year ₹ 1,119,831 thousand)
- Long term other securities includes fixed deposit amounting to ₹ 500,000 thousand (previous year Fixed deposits of ₹ 7,750,000 thousand)
- Short term other securities includes certificate of deposits amounting to ₹ 9,111,991 thousand and Fixed deposits amounting to ₹ 4,962,500 thousand (previous year certificate of deposits amounting to ₹ 5,449,319 thousand and Fixed deposits amounting to ₹ 3,100,000 thousand)
- Short term Fixed deposits of previous year amounting to ₹ 3,100,000 thousand has been regrouped from Schedule 11 "Deposit accounts - Short term" to Schedule 8 "Short term investments - other securities"

Schedule – 9 Loans

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Security wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	-	-
Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
Performance wise classification		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
Maturity wise classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	-	-

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

Schedules forming part of the financial statements

Schedule – 10 Fixed Assets

Particulars	Cost/ Gross Block			March 31, 2014
	April 1, 2013	Additions	Deductions	
Goodwill	-	-	-	-
Intangibles - Computer Software*	1,879,552	299,499	2,972	2,176,079
Land-Freehold	2,411,770	-	-	2,411,770
Leasehold Property	-	-	-	-
Buildings	236,925	686	-	237,611
Furniture & Fittings	736,248	13,747	118,178	631,817
Information Technology Equipment	433,891	30,376	50,459	413,808
Vehicles	3,293	-	-	3,293
Office Equipment	351,825	3,160	12,722	342,263
Others	-	-	-	-
Total	6,053,504	347,468	184,331	6,216,641
Work in Progress				
Grand total	6,053,504	347,468	184,331	6,216,641
Previous year	5,673,478	489,045	109,019	6,053,504

*Additions is net of grant received Nil (previous year ₹ 7,411 thousand) (refer note no. 5.2.8)

Schedule – 11 Cash and Bank Balances

Particulars	(₹ in 000's)	
	At March 31, 2014	At March 31, 2013
Cash (including cheques, drafts and stamps)	408,524	487,657
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)*	560,291	1,550,267
(bb) Others	-	-
(b) Current Accounts	650,846	658,228
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	1,619,661	2,696,152

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

(₹ in 000's)

Depreciation			Net Block		
April 1, 2013	For the year ended	On Sales/ Adjustments	March 31, 2014	March 31, 2014	March 31, 2013
-	-	-	-	-	-
1,108,143	330,924	2,635	1,436,432	739,647	771,409
-	-	-	-	2,411,770	2,411,770
-	-	-	-	-	-
10,611	3,869	-	14,480	223,131	226,314
512,258	83,345	98,812	496,791	135,026	223,990
359,546	38,371	50,221	347,696	66,112	74,345
1,998	484	-	2,482	811	1,295
157,516	39,887	8,156	189,247	153,016	194,309
-	-	-	-	-	-
2,150,072	496,880	159,824	2,487,128	3,729,513	3,903,432
				165,433	100,897
2,150,072	496,880	159,824	2,487,128	3,894,946	4,004,329
1,744,832	487,957	82,717	2,150,072	4,004,329	

Schedules

 forming part of the financial statements

Schedule – 12 Advances and Other Assets

(₹ in 000's)

Particulars	At March 31, 2014		At March 31, 2013	
Advances				
Reserve deposits with ceding companies		46,619		-
Application money for investments		-		-
Prepayments		89,513		84,256
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		1,375,951		1,383,906
MAT credit entitlement		1,730,076		837,978
Others				
- Sundry Deposits	208,855		158,254	
- Provision for doubtful debts	(6,083)		(3,606)	
- Surplus in Gratuity fund	-		-	
- Advance to Employees against expenses	98	202,870	117	154,765
Total (A)		3,445,029		2,460,905
Other Assets				
Income accrued on investments/deposits		2,556,115		1,866,509
Outstanding Premiums	4,731,159		3,805,912	
Less : Provisions for doubtful debts	2,780	4,728,379	-	3,805,912
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	26,053,226		26,205,879	
Less : Provisions for doubtful debts	952,647	25,100,579	1,118,944	25,086,935
Due from subsidiaries / holding company		-		-
Deposit with Reserve Bank of India		-		-
[Pursuant to section 7 of Insurance Act, 1938]				
Others				
- Service Tax unutilised credit	292,694		44,681	
- Service Tax paid in advance	54,782		63,467	
- Unsettled investment contract receivable	222,550		-	
- Margin deposit	30,000		30,000	
- Sundry receivable	394	600,420	182	138,330
Total (B)		32,985,493		30,897,686
Total (A+B)		36,430,522		33,358,591

Schedule – 13 Current Liabilities

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Agents' Balances	65,960	73,706
Balances due to other insurance companies (net)	3,099,040	1,843,425
Deposits held on re-insurance ceded	4,820,511	2,257,643
Premiums received in advance	805,448	1,114,336
Unallocated Premium	1,727,950	1,792,503
Sundry Creditors	2,616,761	1,922,238
Due to subsidiaries/ holding company	44,055	40,474
Claims Outstanding (gross)	70,770,449	65,232,383
Due to Officers/ Directors	-	-
Others:		
- Statutory Dues	278,338	300,040
- Salary Payable	18,493	11,455
- Collections - Environment Relief fund (refer note no. 5.2.9)	205	266
- Unclaimed amount of policyholders (refer note 5.2.14)	1,025,874	992,986
- Book Overdraft	1,477,818	1,368,691
- Employee rewards	518,977	504,000
- Deposits	7,713	5,804
- Service Tax Liability	-	3,183,242
Total	87,277,592	77,459,950

Schedule – 14 Provisions

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Reserve for unexpired risk	22,679,328	21,228,505
Reserve for premium deficiency (refer note no. 5.2.17(D))	-	-
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others		
- Gratuity	14,059	36,475
- Long term performance pay	348,701	311,597
- Accrued leave	67,645	62,784
- For future recoverable under reinsurance contracts	112,865	235,277
Total	23,222,598	21,874,638

Schedules forming part of the financial statements

Schedule – 15 **Miscellaneous expenditure** (To the extent not written off or adjusted)

(₹ in 000's)

Particulars	At March 31, 2014	At March 31, 2013
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, 2014

1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a joint venture between ICICI Bank Limited and Fairfax Financial Holdings Limited. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority ('IRDA') and has also obtained its certificate of renewal of registration with validity until March 31, 2015.

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 sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211 (3C) of the Companies Act, 1956 w.e.f. September 12, 2013), and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDA in this behalf, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

3 Use of estimates

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

4 Significant accounting policies

4.1 Revenue recognition

Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and

when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable.

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

Income from reinsurance ceded

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

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

Income earned on investments

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

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

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

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 and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregate premium, written on policies during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at balance sheet date, in accordance with section 64 V(1)(ii)(b) of the Insurance Act, 1938.

Schedules

 forming part of the financial statements

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.

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 IRDA 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 for the Company as a whole 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 Motor Third Party portfolio including erstwhile IMTPIP and Declined Risk Pool is not recognised. The expected claim costs 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'.

The investments are shown at Company level and not segregated at Shareholder's level and Policyholder's level.

(B) Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

All debt securities including government securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a straight line basis over the holding 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.

(C) Fair Value Change Account

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

Investments other than those mentioned above are valued at cost.

(D) Impairment of Investments

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

4.9 Employee Stock Option Scheme (ESOS)

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

4.10 Fixed assets, Intangibles and Impairments**Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

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

Schedules forming part of the financial statements

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

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

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

Intangibles Assets

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

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

Impairment of assets

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

4.11 Operating Lease

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

4.12 Employee benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of prescribed percentage of salary and is charged to revenue account(s) and profit and loss account.

Gratuity

Gratuity, which is a defined benefit scheme, is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue 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 is recognised in the revenue account(s) and profit and loss account.

Long Term Performance pay

Long Term Performance pay 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.

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.

4.14 Grants

The Company recognises grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Grants related to assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Grants related to revenue are recognised over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Such grants are deducted in reporting the related expense.

Unspent balances of grants are carried forward to the subsequent years under the head "Current Liabilities" for adjustment against expenses in those years.

A grant that becomes refundable is treated as an extraordinary item. The amount of such refundable grant related to revenue is applied first against any unamortised deferred credit remaining in respect of the grant. To the extent that the amount refundable exceeds any such deferred credit, or where no deferred credit exists, the amount is charged immediately to the profit and loss account.

The amount refundable related to a specific fixed asset is recorded by increasing the book value of the asset. Where the book value of the asset is increased, depreciation on the revised book value is provided.

4.15 Taxation

Current tax

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

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

Deferred tax

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

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

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

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

Schedules forming part of the financial statements

4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.17 Earnings per share

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

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

4.18 Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

5. Notes to accounts

5.1 Statutory disclosures as required by IRDA

5.1.1 Contingent liabilities

Particulars	₹ in 000's	
	At March 31, 2014	At March 31, 2013
Partly-paid up investments	-	-
Claims, other than those under policies, not acknowledged as debt	-	-
Underwriting commitments outstanding	NA	NA
Guarantees given by or on behalf of the Company	-	-
Statutory demands/liabilities in dispute, not provided for (see note below)	1,103,216	548,338
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	-	-

Note: The Company has disputed the demand raised by Income Tax Authorities of ₹ 1,029,672 thousand (previous year: ₹ 474,794 thousand) and Service Tax Authorities of ₹ 73,544 thousand (previous year: ₹ 73,544 thousand), the appeals of which are pending before the appropriate Authorities. This excludes Income Tax demand related to Assessment Year 2003-04 & 2004-05, in respect of which the Company has received favourable appellate order, which is pending for effect to be given by the assessing Authority.

- 5.1.2** The assets of the Company are free from all encumbrances.
- 5.1.3** Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 203,224 thousand (previous year: ₹ 90,570 thousand).
- 5.1.4** Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 110,459 thousand (previous year: ₹ 110,459 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, 2014	For the year ended March 31, 2013
In India	30,465,279	28,128,562
Outside India	550,390	471,529

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

(₹ in 000's)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
More than six months	18,398,123	17,946,166
Others	52,372,326	47,286,217

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, 2014		For the year ended March 31, 2013	
	Count	Amount	Count	Amount
Intimated	165	94,040	113	49,993
Paid	63	12,625	40	2,214
Outstanding	87	70,967	52	37,040

Schedules forming part of the financial statements

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

Sector	For the year ended March 31, 2014					For the year ended March 31, 2013				
	GDP ₹ in 000's	No. of Policies	% of Policy	No. of lives	% of GDP	GDP ₹ in 000's	No. of Policies	% of Policy	No. of lives	% of GDP
Rural	7,232,700	419,492	3.74	-	10.55	7,728,998	370,896	4.04	-	12.60
Social	42,567	2	0.00	81,389	0.06	29,569	2	0.00	75,640	0.05
Urban	61,286,378	10,802,590	96.26	-	89.39	53,581,283	8,793,298	95.96	-	87.35
Total	68,561,645	11,222,084	100.00		100.00	61,339,850	9,184,196	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, 2014		For the year ended March 31, 2013	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	31%	69%	37%	63%
Marine – Cargo	Value at risk	79%	21%	71%	29%
Marine – Hull	Value at risk	19%	81%	12%	88%
Miscellaneous					
- Engineering	Total sum insured	34%	66%	31%	69%
- Motor (refer note 5.2.4)	Total sum insured	75%	25%	75%	25%
- Workmen Compensation	Value at risk	95%	5%	90%	10%
- Public Liability	Value at risk	50%	50%	57%	43%
- Personal Accident	Value at risk	75%	25%	72%	28%
- Aviation	Value at risk	73%	27%	51%	49%
- Health	Value at risk	68%	32%	75%	25%
- Credit Insurance	Value at risk	8%	92%	8%	92%
- Others	Value at risk	49%	51%	51%	49%

5.1.8 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 27,492 thousand (previous year: ₹ 7,612 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis is ₹ 4,134,245 thousand (previous year: ₹ 6,057,382 thousand).

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

(A) Allocation of investment

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

(B) Allocation of investment income

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

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

The Company does not have any investment in property at March 31, 2014 (previous year: ₹ NIL).

5.1.9 Allocation of expenses

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

- Expenses that are directly identifiable to a business class are allocated on actuals;
- Other expenses, that are not directly identifiable, are broadly allocated on the basis of net premium in each business class; and

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

5.1.10 Employee Benefit Plans**(A) Defined contribution plan**

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2014	For the year ended March 31, 2013
Contribution to staff provident fund	118,131	105,261

(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.

Schedules forming part of the financial statements

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, 2014	For the year ended March 31, 2013
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	272,949	228,357
Current Service Cost	46,519	41,212
Interest Cost	24,613	22,081
Actuarial Losses/(Gain)	(234)	7,089
Liabilities assumed on Acquisition	-	-
Benefits Paid	(35,944)	(25,790)
Closing Defined Benefit Obligation	307,903	272,949
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	236,474	237,011
Expected Return on Plan Assets	18,455	17,273
Actuarial Gains/(Losses)	14,860	7,996
Contributions by Employer	60,000	(16)
Assets acquired on acquisition	-	-
Benefits paid	(35,944)	(25,790)
Closing Fair Value of Plan Assets	293,845	236,474
Expected Employer's contribution Next Year	-	-

(₹ in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2014	At March 31, 2013
Fair Value of Plan Assets at the end of the year	(293,845)	(236,474)
Present Value of the defined obligations at the end of the year	307,903	272,949
Liability recognised in the balance sheet	14,059	36,475
Asset recognised in the balance sheet	-	-
Investment details of plan assets		
100% Insurer Managed Funds	293,845	236,474
Assumptions		
Discount Rate	9.33% p.a.	8.23% 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, 2014	For the year ended March 31, 2013
Current Service Cost	46,519	41,212
Interest on Defined Benefit Obligation	24,613	22,081
Expected return on Plan Assets	(18,455)	(17,273)
Net Actuarial Losses/(Gains) recognised in year	(15,093)	(907)
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	37,584	45,113

Experience adjustments of five years is given below

(₹ in 000's)

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined Benefit Obligation	307,903	272,949	228,357	189,667	145,128
Plan assets	293,845	236,474	237,011	209,384	149,821
Surplus/(Deficit)	(14,059)	(36,475)	8,654	19,717	4,693
Exp.Adj on Plan Liabilites	25,459	3,634	10,137	2,943	(18,518)
Exp.Adj on Plan Assets	14,860	7,996	(290)	231	9,860

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. Assumption stated above is applicable for accrued leaves also.

(₹ in 000's)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Balance	62,784	160,134
Add: Provision made during the year	4,861	(97,350)
Closing balance	67,645	62,784

Long Term Performance Pay

The Company has schemes for Long Term Performance incentive plan. The plan is 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, 2014	For the year ended March 31, 2013
Opening Balance	311,597	23,500
Add: Provision made during the year	37,104	288,097
Closing balance	348,701	311,597
Assumptions		
Discount Rate	9.33% p.a.	8.23% p.a.

Schedules forming part of the financial statements

5.1.11 Managerial remuneration

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

Particulars (see note below)	(₹ in 000's)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and allowances	80,804	55,273
Contribution to provident and other funds	2,908	2,481
Perquisites	2,611	3,320

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 disclosure.

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

5.1.12(A) Share Capital

At March 31, 2014 the Company has allotted 948,080 equity shares (previous year: 431,326 shares) under ESOP raising ₹ 40,797 thousand (previous year: ₹ 19,213 thousand).

During the year the Company has made preferential allotment of 7,092,197 equity share of ₹ 10 each at a premium of ₹ 131 per share to the promoters raising ₹ 1,000,000 thousand (previous year: ₹ NIL).

(B) Share Application

At March 31, 2014 the Company has received share application money of ₹ 3,069 thousand (previous year: ₹ 1,004,353 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:

Particulars	(₹ in 000's)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Outsourcing expenses	1,227,100	1,182,250
Business development	1,260,465	884,165
Marketing support	883,372	575,587

5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2014 :

(₹ in 000's)

SI No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1.	Insurance Regulatory and Development Authority	500 (-)	500 (-)	500 (-)	- (-)
2.	Service Tax Authorities	- (-)	- (-)	- (-)	- (-)
3.	Income Tax Authorities	- (-)	- (-)	- (-)	- (-)
4.	Any other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5.	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6.	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	- (-)	- (-)	- (-)	- (-)
7.	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	- (-)	- (-)	- (-)	- (-)
8.	Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
9.	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10.	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	2,468 (26)	2,468 (26)	2,494 (-)	- (-)

Figure in brackets pertain to year ended March 31, 2013

Schedules

 forming part of the financial statements

5.1.15 Summary of Financial Statements for five years:

(₹ in 000's)

Particulars	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Operating Result					
Gross direct premium	68,561,645	61,339,850	51,501,386	42,518,748	32,950,616
Net premium income #	44,979,957	41,454,927	41,087,394	30,331,834	23,140,883
Income from investments (net)@	6,593,546	4,634,211	3,082,833	2,589,359	2,828,112
Other income	195,955	132,742	881,528	622,489	5,42,421
Total income	51,769,458	46,221,880	45,051,755	33,543,682	26,511,416
Commissions (net) (including brokerage)	(2,290,885)	(1,831,182)	(613,538)	(543,007)	210,557
Operating expenses	12,145,729	10,180,673	8,728,920	6,797,879	5,551,359
Net incurred claims & other outgoes	36,189,051	33,788,889	36,007,854	27,324,929	19,385,343
Change in unexpired risk reserve	1,450,824	1,362,412	5,597,396	1,770,187	1,212,637
Operating Profit/(Loss)	4,274,739	2,721,088	(4,668,877)	(1,806,306)	151,520
Non - Operating Result					
Total income under shareholder's account (net of expenses)	927,634	95,676	716,732	982,886	1,431,533
Profit/(Loss) before tax	5,202,373	2,816,764	(3,952,145)	(823,420)	1,583,053
Provision for tax	88,814	(240,989)	211,147	(19,992)	143,774
Profit/(Loss) after tax	5,113,559	3,057,753	(4,163,292)	(803,428)	1,439,279
Miscellaneous					
Policy holder's account:					
Total funds	73,972,565	66,485,230	60,322,530	40,382,814	28,712,993
Total investments					
Yield on investments	Not applicable as investments are not earmarked				
Shareholder's account:					
Total funds	23,810,921	17,657,566	14,580,600	15,308,265	16,731,234
Total investments					
Yield on investments	Not applicable as investments are not earmarked				
Paid up equity capital	4,450,555	4,370,152	4,365,839	4,045,672	4,036,327
Net worth **	23,810,921	17,657,566	14,580,600	15,308,265	16,731,234
Total assets	135,448,793	118,686,969	105,251,554	82,286,865	67,320,168
Yield on total investments (annualised)	9%	9%	8%	9%	13%
Earnings per share (₹)	11.50	7.00	(9.56)	(1.99)	3.57
Book value per share (₹)	53.50	40.40	33.40	37.84	41.45
Total dividend (excluding dividend tax)	-	-	-	565,889	645,248
Dividend per share (₹)	-	-	-	1.40	1.60

Net of Reinsurance

@ Net of Losses

** 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, 2014 refer Annexure 1a and 1b and for March 31, 2013 refer Annexure 2a and 2b
 (B) Solvency Margin

Solvency Margin	(₹ in 000's)	
	At March 31, 2014	At March 31, 2013
Required solvency margin under IRDA Regulations (A)	11,856,200	10,377,000
Available solvency margin (B)	20,372,300	16,093,200
Solvency ratio actual (times) (B/A)	1.72	1.55
Solvency ratio prescribed by Regulation	1.50	1.40

5.1.17 Employee Stock Option Scheme (ESOS)

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

Founder ESOPs:

Scheme

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

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

Scheme

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

Schedules forming part of the financial statements

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 computed on the basis of binomial tree pricing model, of each stock option granted for Founder ESOPs and Performance ESOPs is within the range of ₹ 7.72 to ₹ 73.62 per option.

Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2014 would have been higher by ₹ 20,599 thousand had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been ₹ 11.45 and ₹ 11.33.

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised by the employees and Wholetime Directors is given below:

(in 000's)

Particulars	Other than Wholetime Directors'		Wholetime Directors'	
	At March 31, 2014	At March 31, 2013	At March 31, 2014	At March 31, 2013
Outstanding at the beginning of the year	9,223	10,535	1,875	1,915
Add: Granted during the year	-	-	-	-
Less: Forfeited / lapsed during the year	320	856	-	-
Less: Exercised during the year	895	456	40	40
Outstanding at the end of the year	8,009	9,223	1,835	1,875
Exercisable at the end of the year	7,509	7,928	1,645	1,308

5.2 Other disclosures

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

IBNR (including IBNER) liability as at March 31, 2014 for all lines of business, other than reinsurance accepted from declined risk pool has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

In general, the Appointed Actuary has relied on the Chain Ladder method to arrive at the estimates. These estimates have been modified wherever needed based on the Bornheutter-Ferguson procedure.

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 IRDA has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 10 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, 2013 (previous year: September 30, 2012) as per the last confirmation received.

5.2.4 Declined Risk Pool

In accordance with the directions of the IRDA, effective April 1, 2012, the Company, together with other insurance companies has participated in the DR Pool, a multilateral reinsurance arrangement,

Schedules forming part of the financial statements

administered by the General Insurance Corporation of India ('GIC'). No comprehensive motor insurance policy or part thereof, is to be ceded to the pool. Every insurer is required to underwrite a minimum percentage of standalone (liability only) commercial vehicle motor third party insurance which shall be in proportion to the sum of 50% of the Company's percentage share in total gross premium and 50% of the Company's percentage share in total motor premium of the industry of the relevant year.

The cessions to the GIC shall be in accordance with the obligatory cession which currently stands at 5%. The ceding insurers shall retain 20% of the individual risk to their net account (after obligatory cessions) and cede the balance to the declined pool. Accordingly, the Company has ceded 75% of the third party premium collected to the DR Pool in accordance with the IRDA instructions and guidelines of the declined risks.

For the financial year ended March 31, 2013, pending the receipt of the final ULR from the DR Pool, the Company had recognised claims at the provisional prescribed estimated ULR of 145%.

During the current financial year, IRDA has issued Order no. IRDA/NL/ORD/MPL/223/11/2013 dated November 18, 2013 declaring the ultimate loss ratio (ULR) for the DR pool for the year FY2013 at 210% against the erstwhile provisional estimate of 145% as well as advised a provisional ultimate loss ratio of 210% for the year 2013-14.

The change in ultimate loss ratio (ULR) from 145% to 210% for the year FY2013 has resulted in an impact of ₹ 402,752 thousand and consequently profits for the year ended March 31, 2014 are lower to that extent.

During the year ended March 31, 2014, the Company has received the audited statement from the DR Pool for the nine months ended December 31, 2013. The Company has recognised 100% of its share of premium as earned premium and claims based on such audited statement. For the quarter ended March 31, 2014 the Company has recognised its share based on internal estimates of market gross premiums, DR pool size, its share and the ultimate loss ratio as per audited statement received from the DR Pool. Necessary revision in estimates will be made upon receipt of final account statements from the DR pool.

5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income under Miscellaneous segment is net of interest expense of ₹ 444,937 thousand (previous year: ₹ 505,015 thousand) on dues to IMTPIP @ 7.5% p.a consequent to clean cut settlement.

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 IRDA circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

5.2.8 Grants

During the year, the Company has received disbursement of ₹ 1,806 thousand (US\$ 28,000) (previous year: ₹ 12,330 thousand (US\$ 242,000)). The cumulative disbursement received up to March 31, 2014 is ₹ 14,136 thousand (US\$ 270,000) (previous year: ₹ 12,330 thousand (US\$ 242,000)) from the International Labour Organisation (ILO) through its Microinsurance Innovation Facility, towards an Innovation Grant in order to carry out providing Outpatient Insurance to complement Rashtriya Swastya Bima Yojana (RSBY). The position of the capital and revenue expenses incurred as well as the unspent amount has been shown as under:

(₹ in 000's)

	During the current year	As At March 31, 2014
Disbursement received	1,806	14,136
	(12,330)	(12,330)
Capital expenditure incurred	-	7,411
	(7,411)	(7,411)
Revenue expenditure incurred		
Employees' remuneration & welfare benefits	669	1,667
	(998)	(998)
Travel, conveyance and vehicle running expenses	254	401
	(147)	(147)
Legal & professional charges	360	1,985
	(1,625)	(1,625)
Miscellaneous expenses	-	300
	(300)	(300)
Business & Sales promotion	-	1,360
	(1,360)	(1,360)
Total	1,283	5,713
	(4,430)	(4,430)
Unspent amount		1,012
		(489)

Figure in brackets pertain to year ended March 31, 2013

Notes:

- 1) Revenue expenditure in Schedule – 4 is net of grant received.
- 2) The unspent amount is included under the head "Current Liabilities – Sundry Creditors".

Schedules forming part of the financial statements

5.2.9 Environment Relief Fund

There is ₹ 205 thousand outstanding (Previous year: ₹ 266 thousand) towards Environment Relief fund (ERF) under Public Liability policies.

5.2.10 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, 2014	At March 31, 2013
a. not later than one year	2,674	1,841
b. later than one year and not later than five years	4,634	3,560
c. later than five years	-	-

An amount of ₹ 3,100 thousand (previous year: ₹ 1,573 thousand) towards said lease payments has been recognised in the statement of revenue account.

5.2.11 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, 2014. 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.

5.2.12 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.

Segmental Assets & Liabilities to the extent identifiable to business segment

(₹ in 000's)

Segment	Year	Current liabilities	Current Assets
		Claims Outstanding	Outstanding Premium
Fire	2013-14	4,698,427	7,992
	2012-13	3,707,635	15,679
Engineering	2013-14	2,398,436	10,450
	2012-13	1,579,686	657
Marine Cargo	2013-14	1,273,127	-
	2012-13	1,117,983	5,450
Marine Hull	2013-14	570,518	-
	2012-13	408,860	-
Motor OD	2013-14	4,608,483	-
	2012-13	3,057,666	27
Motor TP	2013-14	45,481,201	-
	2012-13	46,534,035	-
Workmen Compensation	2013-14	309,339	-
	2012-13	263,852	-
Public/Product Liability	2013-14	34,603	-
	2012-13	96,536	-
Personal Accident	2013-14	1,228,550	-
	2012-13	990,192	25
Aviation	2013-14	1,020,615	-
	2012-13	832,637	-
Health	2013-14	3,926,344	2,076,057
	2012-13	3,656,551	2,248,671
Credit Insurance	2013-14	114,670	-
	2012-13	129,209	-
Others	2013-14	5,106,136	2,633,880
	2012-13	2,857,541	1,535,403
Total Amount	2013-14	70,770,449	4,728,379
	2012-13	65,232,383	3,805,912

Secondary reportable segments

There are no reportable geographical segments since the Company provides services only to customers in the Indian market or Indian interests aboard and does not distinguish any reportable regions within India.

Schedules forming part of the financial statements

5.2.13 Related party

Party where control exists

ICICI Bank Limited (Holding Company)

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

Fellow Subsidiaries / Associates / Other related entities:

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

Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO
Alok Kumar Agarwal, Executive Director
Neelesh Garg, Executive Director

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

Shubhra Sharma : Spouse of Neelesh Garg
Sohan Lal Garg : Father of Neelesh Garg

Details of transaction with related parties for the year ended March 31, 2014 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	978,517 (871,708)	8,246 (8,910)	2,735 (2,598)	177,290 (154,624)	66,145 (70,741)	31,543 (35,790)	- (-)	42 (62)
Income from interest & dividend	9,980 (25,034)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Application money received	- (740,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (260,000)	- (1,400)
Issue of share capital	52,482 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18,440 (-)	400 (-)
Share premium on share issued	687,518 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	241,560 (-)	1,000 (-)
Claim payments net of claims received	326,677 (444,272)	- (-)	672 (1,742)	10,410 (10,536)	23,490 (32,766)	58 (98)	- (-)	- (-)
Commission/ Brokerage payouts	538,893 (466,309)	14,279 (2,766)	- (-)	- (-)	9,626 (12,519)	- (-)	- (-)	- (-)
Investment								
- Purchases	12,107,795 (8,381,218)	- (-)	3,270,895 (2,965,292)	676,905 (887,478)	- (-)	- (-)	- (-)	- (-)
- Sales	10,392,485 (9,824,536)	- (-)	1,707,629 (301,103)	- (1,696,367)	- (-)	- (-)	- (-)	- (-)
Premium Paid	- (-)	- (-)	- (-)	5,838 (6,206)	- (-)	- (-)	- (-)	- (-)
Establishment & other expenditure	219,813 (195,923)	-10,108 (-7,656)	- (-)	-5,810 (-7,171)	-104 (-229)	- (-)	- (-)	86,324 (61,073)

Figure in brackets pertain to year ended March 31, 2013

Schedules forming part of the financial statements

Balances with related parties at March 31, 2014, are as under:

(₹ 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	-762,678	-	-	-	-	-	-	-
Balances & Deposits	(-212,723)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Income accrued on investments	226	-	-	-	-	-	-	-
	(460)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Liabilities								
Capital	3,258,837	-	-	-	-	-	1,144,990	550
	(3,206,355)	(-)	(-)	(-)	(-)	(-)	(1,126,550)	(150)
Share premium	10,872,192	-	-	-	-	-	3,819,959	1,375
	(10,184,674)	(-)	(-)	(-)	(-)	(-)	(3,578,399)	(375)
Application money	-	-	-	-	-	-	-	-
	(740,000)	(-)	(-)	(-)	(-)	(-)	(260,000)	(1,400)
Premium received in advance / Cash deposits	379,789	8,912	64	191	625	17,281	-	-
	(386,161)	(10,587)	(412)	(313)	(1,127)	(2,219)	(-)	(-)
Others liabilities/ Payables	225,372	-4,474	-	21,205	10,438	2,507	-	-
	(220,392)	(138)	(125)	(21,686)	(6,251)	(1,522)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2013

5.2.14 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2014

At March 31, 2014 the Company has not appropriated / written back the unclaimed amount of policyholders. (Reference IRDA circular no IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November, 2010)

(₹ in 000's)

Particulars	Total Amount	4-12 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	191,393 (174,508)	15,072 (11,221)	6,118 (3,956)	6,467 (5,204)	3,929 (14,893)	5,057 (3,404)	154,750 (135,830)
Cheques issued but not encashed by the policyholder/ insured	834,481 (818,478)	167,869 (151,892)	84,086 (68,025)	48,372 (191,178)	50,919 (75,897)	80,972 (42,604)	402,263 (288,882)
Total	1,025,874 (992,986)	182,941 (163,114)	90,204 (71,981)	54,839 (196,382)	54,848 (90,790)	86,029 (46,008)	556,431 (424,712)

Figure in brackets pertain to year ended March 31, 2013

Schedules forming part of the financial statements

5.2.15 Details of earning per share for the year ended March 31, 2014

(in 000's)

Particulars	At March 31, 2014	At March 31, 2013
Profit/(loss) available to equity shareholders ₹	5,113,559	3,057,753
Weighted average number of equity shares		
Number of shares at the beginning of the year	437,015	436,584
Share issued during the year	8,041	431
Total number of equity share outstanding at the end of the year	445,056	437,015
Weighted average number of equity shares outstanding during the year	444,683	436,815
Add : Effect of dilutive issues of options and share application pending allotment	4,657	5,529
Diluted weighted average number of equity shares outstanding during the year	449,340	442,344
Nominal value of equity shares ₹	10	10
Basic earning per share ₹	11.50	7.00
Diluted earning per share ₹	11.38	6.91

5.2.16 Deferred taxes

The major components of deferred tax are as under:

(₹ in 000's)

Particulars	Deferred tax asset at March 31, 2014	Deferred tax asset at March 31, 2013
Timing differences on account of:		
Reserve for Unexpired Risks / Premium deficiency	-	-
Provision for escalation in lease rentals	25,724	19,844
Leaves accrued	22,992	21,340
Provision for doubtful debts	365,180	461,526
Total	413,896	502,710
Net deferred tax asset/(liability)	413,896	502,710
Deferred tax expense/(income) recognised in the Profit and Loss A/c	88,814	(240,989)

5.2.17 Changes pursuant to IRDA Master Circular dated October 5, 2012 ('Circular') and Corrigendum on Master circular dated July 3, 2013 ('Corrigendum') applicable to financial statements from April 1, 2013 onwards.

(A) Allocation of expenses

Hitherto, the operating expenses including depreciation which were not directly identifiable were allocated on the basis of gross direct premium in each business class. Pursuant to the circular the same are now allocated on the basis of net premium in each business class. The consequent impact of the above change in the operating results for major classes of business segment for the year ended March 31, 2014 is as under;

- Operating Profit from Fire business is higher by ₹ 439,820 thousand
- Operating Loss from Marine business is lower by ₹ 20,982 thousand
- Operating Profit from Miscellaneous business is lower by ₹ 460,802 thousand

However there is no impact of above changes on the Profits of the Company for the year ended March 31, 2014.

(B) Valuation of Equity shares & Convertible preference shares

Hitherto, the Company valued listed equity and convertible preference shares on the basis of lower of closing prices from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Pursuant to the circular the Company now values listed equities and convertible preference shares at the balance sheet date based on 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.

This change in policy has resulted in increasing the fair value of listed equity securities by ₹ 12,457 thousand as at March 31, 2014.

(C) Classification of Investments

As per the circular insurers are required to indicate as far as it is feasible, Investments pertaining to Shareholders and Policyholders separately, in which case, the Investments Schedule shall be disclosed as Schedule 8- Investments (Shareholders) and Schedule 8a- Investments (Policyholders).

The Company has not segregated the investments pertaining to Shareholders and Policyholders due to practical difficulties. Further, the Company along with the other general insurance companies has made a representation to IRDA through the GI Council for relaxing this requirement for the general insurance industry.

(D) Treatment of Premium deficiency

Hitherto, the Company has been recognising premium deficiency at a business segment level. Pursuant to the Circular, the same is now being recognised for the Company as a whole. This change has no impact on financial statements for the year ended March 31, 2014.

Schedules forming part of the financial statements

(E) Classification of Premium deposit

Hitherto, premium deposit was being included in sundry creditors. Pursuant to the Circular, the same has now been included in unallocated premium.

(F) Provision for Free Look Period

Pursuant to the Circular the Company has made a provision for Free Look period. As a result of this change there is no material impact on the financial statements for the year ended March 31, 2014.

5.2.18 REPO / Reverse repo transactions

(₹ in 000's)

	For the year ended March 31, 2014			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at March 31, 2014
Securities sold under repo (At cost)				
Government Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Securities purchased under repo (At cost)				
Government Securities	19,924	6,809,475	965,423	175,248
	(-)	(-)	(-)	(-)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2013

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

Sr. No.	Regrouped from	Regrouped to	Period	Amount (in ₹ 000's)	Reason
1	Schedule 13 (Current Liabilities) - Sundry Creditors (Premium deposit)	Schedule 13 (Current Liabilities) - Unallocated Premium	March 2013	1,397,903	Previous year numbers regrouped in compliance with IRDA Master circular effective April 1, 2013.
2	Schedule 11 (Cash & Bank balances) - Deposit Accounts - Short term	Schedule 8 (Investments) - Short term Investments - Other Securities	March 2013	3,100,000	Previous year numbers of Short term fixed deposits regrouped in compliance with IRDA guidance note dated May 8, 2013 on preparation of Investment returns which requires Schedule 8 to include all fixed deposits forming part of Investment assets.
3	Schedule 13 (Current Liabilities) - Others - Unclaimed amount of policyholders	Schedule 13 (Current Liabilities) - Others - Book Overdraft	March 2013	194,220	Previous year numbers regrouped in compliance with IRDA Master circular effective April 1, 2013 with respect to ageing of unclaimed amount of policyholder.

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary

Mumbai, April 18, 2014

Annexure-1a Analytical Ratios as at March 31, 2014

Sr. No.	Particulars	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
1	Gross Direct Premium Growth Rate	12%	28%	18%	-10%	10%	13%	30%	19%	11%
2	Gross Direct Premium to Net Worth Ratio	2.88								
3	Growth rate of Net Worth	35%								
4	Net Retention Ratio	63%	26%	73%	12%	57%	75%	76%	75%	93%
5	Net Commission Ratio	-5%	-6%	10%	22%	10%	0%	-6%	-2%	8%
6	Expense of Management to Gross Direct Premium Ratio	22%								
7	Expense of Management to Net Written Premium Ratio	34%								
8	Net Incurred Claims to Net Earned Premium	83%								
9	Combined Ratio	105%								
10	Technical Reserves to Net Premium Ratio	2.08								
11	Underwriting balance Ratio	(0.06)	0.11			(0.35)				
12	Operating Profit Ratio	10%								
13	Liquid Assets to liabilities Ratio	0.20								
14	Net earnings Ratio	12%								
15	Return on Net Worth Ratio	21%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.72								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes:

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

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

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
-25%	-4%	-41%	18%	-7%	22%	27%	11%	(GDPI current year- GDPI previous year)/ GDPI previous year
								GDPI/ Net worth
								(Net worth current year- Net worth previous year) / Net worth previous year
36%	27%	43%	74%	68%	8%	45%	66%	NWP / (GDPI + RI accepted)
-2%	-40%	26%	-10%	-12%	-109%	-9%	-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
							(0.05)	(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 at March 31, 2014

1	(a) No. of shares	445,055,516
2	(b) Percentage of shareholding (Indian / Foreign)	74.3%/ 25.7%
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	₹ 11.50 and ₹ 11.38
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 11.50 and ₹ 11.38
6	(iv) Book value per share ₹	53.50

Annexure-2a Analytical Ratios as at March 31, 2013

Sr. No.	Particulars	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
1	Gross Direct Premium Growth Rate	19%	23%	25%	-3%	15%	22%	38%	27%	23%
2	Gross Direct Premium to Net Worth Ratio	3.47								
3	Growth rate of Net Worth	21%								
4	Net Retention Ratio	65%	29%	66%	5%	47%	75%	75%	75%	90%
5	Net Commission Ratio	-4%	3%	7%	-69%	5%	-1%	-7%	-3%	7%
6	Expense of Management to Gross Direct Premium Ratio	21%								
7	Expense of Management to Net Written Premium Ratio	31%								
8	Net Incurred Claims to Net Earned Premium	84%								
9	Combined Ratio	104%								
10	Technical Reserves to Net Premium Ratio	2.09								
11	Underwriting balance Ratio	(0.05)	(0.19)			(0.32)				
12	Operating Profit Ratio	7%								
13	Liquid Assets to liabilities Ratio	0.15								
14	Net earnings Ratio	8%								
15	Return on Net Worth Ratio	17%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.55								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes:

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

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

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
-47%	5%	-40%	22%	11%	6%	32%	19%	(GDPI current year- GDPI previous year)/ GDPI previous year
								GDPI/ Net worth
								(Net worth current year- Net worth previous year) / Net worth previous year
46%	24%	35%	71%	75%	8%	48%	69%	NWP / (GDPI + RI accepted)
-3%	-49%	18%	-7%	-6%	-81%	-10%	-5%	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
							(0.04)	(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 at March 31, 2013

1	(a) No. of shares	437,015,239
2	(b) Percentage of shareholding (Indian / Foreign)	74.2%/ 25.8%
3	(c) %of Government holding (in case of public sector insurance companies)	-
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the year	₹ 7.00 and ₹ 6.91
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 7.00 and ₹ 6.91
6	(iv) Book value per share ₹	40.40

Receipts & Payment Account

 for the year ended March 31, 2014

(₹ in 000's)

	Year ended March 31, 2014		Year ended March 31, 2013	
A Cash flow from operating activities				
1 - Premium received from policyholders, including advance receipt	71,675,899		63,584,389	
2 - Other receipts (including-environment relief fund & Motor TP pool and Terrorism Pool)	242,042		165,472	
3 - Receipt / (payment) from/to re-insurer net of commissions & claims recovery	(2,211,463)		2,880,394	
4 - Receipt / (payment) from / to co-insurer net of claims recovery	2,694,749		1,274,972	
5 - Payments of claims (net of salvage)	(44,208,778)		(40,573,786)	
6 - Payments of commission and brokerage	(3,737,725)		(3,055,540)	
7 - Payments of other operating expenses	(12,718,151)		(9,583,938)	
8 - Preliminary and preoperative expenses	-		-	
9 - Deposits, advances & staff loans (net)	(97,412)		935,848	
10 - Income tax paid (net)	(884,592)		(602,242)	
11 - Service taxes paid	(4,805,856)		(5,183,819)	
12 - Cash flows before extraordinary items	5,948,713		9,841,750	
13 - Cash flows from extraordinary operations	-		-	
14 Net cash from operating activities	5,948,713		9,841,750	
B Cash flow from investing activities				
1 - Purchase of fixed assets (including capital advances)	(384,452)		(516,934)	
2 - Proceeds from sale of fixed assets	1,858	(382,594)	17,134	(499,800)
3 - Purchase of investments	(108,635,107)		(94,389,021)	
4 - Loans disbursed	-		-	
5 - Sale of investments	98,891,380		75,387,047	
6 - Repayments received	-		-	
7 - Rent/interest/dividends received	5,834,993		4,278,424	
8 - Investments in money market instruments and liquid mutual fund (net)	(2,676,896)		5,617,186	
9 - Other payments (Interest on IMTPIP)	(85,412)		(8,756)	
10 - Expenses related to investments	(10,080)	(6,681,122)	(9,736)	(9,124,856)
11 Net cash from investing activities	(7,063,716)		(9,624,656)	

(₹ in 000's)

	Year ended March 31, 2014	Year ended March 31, 2013
C Cash flow from financing activities		
1 - Proceeds from issuance of share capital / application money (including share premium & net of share issue expenses)	38,512	1,021,684
2 - Proceeds from borrowing	-	-
3 - Repayments of borrowing	-	-
4 - Interest and Dividends paid	-	-
5 Net cash from financing activities	38,512	1,021,684
D Effect of foreign exchange rates on cash and cash equivalents, net	-	-
E Net increase/(decrease) in cash and cash equivalents	(1,076,491)	1,238,778
1 Cash and cash equivalents at the beginning of the year	2,696,152	1,457,374
2 Cash and cash equivalents at end of the year*	1,619,661	2,696,152

*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 560,291 thousand (previous year: ₹ 1,550,267 thousand), balances with banks in current accounts ₹ 650,846 thousand (previous year: ₹ 658,228 thousand) and cash including cheques and stamps in hand amounting to ₹ 408,524 thousand (previous year: ₹ 487,657 thousand)

As per our attached report of even date

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

Narendra Jain
Partner
Membership No:048725

Mumbai, April 18, 2014

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

SN Chaturvedi
Partner
Membership No: 040479

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary





Registered Office

ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025.

Mailing Address

ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025.

Email

customersupport@icicilombard.com

Website

www.icicilombard.com

Insurance is the subject matter of solicitation