



Responding to our customers
the fair, fast and friendly way

Inside the Report

CORPORATE OVERVIEW

2-11

ICICI Lombard at a Glance	2
Performance Highlights FY 2015	3
Awards and Accolades	4
Corporate Information	5
Message from the Chairperson	6
Message from the Chairman, Fairfax Asia	8
Message from the Managing Director and CEO	10

BUSINESS OVERVIEW

12-37

General Insurance Sector Overview	14
Organisational Structure	15-34
Wholesale Insurance Group	15
Government Business Group	17
Retail Group	24
Shared Services	28
Corporate Social Responsibility	35

STATUTORY REPORTS AND FINANCIAL STATEMENTS

38-141

Directors' Report	38
Corporate Governance	58
Management Report	69
Auditors' Report	79
Balance Sheet	84
Profit and Loss Account	85
Revenue Accounts	86
Schedules	88
Receipts and Payment Account	140

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 materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

The background features a large orange triangle on the left and a dark blue triangle on the right, meeting at a diagonal line. A light brown grid of triangles is overlaid on the white background. Two small circles, one blue and one red, are placed at the intersection of the diagonal line and the grid.

Responding to our customers the fair, fast and friendly way

In a rapidly changing world, where customers are becoming discerning and well informed, the traditional product-driven approach does not work. This is more relevant for insurance, where the product offering is essentially a 'Promise' that needs to be fulfilled in the event of an untoward incident. The quality of services and the expertise and experience that go with it thus become critical differentiators to win customers in a competitive landscape.

Quality and consistency of customer interaction, irrespective of the function, is important to ensure a seamless experience for our customers. For them, we are a single entity and we need to align ourselves to this perspective. We therefore place a lot of emphasis on pan-organisational integration and a uniform communication protocol. Our guiding principle for this is clear: **'Be fair, fast and friendly to the customer'**.

Growing with Customer-first Approach

ICICI Lombard General Insurance Company Limited (ICICI Lombard) is one of India’s leading private sector general insurance company. It brings together the expertise of ICICI Bank (India’s second largest bank) and Fairfax Financial Holdings Limited (a Canada based diversified financial services company).

Ever since inception, ICICI Lombard has been catering to varied customer aspirations by providing prudent risk management solutions in a fair, fast and friendly manner. The solutions are innovative and supported by internationally benchmarked service quality standards.

The offerings take a holistic approach to customer wellbeing and the Company remains a reliable single-point destination

for varied customer requirements. Quality and consistency of customer interaction and building a relationship of trust have always been the Company’s key focus areas.

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

The Company is committed to serving customers with transparency during the entire

lifecycle of the relationship: from the policy advise stage to renewals and claims. ICICI Lombard’s excellence in products and services is backed by a robust technology infrastructure, and the Company is further investing in elevating its technological expertise. ICICI Lombard continues to strengthen its industry leadership by being ahead of the curve in terms of products and services.

₹ 69.14 BILLION

Gross Written Premium (GWP) in FY2015



13.87 MILLION

Policies issued in FY2015



7,736

Head Count



3.43 MILLION

Claims settled in FY2015



253

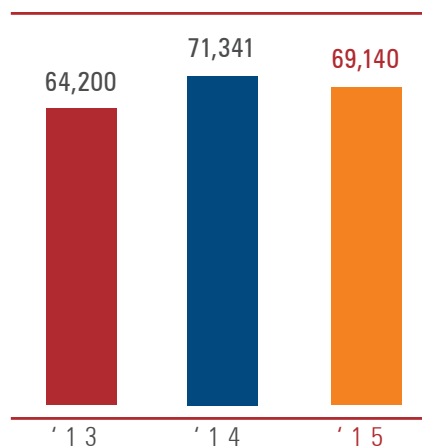
Pan-India branches in FY2015



Financial Performance FY2015

Revenue Growth

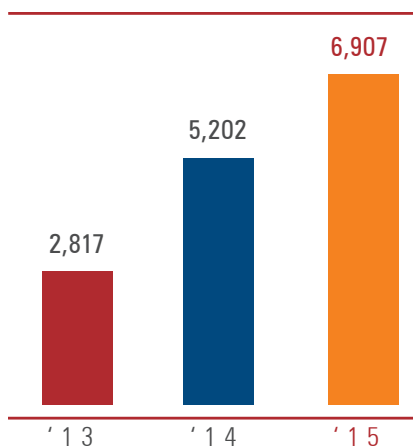
(Gross Written Premium ₹ in million*)



* Excluding Motor TP inward

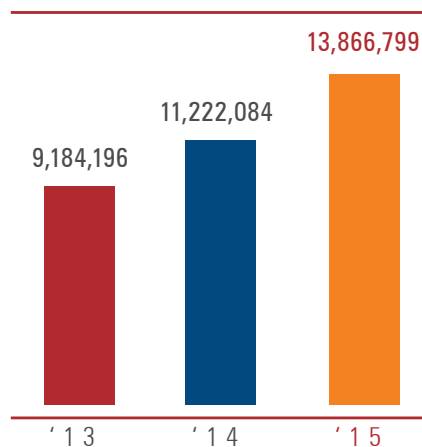
Profit Before Tax

(₹ million)



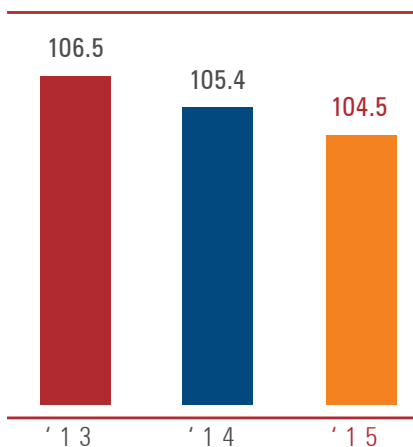
Policy Growth

(Number of policies sold)



Combined Ratio

(%)



Awards and Accolades

ICICI Lombard’s customer-first approach and consistent focus on innovation have received wide industry acclaim. The Company was conferred with national as well as international recognition during the fiscal year.



Claims Leader Award, 2014

The Company received the ‘Claims Leader’ award in the General Insurance Category for its excellence in claims settlement at the 4th annual edition of the Indian Insurance Awards, 2014.



ATD Best Winner Award

ICICI Lombard was conferred with the Association for Talent Development (ATD) BEST Award 2014 for the third time (earlier known as ASTD BEST). The Company was ranked among the top 20 global organisations for its employee talent development initiatives.



Best Mobile Application Award

The Company won the ‘Best Mobile Application’ award at the Asia Insurance Technology Awards, 2014. ICICI Lombard received the recognition for its application that allows policy issuance on mobile devices, thus providing fast and seamless service to its customers at the time of purchase and claims.



Best IT Implementation Award

ICICI Lombard received the ‘Best IT Implementation’ award for its customer oriented service delivery model ‘Business Assurance’ at the Banking Frontiers Finnoviti Awards, 2014. This is a testimony to the Company’s approach of owning customer service SLAs for cashless hospitalisation of claims.



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

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director
(upto February 2, 2015)

Sanjeev Mantri
Executive Director
(w.e.f. May 2, 2015)

Board Nomination & Remuneration Committee

M. K. Sharma
Chairman

Chanda Kochhar

Chandran Ratnaswami

Dilip Choksi

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

M. K. Sharma

Ashvin Parekh

Risk Management Committee

S. Mukherji
Chairman

R. Athappan

Ashvin Parekh

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

Message from the Chairperson



Chanda Kochhar
Chairperson

Dear Shareholders,

Fiscal 2015 was an eventful year for India. The decisive electoral mandate and the range of policy initiatives taken by the new government have led to renewed optimism about the future prospects of the Indian economy. The country's fundamental economic growth drivers continue to be strong, and the right policy measures should see us achieving a sustainable higher growth trajectory.

With an expanding economy, a young and aspiring population and low insurance penetration, the domestic general insurance industry is expected to grow at a robust pace. The passing of the Insurance Laws (Amendment) Bill by the Parliament was a landmark step. In addition to enhancing the foreign ownership limit in the sector from 26% to 49%, the legislation contains several enabling measures, which

We continue to enjoy the trust and support of a wide range of customers, and are committed to address their risk protection needs and grow sustainably. In fiscal 2015, our performance reflected our focus on a sustainable profitable growth, backed by prudent underwriting and pricing and appropriate risk selection.



should facilitate the long-term development of the industry.

At ICICI Lombard, we are poised to strengthen our position in an industry, which is getting increasingly competitive with new players entering the sector. We continue to enjoy the trust and support of a wide range of customers, and are committed to address their risk protection needs and grow sustainably. In fiscal 2015, our performance reflected our focus on a sustainable profitable growth, backed by prudent underwriting and pricing and appropriate risk selection. We also enhanced our capabilities in areas with strong potential for growth such as liability insurance and specific preferred segments.

Service to the customer has taken centre-stage in all facets of financial services, whether it is banking or insurance. Even as we cherish the trust that our customers and stakeholders place in us, we continue to work towards strengthening this faith through our product and service initiatives. Fiscal 2015 witnessed multiple catastrophes including the floods in Jammu & Kashmir and cyclone in Andhra Pradesh. To help our customers affected by these events, we ensured smooth processing of claims. Our team focused on handholding the customers and continuously assisting them.

We continued to play our role of a responsible corporate citizen.

Skill development is a critical need to help India realise the potential of its demographic dividend. We are contributing to this area with ICICI Foundation to drive inclusive growth.

The initiatives of our people are crucial in building an organisation that is always ready to respond to customers' requirements in a convenient and transparent manner. I am proud of the team's dynamism and passion. I am confident that with the hard work of our entire team and the support of our stakeholders, we will take the organisation to the next level of growth in the coming years.

Chanda Kochhar
Chairperson

Message from the Chairman, Fairfax Asia



Ramaswamy Athappan

Chairman, Fairfax Asia Limited

Dear Shareholders,

A lot has changed in the Indian landscape in the last year. The decisive results from the May 2014 elections have led to a renewed outlook, for the nation, driven by purpose and optimism. The establishment of a majority and a reform-oriented government is slated to go a long way in enabling India to establish its position as

a dominant force in the global economy in the coming years.

The recently passed Insurance (Amendment) Bill 2015 is a welcome move for India's insurance industry. With FDI limits enhanced, the much awaited and enabling policy measure has been announced. At the same time,

other amendments including empowerment of regulatory bodies will facilitate the announcement of timely and contextual measures. This will serve well for the long-term prospects of the industry.

Our association with ICICI Lombard continues to strengthen year on year. Guided by a common ethos and perspective, we are poised to continue playing a leading role in the long term development of the nation's insurance industry. India stands at an interesting cross-road today given its young population and rising incomes. This will create new avenues for insurers as customers seek to mitigate risks to their lives and personal assets in an endeavour to harness new opportunities to grow. For us, expanding into opportune markets is a priority as we seek to play a larger role in the global insurance realm. India fits in perfectly in this framework, given its long-term growth prospects, low penetration and macro-economic framework.

ICICI Lombard has always led the industry in terms of identification of new opportunities, product innovation and setting new benchmarks in service standards. This has been an outcome of its deeply customer-centric approach, which defines every aspect of its business focus. At the same time, the Company has taken long strides in terms of strengthening its underwriting and risk management capabilities. As competition intensifies, and

the industry matures, these competencies will stand in good stead for the Company.

Technological advancements, especially in the online space, are becoming critical to the ability of an organisation to service its customers effectively. We are happy to see the progress made by ICICI Lombard in terms of adopting the latest technology and introducing innovative services for customers on the online platform. Besides, utilising technology as a business enabler to achieve cost and operational efficiencies are steps in the right direction.

Over the years, the Company has expanded its role from targeting business leadership to also excelling as a responsible corporate citizen. Even as the Company takes up community building initiatives, we are touched by the efforts of ICICI Lombard's strong employee base to volunteer for programmes that benefit underprivileged children among others.

As we look ahead, Fairfax Group's global experience and technical expertise will continue to strengthen ICICI Lombard's leadership in India's general insurance sector. We are confident that our partnership with ICICI Lombard will achieve many more milestones in the coming years.

Ramaswamy Athappan

Chairman
Fairfax Asia Limited

ICICI Lombard has always led the industry in terms of identification of new opportunities, product innovation and setting new benchmarks in service standards. This has been an outcome of its deeply customer-centric approach, which defines every aspect of its business focus.



Message from the Managing Director & CEO



Bhargav Dasgupta
Managing Director & CEO

Being fair, fast and friendly across all our interactions with our customers is a principle that we have adopted and will stand by in all our endeavours.

Dear Shareholders,

Fiscal 2015 was a momentous year for India. The decisive electoral mandate in the May 2014 elections has provided the much needed platform to rejuvenate the country's growth agenda. While this has not translated into immediate growth revival, India is poised to return to the days of robust fiscal growth fuelled by enabling regulations, pro-expansion reforms focused on infrastructure, manufacturing and overall economic progress. The intent to streamline policies for ease of doing business and fostering entrepreneurship are also measures to look forward to.

For the General Insurance industry, the pace of growth reduced to 10.62% in fiscal 2015, the slowest in the last four years. Limited pick-up in new automobile sales impacted Motor Insurance, the largest industry segment. The Corporate Insurance segment witnessed pricing pressures and poor demand given the limited investment scenario. Having said this, an improvement in the macroeconomic scenario, expected revival in corporate earnings and consumer sentiments should help the industry return to the double-digit growth trajectory in the near future.

Fiscal 2015 also marked the passage of the Insurance Amendment Bill. While much has been talked about the enhancement in FDI limits, there are several other positive measures in the bill. The governance freedom accorded to the regulatory authority will facilitate introduction of timely and contextual regulations. For an industry eager to play a larger role in India's socio-economic development, these measures are in the right direction.

At ICICI Lombard, we maintained our market leadership in fiscal 2015 even as we calibrated our growth by focusing on sustainable businesses. Our Combined ratio (CoR) – a measure of profitability from core operations, improved to 104.5% from 105.4% registered in fiscal 2014. In comparison, industry CoR deteriorated from 112.1% (9M, fiscal 2014) to 113.6% (9M,

fiscal 2015). Profits before tax increased to 6.91 billion, growing by 32.8%.

We continued to cross new milestones on the customer service front in the fiscal gone by, as we remained focused on our philosophy of customer centricity. We serviced 13.87 million insurance policies, an increase of 23.6% over fiscal 2014 and settled 3.41 million claims. Our claim settlement response improved as we settled 93% of motor claims (own damage) within 30 days compared to 92% in fiscal 2014. On the health insurance side, we maintained our track record honouring over 98% claims within 30 days. Customer grievances reduced, declining by 13% in fiscal 2015.

Taking forward our thrust on customer centricity, we are making fresh investments in our business operations to ensure a seamless experience for our customers. We recently set up in-house call centre operations using state-of-the-art infrastructure, handled by a well-trained and customer oriented resource pool. Being fair, fast and friendly across all our interactions with our customers is a principle that we have adopted and will stand by in all our endeavours.

As we look ahead, we are focusing on specific areas aimed at enhancing the experience of our customers. We are enhancing our capabilities in data analytics to better understand our customers

and accordingly streamline our processes to ensure a hassle free claim settlement experience for our genuine customers. At the same time, we are expanding our digital footprint, especially in the mobile space, by empowering our customers to meet their non-life insurance requirements at the place of their choice and the time of need. We are also taking forward our thrust on providing risk mitigation solutions instead of mere risk financing. We are offering wellness solutions to reduce the instances and severity of hospitalisation and at the same time a card based Out-patient Department (OPD) product for a comprehensive health insurance package.

We continued to win accolades for our initiatives during the year. We were conferred with the 'Claim Leader' award in the General Insurance Category at the fourth annual edition of the Indian Insurance Award 2014 for our claim settlement track record. At the Asia Insurance Technology Award, 2014 we were bestowed with the Best Mobile Application award for our insurance focused mobile application. We also won the 'Best IT implementation' award for customer oriented service delivery model 'Business Assurance' at the Banking Frontier Finnoviti Awards 2014. Winning the 'Association for Talent Development Best Award' 2014 (ATD BEST) for the third time, we were ranked among the top 20 organisations across the world for employee talent

development initiatives. People are our most valuable assets and we will continue to focus on building a high-performing culture that nurtures talent and empower them to grow.

Even as we perform on the business front, we are committed to play our role as a responsible corporate citizen. Our annual employee volunteering initiative 'Caring Hands', launched in 2011 has reached out to over 75,000 underprivileged children cumulatively over the last four years. In fiscal 2015, over 2,400 of our employees took charge of this initiative and reached out to 27,002 children across 96 cities through eye-check camps. Cases of poor vision totalling 3,936 were identified and provided with spectacles. We continued to contribute to other CSR projects in the area of preventive health care and disaster relief, thereby spending over 2% of our average profit of last three years for community building initiatives.

As we progress into fiscal 2016, we have the capability, commitment and confidence to set new benchmarks and reinforce the trust of our customers. We look forward to the new financial year with renewed aspiration to achieve new possibilities.

I thank you wholeheartedly for your support.

Bhargav Dasgupta

Managing Director & CEO



Pranav Chaturvedi
Bengaluru, Karnataka



FAIR

“ I have my two-wheeler (Honda CBR- 250R) insured with ICICI Lombard and it has been smooth sailing always. I have insured all my vehicles with ICICI Lombard in the past, including a Hero Honda CBZ and Suzuki Wagon-R. The Company is truly customer centric. Its website is easy to navigate for new customers and old. Renewing the policy online is a hassle-free experience. Besides, the claims procedure is not cumbersome and there is transparency at every step. I will always recommend ICICI Lombard to my friends, family and colleagues alike.”

General Insurance Sector Overview



In FY2015, India's general insurance industry continued to grow, but at the slowest rate in last four years. It registered growth of 10.62% as the Gross Written Premium (GWP) grew to ₹ 805.93 billion in FY2015, as compared to ₹ 728.53 billion in FY2014.

The key sub-segments of the industry witnessed sluggish growth during the year. Motor insurance, which accounts for over 40% of the industry GWP, witnessed a growth of 10.8% in FY2015, compared to 13.7% in FY2014. The business grew

to ₹ 374.87 billion in FY2015, as compared to ₹ 338.25 billion in the previous fiscal. The Corporate segment recorded another year of single digit growth relatively estimated at 6%, compared to 7% a year ago.

Health Insurance segment (including specialised health institutions) displayed a positive picture, recording improved growth as compared to the previous fiscal. The segment increased by 15.6% from ₹ 176.79 billion in FY2014 to ₹ 204.43 billion in FY2015.

10.62%

Growth in the Gross Written Premium (GWP) in India's general insurance Industry in FY2015



15.6%

Increase in the health insurance segment in FY2015 in India

Organisation Structure

ICICI Lombard's operating structure is designed to efficiently cater to four key stakeholders - customers, employees, channel partners and other stakeholders via four verticals: Wholesale Insurance Group, Government Business Group, Retail and Shared Services.

Wholesale Insurance Group

Offers integrated insurance solutions to large conglomerates, small and medium enterprises. With fire, marine, engineering, liability solutions, employee group insurance schemes and large-scale health and personal accident covers, there are custom-fit solutions for every client.

Government Business Group

Provides insurance solutions to state and central governments or government-owned enterprises and rural customers. The product range includes weather, cattle, health and personal accident related products, among others.

Retail Group

Serves individual customers through varied channels, such as agents, brokers, bancassurance, telesales, direct alliances, worksites and online. The insurance solutions cover health, home, motor, travel and personal accident space.

Shared Services

Includes verticals that provide support and service to business functions. These include underwriting, customer relationship, technology, operations, reinsurance, broking, finance and accounts. Functions, such as human resources, legal, marketing, business analytics unit, administration and fraud control form part of this unit.

WHOLESALE INSURANCE GROUP

The Wholesale Insurance Group caters to large corporate firms across industries and provides every client with customised solutions. It 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 focuses on MSMEs across industries.

- ▶ Corporate Solutions Group to provide insurance solutions to large corporate companies across industries.

In FY2015, the Wholesale Insurance Group achieved several key milestones:

1. Increased market share across portfolios

a. Fire

Market share increased to 7.2% in FY2015, compared to 6.6% in FY2014. This was an outcome of a portfolio de-risking strategy, which helped spread concentration risk.

b. Engineering

Market share increased to 7.6% in FY2015 from 7.3% in FY2014, aided by new business, as the Company worked with large public energy conglomerates.

c. Marine

ICICI Lombard increased its market share to 8.2% in FY2015 from 8.0% in FY2014. The Company achieved it by leveraging innovations, such as risk management services, including 'loss control' activities of high frequency accounts using Marine Loss Control Engineering (MLCE).

Organisation Structure (Contd.)



15%

Growth in the Corporate health segment in FY2015 as compared to 8% in FY2014



1341

Hospitals were empanelled including 726 private and 615 public in FY 2015 by the Company

d. Liability

Liability share witnessed upward movement from 11.4% in FY2014 to 12% in FY2015 through enhanced channel engagement and network partnerships.

2. Selective approach in price sensitive health portfolio

The Corporate Health segment contributing 34% to the overall corporate insurance business of the industry grew by 15% in FY2015, compared to 8% in the previous one. However, the segment witnessed increased pricing pressures impacting underwriting profitability. The Company calibrated its growth strategy within this space to focus on select businesses that showcased financial viability from a long-term perspective.

3. Strategic initiatives to create market differentiation

The Wholesale Insurance Group focused on offering customer engagement and customised solutions during the fiscal. It introduced several new offerings which include:

a. Health Value Added Services

- ▶ **Wellness:** This involved offering primary health care and specific disease management programmes to customers, implementing wellness activities across corporate accounts.
- ▶ **Cashless OPD:** The Company launched an industry-first cashless OPD solution during the fiscal year in the form of a cashless OPD card. The offering was aimed at helping corporate enterprises manage the medical cases and expenses of their employees. The innovative offering benefited several large corporate customers and is poised to garner more customers in the coming months.
- ▶ **Managed care programme:** Adopting the approach of fixed payment per enrollee, ICICI Lombard's Managed Care programme improved the overall health index of its corporate clients' employees, while reducing the total claim ratio.

b. Marine Value Added Services

These programmes were centred on loss control consulting across logistics supply chain. The Company provided customised solutions, such as anti-hijacking and transporter profiling to several corporate clients during the fiscal year. Quick and effective settlement of complex cargo claims were

managed by specialists who provided tailor-made solutions for fast recovery, while keeping business interruption at a minimum. ICICI Lombard noted risk improvement in 40% cases, where it offered integrated insurance and risk engineering solutions for reducing high-frequency losses.

c. Property Value Added Services

These programmes were centred on property risk inspections, management of risk measures and personalised solutions, such as anti-fire and theft. ICICI Lombard's fast assistance, fair practices and friendly services were highly lauded. In FY2015, the Company provided coverage to multiple corporate clients and introduced solutions, such as remote alarm system and fire-hydrant infrastructure.

d. Account Level Planning

Sales personnel were trained to migrate from a product to a solution selling approach. This led to an increase in wallet share of targeted corporate enterprises in FY2015

GOVERNMENT BUSINESS GROUP

ICICI Lombard's Government Business Group caters to Rural India and provides insurance solutions through government welfare initiatives.

Over the years, ICICI Lombard has introduced various innovative solutions that protect the economically underprivileged sections of the society. In partnership with the government, the Company has delivered bespoke solutions to cater to individual needs. Its affordable products cover risks

and shield customers from setbacks like a failed crop or a major illness. Through evolving and scalable models, innovative product design, technology, speedy claim processing and public-private collaboration, ICICI Lombard endeavours to deliver confidence and security to rural India.

Rashtriya Swasthya Bima Yojana

ICICI Lombard has been a pioneer in implementing one of the world's largest and among the most successful mass health insurance programmes, Rashtriya Swasthya Bima Yojana (RSBY). The centrally sponsored scheme illustrates how the government can facilitate the process of insurance benefits reaching to the below the poverty line (BPL) households and workers from unorganised sectors.

Providing health insurance to five members of every BPL family, including the family head, his spouse and up to three dependents, the scheme empowers the beneficiary with the freedom to choose the best possible treatment for his family from the empanelled private as well as public hospitals.

ICICI Lombard's contribution to the scheme in FY2015:

1. Covered 21.65 lakh BPL families last year
2. Implemented across six states and Union territories, including 53 districts
3. Empanelled 1341 hospitals, including 726 private and 615 public

Saving Lives

One of the unique initiatives jointly introduced by the Ministry of Road Transport & Highways and ICICI

In partnership with the government, the Company has delivered bespoke solutions to cater to individual needs. Its affordable products cover risks and shield customers from setbacks like a failed crop or a major illness.





Nitin Agarwal
New Delhi



FAST

“The ICICI brand means a lot to me, especially ICICI Lombard. Consistent product innovation and the culture of speedy and effective response to our queries and concerns make ICICI Lombard stand out in the crowd. I have long been associated with ICICI Lombard as a customer, and the Company has always been helpful in times of need. No wonder, it remains an industry leader. I wish ICICI Lombard all the best for its future endeavours.”

Organisation Structure (Contd.)



Lombard, the 'Saving Lives' scheme was launched in July 2013 on a pilot basis. The scheme provides hospitalisation insurance cover to the road accident victims of the Gurgaon-Jaipur stretch of the National Highway – 8 on a cashless basis. Taking care of the immediate needs of hospitalisation during the golden hour, it covers treatment of bodily injury caused by and arising out of a road accident. Six advanced life-saving and five basic life-saving ambulances are located on the identified stretch of the highway to take the victims from the accident spot to the nearest hospital for emergency medical treatment. Under this scheme, cover for the first 48 hours is provided, subject to the limit of ₹ 30,000 per victim.

ICICI Lombard was given the mandate to replicate the scheme on the Ranchi to Mahulia stretch in FY2015.

Health Insurance Scheme for Handloom Weavers

The scheme caters to weavers and ancillary workers, an important section of India's unorganised handloom sector. It covers workers engaged in warping, winding, dyeing, printing, finishing, sizing, *jhala-making* and jacquard cutting. It provides a family coverage towards comprehensive healthcare and medical assistance to the weavers. It also includes a substantial provision for OPD services. The scheme covers pre-existing as well as new diseases with an annual limit of ₹ 15,000 per family.

Contribution to the scheme

ICICI Lombard covered 17.5 lakh families under the weavers' scheme during the period of May to September 2014, post which it was merged with the Rashtriya Swasthya Bima Yojana.

Over 14.5 lakh claims were settled during the said time period.

Health insurance scheme for women sericulturist and workers

The health insurance scheme for women sericulturist and workers aims at empowering women sericulture farmers and workers in private reeling units to access healthcare amenities. It covers women beneficiaries (as the prime insured), her spouse and two children for comprehensive healthcare, including provision for OPD services. With many women beneficiaries availing of the scheme benefits, especially OPD services, the overall healthcare scenario of women has improved in the beneficiary locations.

Contribution to the scheme

In FY2015, the Company enrolled over 63,000 families and issued health cards in the states of Karnataka, Tamil Nadu, Jammu and Kashmir, Jharkhand and Assam.

Weather Insurance

Natural calamities continued to strike in FY2015. It was a year in which drought, floods, cyclones, unseasonal rainfall and hailstorms showed their devastating impact. The country's food production was estimated to have reduced by 5% as a result of these calamities. ICICI Lombard stood by and served the farmers in a comprehensive way. It implemented the Weather Based Crop Insurance (WBCIS) scheme in 10 states and the Modified Agricultural Insured Scheme (MNAIS) in 17 districts. The Company, through both the schemes, enrolled 1.3 million farmers across the loanee and non-loanee categories.

The Weather Insurance business added ₹ 2.9 billion to ICICI Lombard's direct business in FY2015. While the GWP for the WBCIS scheme stood at ₹ 1.39 billion, the GWP for the MNAIS scheme was ₹ 1.51 billion.

The Company implemented the scheme in the states of Chhattisgarh, Uttar Pradesh, Karnataka, Rajasthan, Jharkhand, West Bengal, Assam, Jammu & Kashmir, Uttarakhand and Himachal Pradesh. During the year, the Company increased the non-loanee coverage and increased its presence in Karnataka. Close to 1.4 lakh non-loanee farmers were enrolled using banks as intermediaries. ICICI Lombard also started the tablet-based policy coverage of non-loanee farmers, providing faster issuance of policy, using on-the-spot printing technology through mobile printers.

ICICI Lombard covered 17.5 lakh families under the weavers' scheme during the period of May to September 2014, post which it was merged with the Rashtriya Swasthya Bima Yojana. Over 14.5 lakh claims were settled during the said time period.





Sandip Sathavara
Ahmedabad, Gujarat



FRIENDLY

“ The ICICI Lombard team helped me at every step, whenever I had a problem. The Company’s customer-centric approach makes me feel that I am truly cared for. I have always received good suggestions from those I interacted with at the Company. I can say with a lot of conviction that the Company’s customers are its true brand ambassadors. ”

Organisation Structure (Contd.)



During FY2015, the Company partnered with Falck India Private Limited to strengthen its claims delivery, and improve its service to international customers.



RETAIL GROUP

ICICI Lombard’s Retail Group continued to focus on the customer at every stage of operations. Harnessing technology to offer innovative risk solutions, it used various tools to keep up with the evolving needs of customers.

With an aim to offer best-in-class service, the Company maintained its stronghold across product lines. In FY2015, ICICI Lombard further reinforced its product portfolios, partner associations and claims management system.

Motor Insurance

ICICI Lombard continued to have a strong presence in the motor insurance segment. The Company remained committed to provide superior value proposition to customers at every point of interaction. In FY2015, ICICI Lombard focused on enhancing its channel management and customer life-cycle proposition by expanding its distribution networks, deepening its relationships with manufacturers and agents and implementing technology driven solutions.

Taking a step further towards being fair, fast and friendly with its customers, it offered seamless claims experience through remote assessment tools, such as tablet / mobile based applications.

ICICI Lombard also received regulatory approval to offer customers long-term product in motor segment, a long-term two wheeler insurance. This created an opportunity for market expansion, while providing hassle-free protection to customers.

Health Insurance

The retail health insurance segment at the industry level grew rapidly with increased customer awareness and higher investments by insurance companies in expanding their reach to customers. ICICI Lombard continued to invest in creating a strong distribution footprint and innovative products, offering customised solutions to provide risk coverage as per customer requirements. The Company also provided loan protection solutions to customers. The product covered health risks of the insured, and at the same time ensured financial protection against a home loan.

Travel Insurance

The Company provided wide range of services through the online medium to give its customers convenient solutions for travel insurance. During FY2015, the Company partnered with Falck India Private Limited to strengthen

its claims delivery, and improve its service to international customers.

Focusing on the growing leisure travel segment, ICICI Lombard offered economical solutions to non US travellers. ICICI Lombard secured fresh approvals from embassies of Schengen (a group of 25 European countries) to provide enhanced travel insurance to travellers visiting these countries. The Company offers a comprehensive travel insurance policy to cover unfortunate mishaps or medical emergencies, which might occur while travelling abroad.

SME

Limited insurance penetration in the SME segment indicates significant opportunities for ICICI Lombard. The Company focused on identifying profitable segments to drive growth, and endeavoured to delight customers with superior claims and service experience. To achieve the same, the Company developed customised 'Over-The-Counter' policies for SMEs, and simplified the underwriting process. It also empowered its field force and agents to rate risks based on pre-defined parameters, ensuring fast processing of policies.

Customer Lifecycle Management

ICICI Lombard strives to provide the best service to its customers not only the first time, but at every stage. The Company ensured hassle-free renewal experience

for customers and proactively connected with them by sending renewal reminders through SMS and emails at periodic intervals. These SMS and emails constituted a link redirecting the customer to the renewal page on its mobile WAP or website, based on the device used.

During FY2015, ICICI Lombard increased its focus on contactability enrichment methods like data washing, sending welcome letters to non contactable customers and to communicate with the maximum number of customers. The additional contact details received from these activities were used at the time of renewals of customers' insurance policies.

ICICI Lombard continued to invest in creating a strong distribution footprint and innovative products offering customised solutions to provide risk coverage as per customer requirements.





FAIR

“ I have a lot of appreciation for ICICI Lombard. The Company’s products are innovative and the operations are technologically efficient. The technological platform for purchasing Home, Overseas Travel, Motor and Health Insurance is truly commendable. It’s convenient and manageable for any person. I must also mention the fact that the Company is truly transparent and trustworthy, which counts a lot for a customer like me.”



Chhaya Kulabkar
Mumbai, Maharashtra



Organisation Structure (Contd.)



In FY2015, the Company sustained its position among the best in the published statistics for claim performance.



SHARED SERVICES

Reinsurance

During FY2015, ICICI Lombard’s reinsurance programme continued to pursue both proportional and non-proportional treaties. The Company structured the reinsurance programme, keeping in mind its philosophy of purchasing adequate cover to protect the value-at-risk. For FY2015, the Company maintained its retention across key product segments. To protect the net account against single large losses and natural disasters, it continued to buy appropriate risk and catastrophe

reinsurance. It also got its net retained exposures, modelled by international agencies to ensure adequacy of limit of catastrophe reinsurance. The Company continued to purchase reinsurance protection for its speciality portfolio comprising liability, aviation, weather and offshore energy. ICICI Lombard strengthened its association with ScorRe, Swiss Re and Hannover Re for its key reinsurance programmes, while General Insurance Corporation (GIC) remained the Company’s largest reinsurance partner.

Underwriting

In FY2015, ICICI Lombard introduced new add-on covers in its motor insurance portfolio. These included extended warranty and engine protect covers along with a host of customised offerings. Continued improvement in processes led to over 50% reduction in complaints and queries posed by the customers. Efficient and effective management of claims in the J&K floods and Hudhud cyclone in Andhra Pradesh, was appreciated by the High Court, as well as respective State Governments.

In case of health insurance, the Company adopted a selective underwriting approach, which positively influenced profitability. Implementation of e-Cashless module enabled the empanelled hospitals to process cashless requests faster. Simultaneously, implementation of scan mode of processing for reimbursement claims led to productivity enhancement, and also improved customer response time by 25%.

The Company also streamlined its property and marine risk management solutions to create processes for systematic study of risk exposures, and deliver tailored solutions, which include online fire and burglary detection, electrical audit and thermography, fire extinguishing solutions, project cargo survey and anti-hijacking solutions. This solution based

approach brought in the required differentiation for the Company in an otherwise competitive market.

The Company continued to adopt advanced technologies for serving customers. In FY2015, it introduced mobile based risk inspection, which enabled penetration in smaller sized adverse risk segments, and also leveraged in-house technology for identifying fraudulent claim trends, and thereby ensure genuineness of claims paid. In FY2015, the Company sustained its position among the best in the published statistics for claim performance.

Cost Management

The cost management team constantly endeavours to maximise value and build cost effective tools to benefit internal and external customers.

The Company continued to optimise costs in FY2015 through cost planning, co-ordination, control and reporting of cost data. During the year, ICICI Lombard gained cost savings in travel and communication expenses. The cost management team continued to spread cost saving awareness among employees through simple and effective tools.

Investments

In FY2015, the Company achieved superior total return on its investment portfolio, compared to the benchmark.

Investments at ICICI Lombard are governed by the core value investing principles of the Company. Its asset mix is determined by two important factors: availability of superior investments at the right price and claim liabilities. The asset allocation strategy of the Company ensures liquidity, security and diversification. To strengthen the existing business, and efficiently manage risks arising out of duration, market, credit, legal and operation, the Company strictly follows commensurate risk management.

ICICI Lombard's investments amounted to ₹ 92.38 billion in FY2015, an increase of 14.8%. In the last five years, the Company's investment portfolio has grown at a Compounded Annual Growth Rate (CAGR) of 20.50%. In FY2015, the Company achieved a realised return of 10.29%, while the total

92.38 BILLION

Investments were made by the Company in FY2015



20.50%

CAGR in the Company's investment portfolio in the last five years

Organisation Structure (Contd.)

return was 17.84%. In a span of five years, the realised return and the total return have averaged 9.78% and 10.39% respectively. In the same year, ICICI Lombard's ratio of year-end investment assets to net worth stood at 3.49 times. Over the last 12 years, the average total return was 10.92%, compared to 9.24% generated by the benchmark composite.

Additionally, ICICI Lombard's investment assets of funds representing third party motor pool amounted to ₹ 6.07 billion with YTM of 8.46%. Realised return for FY2015 from this portfolio was 11.46%.

Operations

During FY2015, ICICI Lombard ensured excellence in its service performance, improving on the various dimensions of service quality i.e. responsiveness, empathy, assurance and reliability. The Company's operations team

has centralised policy issuance under the Motor segment to enhance quality of delivery, and to improve service levels. Speedy response to the customer has been ensured by creating a priority channel. ICICI Lombard has also set up a direct interaction channel with corporate customers in Group policies to reduce the Turn Around Time (TAT), by close to 75%.

The Company has created the scale and capability in its operations function to service the growing and diverse needs of various business units within the organisation. ICICI Lombard successfully managed the volume of low ticket size products like two-wheelers, while keeping operating costs low. This has been managed by seamless integration with various systems and processes of distribution partners like Honda, Hero, IOCL & BPCL petrol pumps and various lending institutions.

The Company continued to manage operations related to the agency channel in a smooth and efficient manner. ICICI Lombard enhanced its systems to provide release of commissions on a daily basis, and also provided for automation of a large number of reports.

Customer Support and PEG

In an increasingly competitive industry, post-sales support can be the source of differentiation and value creation, as well as a crucial imperative to retain customers, and at the same time attract new customers.

ICICI Lombard aims at providing the best post-sales support with its contact centre, which serves as a critical touch point for the customer to experience the brand and its services. Driven by the professionalism, integrity and empathy of the Company's people, it focuses on providing a personal touch to the customer. ICICI Lombard aspires to make life easier for its customers by delivering simple-to-understand products that specifically answer individual needs, and address their pain points. Besides, the organisation endeavours to offer best-in-class customer experience at the time of claim or 'moment of truth'. It continuously makes its processes clear and transparent, and is fair to its customers, as it believes its purpose is to protect customer's assets, while enriching their lives.

In a bid to better engage with customers further, the Company successfully in-sourced its call centre operations for three business functions, viz. Customer Service, e-Channel and i-Healthcare. This initiative led to enhanced resource efficiency and service improvements.

Contact centre agents are the Company's most important brand ambassadors, and serve customers with a strong service orientation. It successfully completed hiring and training of leaders, managers and the support staff of its Customer Response Management (CRM) team. The team's focus was on quality of

resolution provided to customers, and improving the percentage of first-time resolutions. Due to concerted efforts of the Call Resolution Time (CRT) team, first call resolution increased from 68% to 80%. The Company's cross-functional teams continued to work seamlessly on all on-going operations.

The Company redesigned processes, making them simple and fast. Moreover, it provided skill development training, using its training tool - COMPASS. Operational efficiency of customer impacting processes improved, leading to an increase in service levels from 59% to 95%.

ICICI Lombard got control of the entire technology platform for its call centre, after completing the first phase of in-housing of technology infrastructure in July, 2014. It has placed an active set-up in Navi Mumbai and Hyderabad locations to route calls geographically. This gives the Company flexibility to route calls to the alternate location, in case of a downtime at one location.

The aforementioned efforts helped the Company reduce complaints by 13% in FY2015. After the Call centre was in-housed, repeat calls reduced to 2%, in comparison to 6% in the previous year when an outsourced call centre was operational. The ratio of complaints to total policies issued stood at 0.04% for FY2015 as against 0.06% for the previous fiscal.



95%

Increase in service levels of the Company in FY2015 as compared to 59% in FY2014



13%

Reduction in customer complaints in FY2015 of the Company



FAST

“ My experience with ICICI Lombard has been extremely positive. The Company’s execution capabilities are aligned to international standards. Every department works in a professional manner and the team appreciates the fact that the customer needs fast and effective response during a crisis. Whenever a friend or a relative asks me to suggest the name of a trustworthy insurance service provider in the general insurance categories, it’s anybody’s guess which name comes first to my mind. ”



Rajeev Mishra
Kolkata, West Bengal

Organisation Structure (Contd.)



27,002

Children were benefitted by the 'Caring Hands Campaign' initiative of the Company in FY2015 across 236 municipal schools in 96 cities



Human Resource

Customer expectations are changing. They seek greater convenience, improved speed of delivery and enhanced ease in transactions. Recognising this, ICICI Lombard has re-architected processes externally, as well as internally for its employees to deliver onto the promise of being fair, fast and friendly. To align to this philosophy, ICICI Lombard's team needs to be more agile, and

demonstrate the ability to take prompt decisions. This is where Deeksha Learning Center (DLC), the umbrella brand established for all learning initiatives, continued to play a pivotal role by providing employees with the requisite knowledge and skills to enable agility and faster decision-making.

To deepen the knowledge levels of the various teams, the Company enhanced its sub-capability pockets from 27 to 66, in the last four years. The learning ladder and certification programmes were aligned in a way that enabled the team to make fair and faster decisions for customers. The Company has a vibrant team of Maroon and Maroon + certified employees. Code Maroon is an internal certification, which is a benchmark in the General Insurance

industry. Maroon + certification is offered in association with CII, London. ICICI Lombard has adopted 'Leaders as Teachers' philosophy, by constituting DLC Council to reinforce the critical learning for the team. Currently, the Company has 338 employees, who are instrumental in creating subject matter content, training and assessment.

The American Society for Training and Development (ASTD), now rechristened as ATD (Association for Training and Development), conferred the 'Best Practices in Learning & Development' Award to ICICI Lombard for the third time in FY 2014-15.

Central to the philosophy of fair, fast and friendly, ICICI Lombard re-architected its service levels and in-sourced the processes to offer differentiated service through its call centre. The Company's call centre team comprising 328 members was taken through COMPASS, ICICI Lombard's service anchor that ensures that an employee understands and offers differentiated experience to the customer and builds trust.

Corporate Social Responsibility

ICICI Lombard has been committed towards the wellbeing of communities and the society. Its community projects enable citizens to fulfil their aspirations for a better quality of life.

The Company's CSR roadmap for FY2015 involved healthcare and disaster relief activities. It also supported various causes, such as education, skill enhancement and sustainable livelihoods through the ICICI Foundation.

Caring Hands Campaign

ICICI Lombard's employee driven CSR activity reached out to underprivileged children for the fourth year in a row. Steered towards preventive healthcare, free eye check-up camps were organised across the country for deprived children. In FY2015, the initiative benefited 27,002 children across 236 municipal schools in 96 cities. The activity helped identify 3,936 cases of poor vision that were provided with corrective lenses free of cost. 2,407 employees participated from various locations forming teams that joined hands to plan and execute the entire activity.

In the last four years, ICICI Lombard has reached out to more than 75,000 kids across 250 schools. With the Company's long-standing commitment towards a better society and future for the country, ICICI Lombard is increasing the scope of its activity with each passing year.

Access to Sanitation and Healthcare (Preventive and Curative)

ICICI Lombard, in association with KK Birla Memorial Trust's Chambal NGO reached out to 6 villages of Kota district in Rajasthan. The six villages (Ballabhpur, Pachara, Pachara Ki Jhopariyan, Kakravada, Motikuan and Dabar) lacking basic healthcare facilities were provided a Mobile Medical Care Unit to offer healthcare facilities at their

doorstep. The unit, along with a doctor and a nursing assistant conducted OPD services, and dispensed medicines on the spot for common ailments. Cases requiring specialised treatments were referred to hospitals. Promoting curative healthcare, the initiative also helped in building awareness regarding health, hygiene and sanitation issues among the villagers.





FRIENDLY

“As a customer I have always received convenient and relevant solutions for my insurance requirements. The team believes in quick response and they know their job only too well. That is extremely reassuring and goes a long way in reinforcing trust.”



Asif Rafat Husain
Mumbai, Maharashtra

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Fifteenth 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, 2015.

Industry Overview

The gross premium of the industry grew from ₹ 728.53 billion in FY2014 to ₹ 805.93 billion in FY2015*, a growth of about 10.62%. Given the pricing challenges in the market, ICICI Lombard decided to scale down its business in the group and mass health insurance segments. ICICI Lombard also adopted a cautious approach in the weather insurance segment. As a result, the gross written premium (GWP) decreased marginally from ₹ 71.34 billion in FY2014 to ₹ 69.14 billion in FY2015. ICICI Lombard led the private players in general insurance sector with a market share of 19.0% and an overall industry market share of 8.3%.

Financial Highlights

The financial performance for FY2015 is summarised in the following table:

	(₹ billion)	
	FY2014	FY2015
Gross written premium	71.34	69.14
Earned premium	43.53	42.35
Income from investments	7.88	9.28
Profit before tax	5.20	6.91
Profit after tax	5.11	5.36

Appropriations

The profit after tax (PAT) for the year ended March 31, 2015 is ₹ 5.36 billion. The profit available for appropriation is ₹ 9.54 billion after taking into account the balance of profit of ₹ 4.18 billion brought forward from the previous year. The Directors are pleased to recommend aggregate interim dividends declared and paid during the year of ₹ 0.89 billion as final dividend for the year. The summary of appropriated profits is as follows:

	(₹ billion)	
	FY2014	FY2015
Balance of profits brought forward	(0.93)	4.18
Add: Profits during the year	5.11	5.36
Total available profits for appropriation	4.18	9.54
Less: Equity dividend for the year (interim)	-	0.89
Dividend distribution tax	-	0.17
Transfer to general reserve	-	-
Leaving balance to be carried forward	4.18	8.48

*Source: IRDAI & GI Council

₹ 805.93 BILLION

Gross premium of the industry in FY2015

₹ 5.36 BILLION

Profit after tax in FY2015 of the Company

Directors

Ministry of Corporate Affairs (MCA) vide its circular dated June 9, 2014 clarified that the existing Independent Directors are required to be appointed under the provisions of the Companies Act, 2013 within one year from April 1, 2014 subject to compliance with eligibility and other prescribed conditions. The circular further prescribes that appointment of Independent Directors for a term of less than five years is permissible and appointment for any term (whether five years or less) is to be treated as one term under Section 149(10) of the Act.

Accordingly, the Board at its Meeting held on January 14, 2015 had approved the revision in norms governing tenure of appointment of Independent Directors for a maximum period of ten years to align with the provisions of the Companies Act, 2013. The Board at the same Meeting had approved the appointment of Dileep Choksi and M. K. Sharma, as Independent Directors of ICICI Lombard till Annual General Meeting (AGM) to be held in 2016 and 2017 respectively. Ashvin Parekh, another Independent Director of ICICI Lombard, was appointed in the Annual General Meeting held on June 20, 2014. Ashvin Parekh's appointment is for a term of five years i.e. upto the Annual General Meeting to be held in 2019.

The Members of ICICI Lombard in the Extra-ordinary General Meeting held on March 4, 2015 had approved the appointment of all Independent Directors for their respective terms i.e. in case of Dileep Choksi till the AGM to be held in 2016, in case of M.K Sharma till the AGM to be held in 2017 and in case of Ashvin Parekh till the AGM to be held in 2019.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and 'fit and proper' declaration as laid down under Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India (IRDAI).

In terms of the provisions of Section 152 of the Companies Act, 2013, S. Mukherji and Chandran Ratnaswami, being Non-executive Directors of ICICI Lombard would retire by rotation at the forthcoming AGM and are eligible for re-appointment. Both S. Mukherji and Chandran Ratnaswami have offered themselves for re-appointment. Section 152 provides that the Independent Directors would 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.

During the year, Neelesh Garg, Executive Director of ICICI Lombard, expressed his desire to leave ICICI Lombard and the ICICI Group to pursue other opportunities with effect from February 2, 2015. The Board placed on record its deep appreciation for his contribution to ICICI Lombard. The Board at its Meeting held on March 31, 2015 had approved the appointment of Sanjeev Mantri as Executive Director of ICICI Lombard in place of Neelesh Garg with effect from May 2, 2015, subject to the approval of Members of the Company and IRDAI. Sanjeev Mantri was a Senior General Manager at ICICI Bank Limited and led the Bank's Rural and Inclusive Banking Group. He is a qualified Chartered Accountant and a Cost Accountant. He joined ICICI Bank in 2003 where he led many businesses including Bank's Small & Medium Enterprises Group. Under his leadership, the Bank was awarded the Asian Banker Award for the Best SME Bank-Asia Pacific in 2010.

Board Evaluation

The Companies Act, 2013 vide Section 178(2) provides that every listed company and such other class of companies as may be prescribed shall carry out evaluation of every Director's performance.

ICICI Lombard, being a prescribed class of company, carried out an evaluation of the performance of the

Directors' Report (Contd.)

Board, its Directors, Chairperson and the Committees. The manner of carrying out the evaluation has been explained in the Corporate Governance Report.

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 24, 2015, 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 ICICI Lombard for the financial year ending March 31, 2016. You are requested to consider their re-appointment.

Capital

The total capital invested by shareholders till March 31, 2015 including share premium, was ₹ 19.42 billion. The net worth of ICICI Lombard stood at ₹ 28.23 billion at March 31, 2015 as compared to ₹ 23.81 billion at March 31, 2014. The solvency position of ICICI Lombard at March 31, 2015 was 1.95 times as against minimum of 1.50 times prescribed by IRDAI.

Corporate Social Responsibility (CSR)

The Board at its Meeting held on April 18, 2014 had constituted a Corporate Social Responsibility Committee of ICICI Lombard. The Board had approved adoption of Corporate Social Responsibility Policy (Policy) and Plan for CSR activities of ICICI Lombard at its Meetings held on October 15, 2014 and January 14, 2015 respectively.

The approved CSR Policy and report on CSR activities is annexed as "Annexure A".

Rural and Social Responsibility

ICICI Lombard issued more than 500,000 policies in rural areas and covered more than 75,000 lives falling within the norms of social responsibility, as prescribed by IRDAI.

Public Deposits

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

Foreign Exchange Earning and Expenditure

During FY2015, expenditure in foreign currencies amounted to ₹ 3,352.7 million and earning in foreign currencies amounted to ₹ 1,904.7 million.

Secretarial Audit Report

As per Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, prescribed class of Companies shall obtain a Secretarial Audit Report from Company Secretary in Practice and such Secretarial Audit Report shall form part of this report.

The Board at its Meeting held on July 17, 2014 had appointed Dholakia & Associates, practising company secretaries, to conduct the secretarial audit of the Company for FY2015. The Secretarial Audit Report confirms that ICICI Lombard has complied with all the applicable provisions of various laws as mentioned in the audit report.

The Secretarial Audit Report is annexed herewith as "Annexure B".

Extract of Annual Return

The details forming part of the extract of the Annual Return in form of MGT 9 is annexed herewith as "Annexure C".

Related Party Transactions

Section 188(1) of the Companies Act, 2013 prescribed that the company shall not enter into a transaction with a related party (as defined vide clause 76 of Section 2 of the Act), except with the consent of the Board of Directors of the Company with respect to the transactions as prescribed. The Board at its Meeting held on April 18, 2014 had approved the Policy on Related Party Transactions (Policy). The Policy was subsequently amended at the Board Meeting held

on January 14, 2015 wherein Audit Committee was empowered to provide omnibus approval for the related party transactions not exceeding ₹ 10.0 million per transaction.

During the year, ICICI Lombard had entered into related party transactions with the related parties as defined vide clause 76 of Section 2 of the Companies Act, 2013 in the ordinary course of its business and on an arm's length basis.

The details of materially significant related party transactions entered by ICICI Lombard with related parties (in the ordinary course of its business and on an arm's length basis) above the defined threshold, as prescribed under Section 188(1) of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014, are annexed as "Annexure D".

All related party transactions are placed before the Audit Committee on a quarterly basis.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Whistle Blower Policy

ICICI Lombard has formulated a Whistle Blower Policy (Policy) which is designed to provide its employees, a channel for communicating instances of breach in the code of conduct, legal violation, actual or suspected fraud 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 ICICI Lombard's intranet and an extract of the same has been posted on the website of ICICI Lombard.

Employee Stock Option Scheme

In FY2006, ICICI Lombard had instituted an Employee Stock Option Scheme (ESOS) to enable the employees

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

The Board at its Meeting held on January 14, 2015 and the Members at the Extra-Ordinary General Meeting held on March 4, 2015 had approved the amendment in the ESOS 2005 to extend the exercise period by three more years in respect of options granted in the years 2005, 2006 and 2007. The said extension will provide additional years to the employees to exercise their options and in the event of ICICI Lombard getting listed during this period, the employees will automatically have the liquidity. In the absence of such extension, the options will start lapsing from April 2015 which will be detrimental to the interests of the employees.

Options granted in the years 2005, 2006, 2007, 2008 and 2010 vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in subsequent four years. Options granted for the year 2011 vest in a gradual manner over a two-year period, with 40% and 60% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options can be exercised within a period of 13 years in respect of options granted in 2005, 2006 and 2007. Option other than those years can be exercised over a period of 10 years from the date of grant or five years from the date of vesting, whichever is later.

Directors' Report (Contd.)

Particulars of options granted by ICICI Lombard up to March 31, 2015 are given below:

Options granted	23,572,260
Options vested	18,204,108
Options exercised	6,836,576
Number of shares allotted pursuant to exercise of options	6,809,176
Options forfeited/lapsed	8,614,222
Extinguishment or modification of options*	3,390,962
Amount realised by exercise of options (₹)	281,029,140
Total number of options in force	8,121,462

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

Additional Information

As required pursuant to the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. The Directors' Report is being sent to the shareholders excluding the Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

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

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 profits 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 IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and provisions of the Companies Act, 2013 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively and;
6. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNEXURE 'A'

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Corporate Social Responsibility (CSR) has been a long standing commitment at ICICI Lombard and forms an integral part of its activities. The Company's objective is to pro-actively support meaningful socio economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life.

In line with its objectives, the following areas have been shortlisted for the CSR roadmap health care, road safety, education, skill development and sustainable livelihoods, support employee volunteering in CSR activities and other areas such as disaster relief.

The CSR policy was approved by the Board of Directors in the Meeting held on October 15, 2014 and subsequently was put up on the ICICI Lombard website. Web-link to the CSR policy:

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

2. The Composition of the CSR Committee

The CSR Committee comprises one Independent Director, two Non-executive Directors and the Managing Director & CEO of ICICI Lombard and is chaired by an Independent Director. The composition of the Committee is set out below:

M. K. Sharma, Chairman (Independent Director)
 S. Mukherji (Non-executive Director)
 R. Athappan (Non-executive Director)
 Bhargav Dasgupta (Managing Director & CEO)

The functions of the Committee include review of CSR initiatives undertaken by the ICICI Lombard, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by ICICI Lombard and recommendation of the amount of the expenditure to be incurred on such activities, review and recommend the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives as recommended/suggested by Companies Act.

3. Average net profit of the Company for last three financial years

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 1,354.4 million.

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

The prescribed CSR expenditure requirement for FY2015 is ₹ 27.2 million.

5. Details of CSR spent during the financial year

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

Total amount spent towards CSR during FY2015 was ₹ 27.8 million.

(b) Amount unspent, if any :

Nil

Directors' Report (Contd.)

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

Sr No	Projects/ Activities	Sector	Location	Amount outlay (budget) project or program wise ₹ million	Amount spent on the projects or programmes ₹ million	Cumulative Expenditure upto the reporting Period ₹ million	Amount spent: Direct or through implementing agency
1	Access to Healthcare: Sanitation and Healthcare (Preventive and Curative) Programmes, Mobile Medical Care Unit-association with Chambal NGO	Healthcare	Districts (State) 6 villages of Kota District in Rajasthan (Ballabhpur, Pachara, Pachara Ki Jhopariyan, Kakravada, Motikuan and Dabar)	0.8	0.8	0.8	Direct
2	Eye check-up camps for under privileged school kids led by employees covering 27,009 children. Cases of poor vision provided with spectacles.	Employee Engagement	Conducted at 229 schools across 94 cities	7.1 (including employee volunteering cost of ₹ 1.7 million)	7.7 (including employee volunteering cost of ₹ 1.7 million)	7.7 (including employee volunteering cost of ₹ 1.7 million)	Direct
3	Disaster Relief contribution in Jammu & Kashmir matching employee contribution	Disaster Relief	Jammu & Kashmir	5.1	5.1	5.1	Direct
4	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education & healthcare	<ul style="list-style-type: none"> ▲ Ten fully operational skill development centre's opened. Centre's located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg. ▲ Elementary education projects in Rajasthan and Chhattisgarh. ▲ Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra) 	14.2	14.2	14.2	ICICI Foundation

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

M.K. Sharma

CSR Committee Chairman

Bhargav Dasgupta

Managing Director & CEO


Directors' Report (Contd.)
ANNEXURE 'B'**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Lombard General Insurance Company Limited (CIN U67200MH2000PLC129408) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A.** In expressing our opinion it must be noted that-
- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.

- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance and provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

- B.** Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter:
- C.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. And the Company being in the business of Insurance other than Life Insurance, the Special Act as applicable to it is the Insurance Laws (Amendment) Act, 2015 and extant Rules & Regulation framed under Insurance Regulatory and Development Authority Act, 1999 (IRDAI).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the compliance of the Corporate Governance Guidelines issued by IRDAI.

D. We further report that--

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

- II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
 - III. Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes.
- E.** We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- F.** We further report that during the audit period none of the following events has taken place-
- I. Public/Rights/Preferential Issue of Shares/ Debentures/Sweat equity etc.
 - II. Redemption/buy back of securities
 - III. Major decision taken by the Members in pursuance to section 180 of the Companies Act, 2013.
 - IV. Merger/Amalgamation/Reconstruction, etc.
 - V. Foreign Technical Collaborations.

For **Dholakia & Associates LLP**,
(Company Secretaries)

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

Mumbai, April 24, 2015


Directors' Report (Contd.)
ANNEXURE 'C'**EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration and Other Details:

CIN	U67200MH2000PLC129408
Registration Date	October 30, 2000
Name of the Company	ICICI Lombard General Insurance Company Limited
Category/Sub-Category of the Company	Company Having Share Capital// Indian non-government of the Company
Address of the registered office and contact details	ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai – 400025 Gopal Balachandran/Vikas Mehra Tel No. : +91-22-6196 1100 Fax No. : +91-22-6196 1323
Whether listed company Yes/No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited, International Infotech Park, Tower 5, 3rd Floor, Vashi Railway Station Complex, Vashi, Navi Mumbai – 400073 Tel No. : +91-22-6792 8000 Fax No.: +91-22-6792 8099

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main products /service	NIC Code of the Product/ Service	% to the total turnover of the Company
General Insurance	6512	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai - 400051	L65190GJ1994 PLC021012	Holding Company	72.97	2(46)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Shareholding

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF									
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	325,883,744	-	325,883,744	73.22	325,883,744	-	325,883,744	72.97	(0.25)
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1) :-	325,883,744	-	325,883,744	73.22	325,883,744	-	325,883,744	72.97	(0.25)
(2)	Foreign									
a)	NRIs -	-	-	-	-	-	-	-	-	-
	Individuals									
b)	Other -	-	-	-	-	-	-	-	-	-
	Individuals									
c)	Bodies Corp.	114,499,002	-	114,499,002	25.73	114,499,002	-	114,499,002	25.64	(0.09)
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2) :-	114,499,002	-	114,499,002	25.73	114,499,002	-	114,499,002	25.64	(0.09)
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	440,382,746	-	440,382,746	98.95	440,382,746	-	440,382,746	98.61	(0.34)

Directors' Report (Contd.)

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	Public									
	Shareholding Institutions									
(1)		-	-	-	-	-	-	-	-	-
a)	Mutual Funds / UTI-II	-	-	-	-	-	-	-	-	-
b)	Banks / FI / UTI-I	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (specify)	-	-	-	-	-	-	-	-	-
	Foreign Banks	-	-	-	-	-	-	-	-	-
	FII - DR	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1) :-	-	-	-	-	-	-	-	-	-
(2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	7,000	-	7,000	0.00	435,234	-	435,234	0.10	0.10
ii)	Overseas	-	-	-	-	-	-	-	-	-

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals	-	-	-	-	-	-	-	-	-
		436,333	103,218	539,551	0.12	527,866	156,568	684,434	0.15	0.03
i)	Individual shareholders holding nominal share capital upto ₹1 lakh									
ii)	Individual shareholders holding nominal share capital excess of ₹1 lakh	3,969,337	23,300	3,992,637	0.90	4,186,036	700,700	4,886,736	1.09	0.19
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Trust	-	-	-	-	-	-	-	-	-
	Directors & their Relatives (Resident)	-	-	-	-	-	-	-	-	-
	Non-Resident Indian Directors	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Non-Resident Indians	129,650	-	129,650	0.03	189,650	-	189,650	0.04	0.01
	Clearing Member	-	-	-	-	-	-	-	-	-

Directors' Report (Contd.)

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Hindu Undivided Families	3,932	-	3,932	0.00	15,232	-	15,232	0.00	0.00
	Foreign Companies	-	-	-	-	-	-	-	-	-
	Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
	NRI - DR	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2) :-	4,546,252	126,518	4,672,770	1.05	5,354,018	857,268	6,211,286	1.39	0.34
	Total Public Shareholding (B) = (B)(1) + (B)(2)	4,546,252	126,518	4,672,770	1.05	5,354,018	857,268	6,211,286	1.39	0.34
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	444,928,998	126,518	445,055,516	100.00	445,736,764	857,268	446,594,032	100.00	-

(ii) Shareholding of Promotors

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	ICICI Bank Limited	325,883,744	73.22	-	325,883,744	72.97	-	(0.25)
2	FAL Corporation	114,499,002	25.73	-	114,499,002	25.64	-	(0.09)
	Total	440,382,746	98.95	-	440,382,746	98.61	-	(0.34)

Note: There is no change in the number of shares held by the promoter companies. However, the percentage of the shareholding has changed during the year due to ESOP allotments.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	ICICI Bank Limited	325,883,744	73.22	-	-
	FAL Corporation (an affiliate of Fairfax Financial Holdings Limited)	114,499,002	25.73	-	-
	date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year				
	ICICI Bank Limited	325,883,744	72.97	-	-
	FAL Corporation	114,499,002	25.64	-	-

Note : There is no change in the shareholding of promoters group.

Directors' Report (Contd.)

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

SI No	Shareholding at the beginning of the year	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	Shareholding at the end of the year March 31, 2015	Cummulative Shareholding during the year					
For Each of the top 10 Shareholders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company					
1	Sandeep Bakhshi	591,250	0.13	108,750	Allotment	700,000	0.16	-	-
2	Neelesh Garg	55,000	0.01	405,000	Allotment	460,000	0.10	-	-
3	IVF Trustee Company Private Limited	-	-	425,000	Allotment	425,000	0.10	-	-
4	Rakesh Jain	337,500	0.08	-	-	337,500	0.08	-	-
5	Vinit Ashok Prabhu	82,000	0.02	153,000	Allotment	235,000	0.05	-	-
6	Anuj Gulati	190,000	0.04	-	-	190,000	0.04	-	-
7	Rajive Kumaraswami	175,000	0.04	(50,000)	Transfer	125,000	0.03	-	-
8	Ritesh Kumar	122,500	0.03	-	-	122,500	0.03	-	-
9	Ajay Kumar Bansal	74,000	0.02	37,875	Allotment	111,875	0.03	-	-
10	Hitesh Chandrakant Kotak	26,000	0.01	75,000	Allotment	101,000	0.02	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Shareholding at the beginning of the year	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Shareholding at the end of the year	Cummulative Shareholding during the year					
For Each of the Directors and KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company					
1	Gopal Balachandran Chief Financial Officer	54,000	0.01	-	-	54,000	0.01	-	-

V. Indebtness

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

VI. Remuneration of Directors and Key Managerial Personnel

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

		(₹ in 000's)		
Sr. No	Particulars of Remuneration	Bhargav Dasgupta Managing Director & CEO	Neelesh Garg Executive Director	Alok Agarwal Executive Director
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	56,598	34,127	32,371
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 ¹	444	35,721	6
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others - Retirals ²	1,599	759	857
	Total (A)	58,640	70,607	33,233

1. The perquisites relate to the stock options granted by the Company and as exercised by the Director in FY2015.

2. Provisions towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

B. Remuneration to other Directors:

1. Independent Directors

		(₹ in 000's)		
Sr. No	Particulars of Remuneration	Name of Director		
		Dileep Choksi	Ashvin Parekh	M.K.Sharma
	Fee for attending Board/Committee Meeting	560	420	800
	Commission	-	-	-
	Others, please specify	-	-	-
	Total B (1)	560	420	800

Directors' Report (Contd.)

2. Other Non-executive Directors

(₹ in 000's)

Sr. No	Particulars of Remuneration			
	Fee for attending Board/Committee Meeting	No attending fees for Board/Committee or Commission		
	Commission	is being paid to Non Executive Directors		
	Others, please specify			
	Total B (2)			
	Total B = B(1) + B(2)	560	420	800

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

(₹ in 000's)

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel	
		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary
	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,869	4,086
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
	Stock Options	-	-
	Sweat Equity	-	-
	Commission	-	-
	- as % of profit		
	- others, specify...		
	Others, Retirals*	386	101
	Total (C)	14,255	4,187

*Provisions towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

VII. Penalties/Punishment/Compounding of Offences :

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

ANNEXURE 'D'

Particular of Contract and arrangement under section 188

The details of materially significant related party transactions entered by ICICI Lombard with related parties (in the ordinary course of its business and on an arm's length basis) above the defined threshold, as prescribed under Section 188(1) of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014 are as under :

Sr. no.	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient Terms of contracts/ transactions	Amount (₹ in million)
1	Term deposits placed with the Bank	ICICI Bank Limited	Parent	Various maturities	Interest at applicable interest rate	1,900.0
2	Purchase of certificate of deposits, bonds and debentures of third parties	ICICI Bank Limited	Parent	-	At market price	697.5
ICICI Securities Limited		Fellow Subsidiary	-	At market price	2,595.0	
ICICI Prudential Life Insurance Company Limited		Fellow Subsidiary	-	At market price	2,462.1	
3	Sale of certificate of deposits, bonds and debentures of third parties	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	-	At market price	1,523.6
4	Commission income on insurance products	ICICI Bank Limited	Parent	3 years	Commission for corporate agency service to solicit and procure the same and distribution of the policies	677.2

Corporate Governance

ICICI Lombard General Insurance Company Limited (“ICICI Lombard”) is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. ICICI Lombard continues to focus on building trust with shareholders, policyholders, 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.

ICICI Lombard’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

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

- ▶ Strategic supervision is provided by the Board;
- ▶ Control and implementation of ICICI Lombard’s strategy is achieved effectively;
- ▶ Operational management remains focused on implementation;
- ▶ Information regarding ICICI Lombard’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, 2015, ICICI Lombard’s Board of Directors consisted of eleven members. Out of the eleven members of the Board, four are nominated by ICICI Bank Limited (ICICI Bank), two are nominated by Fairfax Financial Holdings Limited (Fairfax), three are Independent Directors and two 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 IRDAI. 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 ICICI Lombard. Manalur Sandilya, Appointed Actuary of ICICI Lombard is a permanent invitee of the Board Meeting.

Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda Kochhar (DIN: 00043617)	Chairperson, Non- Executive, 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
Ashvin Parekh (DIN:06559989)	Non- Executive, Independent	F.C.A, AICWA, AICSA, Executive MBA, Insead Paris	Business strategy, Corporate planning, business transformation across various industries
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
Bhargav Dasgupta (DIN:00047728)	Managing Director	PGDM, IIM Bangalore, B.E. (Mechanical)	Banking & insurance.

Corporate Governance (Contd.)

Name of the Director	Category	Qualification	Field of Specialisation
Alok Kumar Agarwal (DIN:03434304)	Executive Director	B.E. (Chemical) PGDM, IIM Calcutta	Banking & insurance.
Neelesh Garg (DIN: 03435242) (upto February 2, 2015)	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 five times in the year under review on April 18, 2014, July 17, 2014, October 15, 2014, January 14, 2015 and March 31, 2015. 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 during the year
Chanda Kochhar	5/5
R. Athappan	1/5
Dileep Choksi	4/5
Zarin Daruwala	4/5
N. S. Kannan	5/5
S. Mukherji	5/5
Chandran Ratnaswami	2/5
M. K. Sharma	5/5
Ashvin Parekh	4/5
Bhargav Dasgupta	5/5
Alok Kumar Agarwal	5/5
Neelesh Garg (upto February 2, 2015)	4/5

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 FY2015 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/long term performance pay payable to the members of the staff and Wholetime Directors of ICICI Lombard, framing of guidelines for the Employees Stock Options Scheme and recommendation of the grant of stock options to the employees and Wholetime Directors of ICICI Lombard.

Composition

In terms of the provisions of Companies Act, 2013, the Board Nomination and Remuneration 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 four times in the year under review on April 18, 2014, July 17, 2014, January 14, 2015 and March 31, 2015.

Attendance record of the Members:

Name of Member	Number of Meetings Attended
M. K. Sharma, <i>Chairman</i>	4/4
Chanda Kochhar, <i>Non-executive Director</i>	4/4
Chandran Ratnaswami, <i>Non-executive Director</i>	2/4
Dileep Choksi, <i>Non-executive Director</i>	3/4

(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 ICICI Lombard, reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of ICICI Lombard, reviewing the broker policy and making suitable amendments from time to time and reviewing counter party/intermediary exposure norms.

In addition to the 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 ICICI Lombard 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 ICICI Lombard, the Chief 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 18, 2014, July 17, 2014, October 14, 2014 and January 14, 2015.

Attendance record of the Members:

Name of Member	Number of Meetings Attended
Chandran Ratnaswami ¹ , <i>Chairman</i>	1/4
N. S. Kannan, <i>Non-executive Director</i>	4/4
Bhargav Dasgupta, <i>Managing Director & CEO</i>	4/4
Manalur Sandilya, <i>Appointed Actuary</i>	3/4
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 April 18, 2014, July 17, 2014 and October 14, 2014, were chaired by N. S. Kannan in absence of Chandran Ratnaswami, Chairman of the Committee. The Meetings held on April 18, 2014 and July 17, 2014 were attended by Chandran Ratnaswami through con-call.

Corporate Governance (Contd.)

(iii) Audit Committee

Terms of reference

The functions of the Committee include overseeing the ICICI Lombard'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 including management report and solvency margin position, 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, show cause/inspection and audit reports, review ICICI Lombard'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 ICICI Lombard with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of ICICI Lombard, wherever it is necessary and monitoring the end use of funds raised through public offers and related matters, review of Policy on appointment of insurance agents.

Composition

The Audit Committee (the Committee) comprises five Non-executive Directors, three of whom are Independent Directors. The Managing Director & CEO, the Executive Directors, the Chief Financial Officer and the Chief Risk Officer, Internal Auditor, the Head of Group 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 18, 2014, June 20, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

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>	5/5
Ashvin Parekh, <i>Non-Executive Director</i>	3/5
M. K. Sharma, <i>Non-Executive Director</i>	4/5

(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, review of outsourcing guidelines.

Composition

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

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 18, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

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>	-
Ashvin Parekh, <i>Non-executive Director</i>	2/4
Bhargav Dasgupta, <i>Managing Director & CEO</i>	4/4

(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 IRDAI. 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 18, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

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

(vi) Corporate Social Responsibility Committee

Terms of reference

The functions of the Committee include review of corporate social responsibility (CSR) initiatives

Corporate Governance (Contd.)

undertaken by the ICICI Lombard, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the ICICI Lombard and recommendation of the amount of the expenditure to be incurred on such activities, review and recommend the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives as recommended/suggested by Companies Act.

Composition

The Corporate Social Responsibility Committee (the Committee) has been formed in accordance with the provisions of the Companies Act, 2013. The Committee was constituted in the Board Meeting held on April 18, 2014. It comprises of 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 two times in the year under review on October 14, 2014 and January 14, 2015.

Attendance record of the Members:

Name of Member	Number of Meetings Attended
M. K. Sharma, <i>Chairman</i>	2/2
S. Mukherji, <i>Non-executive Director</i>	2/2
R. Athappan, <i>Non-executive Director</i>	-
Bhargav Dasgupta, <i>Managing Director & CEO</i>	2/2

Independent Director's Meeting

The code of conduct for Independent Directors prescribed vide Schedule IV of the Companies Act, 2013, provides for an evaluation mechanism for the Board/Chairperson/ Non-executive Directors/Wholetime Directors which would need to be done at a separate Meeting of Independent Directors, without the attendance of Non-independent Directors and members of management.

Independent Directors of ICICI Lombard met on March 31, 2015 for FY2015 without the presence of Executive Directors, Non-executive Directors and management personnel to discuss the framework for evaluation of Directors. They also have a separate Meeting every quarter with the Non-executive Chairperson, without any of the Executive Directors being present, to discuss issues and concerns, if any.

Evaluation Mechanism

The Companies Act, 2013 provided that every listed company and such other class of companies as may be prescribed shall carry out evaluation of every Director's performance. The Companies Act, 2013 has also prescribed the code of conduct (the Code) for Independent Directors which provided that the Independent Directors shall meet atleast once in a year to review the performance of Non-independent Directors and the Board as a whole and the Chairperson of the Company. The Code also mentioned that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, the Board at its Meeting held on March 31, 2015 had adopted the framework for performance evaluation of the Directors, Chairperson and the Board. The Board had also carried out an evaluation of the Committees which was based on the assessment of the compliance with the terms of reference of the Committees.

The evaluation for the Directors and the Board were done through circulation of two questionnaires, one for the Directors and the other for the Board which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Policy on Directors' Appointment and Remuneration

The Board at its Meeting held on January 14, 2010 had approved adoption of Policy on appointment and compensation of employees (including Wholetime

Directors and senior management). The Compensation Guidelines forming part of Policy on appointment and compensation of employees was approved by the Board Nomination and Remuneration Committee at its Meeting held on April 13, 2012. The sitting fee payable to Independent Directors (other than Nominee Directors) as prescribed under the Companies Act, 2013 for attending Board and Committee Meetings was approved by the Board at its Meeting held on April 18, 2014. Further, the Board at its Meeting held on March 31, 2015 had approved the criteria for appointment of a Director, key managerial personnel and senior management.

IV. Details of Managerial Remuneration for FY2015:

(i) Wholetime Directors:

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

The details of remuneration of Wholetime Directors' are as under:

	(₹ 000's)	
	FY2014	FY2015
Salaries and allowances	80,804	123,096
Contribution to provident fund	2,908	3,214
Perquisites including perquisites, tax on ESOP's	2,611	36,170

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. The perquisites relate to the stock options granted by the Company and as exercised by the Director in FY2015.

The Managing/Wholetime Directors of the Company are granted stock options of the holding company i.e. ICICI Bank Limited (Bank) which is issued pursuant to the Employee Stock Option Scheme of the Bank.

The details of stock options granted by the Bank for FY2015 are as given below:

Names of Director	Amount (in ₹)
Bhargav Dasgupta	5,80,000
Alok Kumar Agarwal	1,25,000
Neelesh Garg	-

(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 ICICI Lombard other than the sitting fees payable to them. The Board at its Meeting held on April 18, 2014 had increased the sitting fees of Non-executive Independent Director to ₹ 100,000 for attending Board Meetings and the sitting fees for attending Committee Meetings is ₹ 20,000.

The details of sitting fees paid to Non-executive Independent Directors are as follows:

Names of Director	Amount (in ₹)
Dileep Choksi	5,60,000
M. K. Sharma	8,00,000
Ashvin Parekh	4,20,000

(iii) Non-executive nominee Directors:

Non-executive Nominee Directors were not paid any sitting fees during FY2015.

V. Internal Control

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

(i) Internal Audit Framework

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

ICICI Lombard has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures,

Corporate Governance (Contd.)

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 ICICI Lombard which is approved by the Audit Committee. The Board/Committee 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 IRDAI directives, ICICI Lombard 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 objective of the Risk Management Framework (the Framework) of ICICI Lombard is to ensure that various risks are identified, measured, mitigated and that policies, procedures and standards are established to address these risks for systemic response and adherence.

ICICI Lombard has identified enterprise wide risks, which are categorised under 5 broad groups namely Credit Risk, Market Risk, Underwriting Risk, Operational Risk and Strategic Risk. The broad structure of the Framework is as follows:

- ▶ Risk identification, assessment and mitigation process;
- ▶ Risk management and oversight structure; and
- ▶ Risk monitoring and reporting mechanism.

As part of the Enterprises Risk Management exercise, critical risks along with the detailed mitigation plan are presented to the Risk Management Committee on a quarterly basis. The risk mitigation plans are monitored regularly by ICICI Lombard to ensure their timely and appropriate execution. ICICI Lombard further measures

each of its risk items against a set of predefined tolerance levels. These levels and the subsequent tolerance scores are classified as high, medium and low risk respectively. The risks are further monitored on a quarterly basis by using a heat map based on probability and severity. A Risk Register is maintained to capture inventory of risks that ICICI Lombard is exposed to along with mitigation and corrective action plans. The Risk Management Committee is updated on the progress on a quarterly basis.

The senior management of ICICI Lombard is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. The Internal Audit Department is responsible for review of risk management processes within ICICI Lombard and for the review of self-assessments of risk management activities. Further, compliance testing is done on a periodic basis and the Risk Management Committee is kept apprised of the outcome of the same.

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

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

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

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
Twelfth AGM	Thursday, June 14, 2012	9.30 a.m.	ICICI Lombard House,
Thirteenth AGM	Monday, June 17, 2013	11.15 a.m.	414, Veer Savarkar Marg,
Fourteenth AGM	Friday, June 20, 2014	11.00 a.m.	Prabhadevi, Mumbai 400 025

Extraordinary General Meeting (EGM)

ICICI Lombard held an Extraordinary General Meeting on March 4, 2015 for extending exercise period of ESOS 2005 and for appointment of Independent Directors under the Companies Act, 2013.

One special resolution was passed by requisite majority and other 3 ordinary resolution were passed unanimously.

(ii) History of Dividends declared during last five years

Financial Year	Dividend Type	Percentage
2014-15	Final Dividend	20%
2013-14	-	-
2012-13	-	-
2011-12	-	-
2010-11	Final Dividend	14%

(iii) Details of significant and material orders passed by the Regulators/Courts/Tribunals during the year

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

(iv) Means of Communication

ICICI Lombard 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 ICICI Lombard. ICICI Lombard periodically publishes

its financial performance in print media and also hosts the same on its website.

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

(v) Corporate Identity Number (CIN)

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

(vi) Registrar and Transfer Agents

The Registrar and Transfer Agent of ICICI Lombard 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


Corporate Governance (Contd.)
(vii) 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 of India, 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 24, 2015

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 of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('Regulation') the following Management Report for the year ended March 31, 2015 is submitted:

1. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.
2. We certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDAI, outside India.
5. We confirm that the required solvency margin has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings - investments, agents balances, outstanding premiums, amount due from other entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipts, debt securities 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 IRDAI, as per the file and use procedure: this includes tariff as well as non tariff products.

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


Management Report (Contd.)

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 of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002 ('Regulation').

For the purpose of comparison, the fair value of debt securities has been arrived on a Yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government Securities and Crisil Bond Valuer in respect of other debt instruments.

Listed equity securities and convertible preference shares as at the balance sheet date are stated at fair value being the last quoted closing price on NSE. However, in case of any stock not being traded on NSE, the Company has valued them based on the last quoted closing price on BSE.

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

Investment Properties - Real Estate is stated at historical cost less accumulated depreciation.

Investments other than those mentioned above are valued at cost.

In accordance with the Regulation, unrealised gain/loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the 'fair value change account'. This

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

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, units of mutual fund and investment properties. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at each Balance Sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the investment is restated to that extent.

11. Investments as at March 31, 2015 amount to ₹ 101,997.2 million (Refer Schedule 8, Previous year: ₹ 93,089.8 million). Income from Investments amounted to ₹ 9,280.3 million (Previous year: ₹ 7,876.7 million).

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

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

12. We also confirm:

(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

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Gopal Balachandran
Chief Financial Officer

Mumbai, April 24, 2015

Details of Claims Outstanding during the preceding five years

Annexure -1

As at March 31, 2015

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	445	16,375.4	1,147	6,216.5	7	1,604.4	30,272	52,827.9	1,701	233,447.2	97	2,463.2	7	429.5
30 days to 6 Months	302	11,651.5	1,401	4,084.0	11	2,871.3	9,105	6,145.5	7,702	16,971.0	448	725.6	6	63.6
6 Months to 1 Year	532	15,732.7	227	1,804.2	9	1,648.2	306	839.8	7,294	16,674.3	210	255.0	6	120.4
1 Year to 5 Years	931	19,106.1	190	3,378.6	43	2,916.9	47	165.0	32,423	80,044.9	4	5.9	14	94.5
More than 5 Years	207	2,523.3	42	154.7	63	947.4	-	-	14,712	28,150.9	-	-	3	4.3
Grand Total	2,417	65,389.0	3,007	15,638.0	133	9,988.2	39,730	59,978.2	63,832	375,288.3	759	3,449.7	36	712.3

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

(₹ in lacs)

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

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
157	4,391.6	29	2,108.0	578	8,366.0	504,138	34,263.3	57	566.2	2,327	27,556.7	536,383	466,389.6
240	4,247.6	43	1,691.6	1,193	1,738.0	7,931	3,499.1	34	342.9	1,456	6,686.0	28,875	57,333.7
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

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

Annexure -1

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

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

(₹ 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

(₹ 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	120,605.8
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

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

Annexure -2

Particulars	For the year ended March 31, 2015		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	
	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)
Fire	3,187	309	2,587	397	1,837	141	1,326	120	1,436	133
Marine Cargo	26,973	76	26,259	44	24,058	55	22,763	59	16,989	56
Marine Hull	44	842	69	1,026	56	894	74	728	54	435
Motor	763,418	12	658,080	14	544,309	15	454,501	16	451,362	17
Workmen's Compensation	1,689	134	1,434	148	1,149	162	699	80	577	83
Public/Product Liability	212	52	4,125	60	13,413	58	9,784	26	11,877	28
Engineering	1,674	239	2,516	175	1,520	113	1,606	107	1,563	229
Aviation	135	246	175	296	105	256	52	177	18	99
Personal Accident	6,625	46	6,365	58	7,356	92	9,277	54	7,925	96
Health	2,584,015	9	5,698,323	13	4,443,879	15	3,827,703	15	7,620,495	15
Credit Insurance	96	270	45	119	56	598	15	165	75	222
Others	24,659	46	16,202	43	12,729	102	11,659	87	16,030	121
Total	3,412,727	11	6,416,180	14	5,050,467	16	4,339,459	16	8,128,401	16

* 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, 2015		For the year ended March 31, 2014	
	Claims Intimated	Amount (₹ in lacs)*	Claims Intimated	Amount (₹ in lacs)*
Fire	3,374	42,129.4	2,485	38,404.2
Marine Cargo	26,559	22,716.9	27,444	19,894.9
Marine Hull	28	5,930.8	51	2,644.6
Motor OD	769,196	134,008.8	664,066	121,255.9
Motor TP	23,149	80,684.2	23,288	65,129.9
Workmen's Compensation	1,410	2,495.5	1,564	2,104.6
Public/Product Liability	224	285.8	2,997	1,072.7
Engineering	1,685	8,893.1	2,478	21,601.3
Aviation	195	6,314.7	230	11,290.2
Personal Accident	6,338	12,517.1	6,583	9,773.6
Health	2,137,983	129,052.5	5,481,221	162,199.8
Credit Insurance	54	569.3	113	1,063.4
Others	24,806	71,133.1	17,439	51,626.7
Grand Total	2,995,001	516,731.2	6,229,959	508,061.8

* 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, 2015	For the year ended March 31, 2014
1	3i Infotech Limited	Mr. Dileep Choksi ¹	Director	-	94.0
		Mr. H. N. Sinor ²	Director		
2	Asian Paints Limited	Mr. M.K.Sharma	Director	460.9	112.7
3	Arvind Limited	Mr. Dileep Choksi ³	Director	15.4	-
4	Blue Star Limited	Mr. M.K.Sharma	Director	9.4	3.9
5	Bombay Gymkhana Limited	Ms. Chanda Kochhar	Member	1.7	4.6
		Mr. Dileep Choksi	Member		
6	Confederation of Indian Industry	Ms. Chanda Kochhar	Member	8.5	8.9
7	Cricket Club of India	Mr. Dileep Choksi	Member	3.9	5.5
		Mr. N. S. Kannan	Member		
8	FAL Corporation	Mr. Chandran Ratnaswami	Director	2,290.0	-
9	ICICI Bank Limited	Ms. Chanda Kochhar	Director	15,896.5	13,703.3
		Mr. N. S. Kannan	Director		
		Mr. Dileep Choksi	Director		
10	ICICI Foundation for Inclusive Growth	Ms. Chanda Kochhar	Trustee	525.6	229.3
		Mr. Bhargav Dasgupta	Trustee		
		Mr. N. S. Kannan	Trustee		
11	ICICI Home Finance Company Limited	Mr. Dileep Choksi	Director	224.1	206.6
12	ICICI Prudential Life Insurance Company Limited	Ms. Chanda Kochhar	Director	65.8	187.4
		Mr. N. S. Kannan	Director		
13	ICICI Securities Limited	Ms. Chanda Kochhar	Director	371.2	398.0
		Ms. Zarin Daruwala	Director		
14	ICICI Securities Primary Dealership Limited	Mr. N. S. Kannan	Chairman	18.9	6.7
15	International Insurance Society, New York, USA	Mr. Bhargav Dasgupta	Director member	3.1	-
16	International Paper APPM Limited (formerly: The Andhra Pradesh Paper Mills Ltd.)	Mr. M.K.Sharma ⁴	Director	73.3	16.5
17	JSW Steel Limited	Ms. Zarin Daruwala ⁵	Director	-	5.5
18	KEC International Limited	Mr. M.K.Sharma ⁶	Director	-	279.7
19	Knight Frank (India) Pvt. Ltd.	Mr. Dileep Choksi	Advisor	8.7	-
20	Lupin Limited	Mr. Dileep Choksi	Director	1,146.9	289.5
21	McKinsey & Company	Mr. H. N. Sinor ²	Member	-	389.5
22	NSE IT Limited	Mr. Dileep Choksi ⁷	Director	-	19.9
23	Thomas Cook (India) Limited	Mr. M.K.Sharma	Director	1,360.2	120.1
24	Wipro Limited	Mr. M.K.Sharma	Director	1,428.7	36.9
25	Others ⁹				
	National Sports Club Of India	Ms. Zarin Daruwala	Member		
		Mr. Neelesh Garg ⁸	Member		
	The Willingdon Sports Club	Ms. Chanda Kochhar	Member		
		Mr. N. S. Kannan	Member		
		Mr. Bhargav Dasgupta	Member		
	ICICI Prudential Asset Management Company Limited	Ms. Chanda Kochhar	Director		
		Mr. N. S. Kannan	Director		
		Mr. M.K.Sharma	Director		
	ICICI Venture Fund Management Company Limited	Mr. S. Mukherji	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 ICICI Lombard w.e.f. April 18, 2014

3 appointed as Director in Arvind Limited w.e.f. May 12, 2014

4 ceased to be Director in International Paper APPM Limited (formerly: The Andhra Pradesh Paper Mills Ltd.) w.e.f. January 23, 2015

5 ceased to be Director in JSW Steel Limited w.e.f. October 23, 2013

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

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

8 ceased to be Director in ICICI Lombard w.e.f. February 2, 2015

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

The background features a large orange shape on the left and bottom, a dark blue shape on the right, and a white background at the top. A small dark red triangle is positioned in the upper left, and a small blue circle is located on the boundary between the orange and white areas. A small red circle is located on the boundary between the orange and blue areas.

Financial Statements

Independent Auditors' Report

To the Members of
ICICI Lombard General Insurance Company Limited

Report on the 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, 2015, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue accounts'), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, a summary of the significant accounting policies and other explanatory notes thereon.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf and current practices prevailing within the insurance industry in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations').
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of

the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Act, 1999 and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
 - a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2015;
 - b. in the case of Revenue Account, of the operating profit in Fire and Miscellaneous business and operating loss in Marine business for the year ended on that date;
 - c. in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - d. in case of Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002, in our opinion and according to the information and explanations give to us, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) As the Company's accounts are centralised and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
 - (c) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (d) The Balance sheet, the Revenue account, the Profit and Loss account and the Receipts and Payments account dealt with by this report are in agreement with the books of account.
 - (e) The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
 - (f) Investments have been valued in accordance with the provisions of the Insurance Act, 1938 and Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Regulations and orders/directions issued by IRDAI in this regard.
 - (g) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (h) The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2015, 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 IRDAI and the Actuarial Society of India in concurrence with the IRDAI. In respect of reinsurance accepted from DR Pool, IBNR / IBNER has been recognised based on estimates received from DR Pool.
10. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 5.2.20 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts – Refer Note no. 5.2.21 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note no. 5.2.22 to the financial statements.
11. 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, 2015 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 IRDAI.

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Regn No:105049W

Narendra Jain

Partner

Membership No:048725

Mumbai, April 24, 2015

For **Chaturvedi & Co.**

Chartered Accountants

Firm Regn No: 302137E

S N 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, 2015, 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 and Insurance Laws (Amendment) Act, 2015 (to the extent notified) 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 24, 2015

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

S N Chaturvedi
Partner
Membership No: 040479

Balance Sheet

at March 31, 2015

Registration No. 115 dated August 3, 2001

(₹ in 000's)

	Schedule	At March 31, 2015	At March 31, 2014
Sources of funds			
Share capital	5	4,465,940	4,450,555
Reserves and Surplus	6	23,767,351	19,360,366
Share application money-pending allotment		1,986	3,069
Fair value change account		3,559,494	1,134,613
Borrowings	7	-	-
Total		31,794,771	24,948,603
Application of funds			
Investments	8	101,997,176	93,089,768
Loans	9	-	-
Fixed assets	10	3,896,625	3,894,946
Deferred tax asset (Refer note 5.2.16)		1,079,992	413,896
Current assets			
Cash and bank balances	11	1,416,861	1,619,661
Advances and other assets	12	28,173,237	36,430,522
Sub-Total (A)		29,590,098	38,050,183
Current liabilities	13	79,711,285	87,277,592
Provisions	14	25,057,835	23,222,598
Sub-Total (B)		104,769,120	110,500,190
Net current assets (C) = (A - B)		(75,179,022)	(72,450,007)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		31,794,771	24,948,603
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 24, 2015

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

Gopal Balachandran
Chief Financial Officer

Vikas Mehra
Company Secretary

Profit and Loss Account

for the year ended March 31, 2015

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Year ended March 31, 2015	Year ended March 31, 2014
1. Operating profit/(loss)			
(a) Fire Insurance		387,540	485,376
(b) Marine Insurance		(396,394)	(417,207)
(c) Miscellaneous Insurance		5,664,326	4,206,570
2. Income from investments			
(a) Interest, Dividend & Rent – Gross		1,431,530	1,129,758
(b) Profit on sale/redemption of investments		412,104	340,515
Less : Loss on sale/redemption of investments		(63,507)	(101,841)
3. Other income			
(a) Interest income on tax refund		17,841	49,799
(b) Profit on sale/discard of fixed assets		2,138	1,372
(c) Recovery of bad debts written off		1,037	23,419
Total (A)		7,456,615	5,717,761
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		141,585	85,291
(b) For doubtful debts		216,288	(161,042)
(c) For future recoverable under reinsurance contracts		10,773	(122,412)
(d) Others		-	-
5. Other expenses			
(a) Expenses other than those related to Insurance Business			
(i) Employees' remuneration and other expenses		14,365	10,080
(ii) Managerial remuneration		81,765	41,324
(iii) Directors' fees		1,940	600
(iv) CSR Expenditure		27,756	-
(b) Bad debts written off		25,137	637,026
(c) Loss on sale/discard of fixed assets		24,785	24,021
(d) Penalty (Refer note 5.1.14)		5,000	500
Total (B)		549,394	515,388
Profit before tax		6,907,221	5,202,373
Provision for taxation:			
(a) Current tax /MAT payable		2,217,172	892,765
Less : MAT credit entitlement		-	(892,765)
(b) Deferred tax (Income)/ Expense (Refer note 5.2.16)		(666,096)	88,814
Profit after tax		5,356,145	5,113,559
Appropriations			
(a) Interim dividends paid during the year		891,225	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		164,839	-
(d) Transfer to General Reserves		-	1,056,064
Balance of Profit/(Loss) brought forward from last year		4,184,559	(929,000)
Balance carried forward to Balance sheet		8,484,640	4,184,559
Basic earnings per share of ₹ 10 face value (Refer note 5.2.15)		₹ 12.03	₹ 11.50
Diluted earnings per share of ₹ 10 face value (Refer note 5.2.15)		₹ 11.93	₹ 11.38
Significant accounting policies and notes to accounts	16		

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

As per our attached report of even date

For and on behalf of the Board

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

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

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

Vikas Mehra
Company Secretary

Narendra Jain
Partner
Membership No:048725

SN Chaturvedi
Partner
Membership No: 040479

Mumbai, April 24, 2015

Revenue Accounts for the year ended March 31, 2015

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2014-15	2013-14
1. Premiums earned (net)	1	1,088,513	1,534,949
2. Profit on sale/redemption of investments		61,212	42,676
Less : Loss on sale/redemption of investments		(8,054)	(12,952)
3. Others			
Foreign exchange gain/(loss)		(1,059)	804
Investment income from pool (Terrorism)		176,736	145,181
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		181,536	142,140
Total (A)		1,498,884	1,852,798
1. Claims Incurred (net)	2	1,023,548	1,027,287
2. Commission (net)	3	(288,312)	(95,213)
3. Operating expenses related to insurance business	4	376,108	435,348
4. Premium deficiency		-	-
Total (B)		1,111,344	1,367,422
Operating Profit/(Loss) C = (A - B)		387,540	485,376
APPROPRIATIONS			
Transfer to Shareholders' Account		387,540	485,376
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		387,540	485,376
Significant accounting policies and notes to accounts	16		

We certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly, have been 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 24, 2015

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

SN Chaturvedi
Partner
Membership No: 040479

(₹ in 000's)

Marine		Miscellaneous		Total	
2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1,601,131	1,566,095	39,663,704	40,428,089	42,353,348	43,529,133
45,094	32,396	1,914,587	1,672,660	2,020,893	1,747,732
(5,933)	(9,832)	(251,901)	(507,634)	(265,888)	(530,418)
(2,051)	(2,893)	(5,831)	19,510	(8,941)	17,421
-	-	41,482	33,353	218,218	178,534
133,736	107,901	5,571,473	5,126,191	5,886,745	5,376,232
1,771,977	1,693,667	46,933,514	46,772,169	50,204,375	50,318,634
1,579,920	1,526,326	31,830,900	33,635,438	34,434,368	36,189,051
100,264	164,307	(3,550,165)	(2,359,979)	(3,738,213)	(2,290,885)
488,187	420,241	12,988,453	11,290,140	13,852,748	12,145,729
-	-	-	-	-	-
2,168,371	2,110,874	41,269,188	42,565,599	44,548,903	46,043,895
(396,394)	(417,207)	5,664,326	4,206,570	5,655,472	4,274,739
(396,394)	(417,207)	5,664,326	4,206,570	5,655,472	4,274,739
-	-	-	-	-	-
-	-	-	-	-	-
(396,394)	(417,207)	5,664,326	4,206,570	5,655,472	4,274,739

For and on behalf of the Board

Chanda Kochhar

Chairperson

Dileep Choksi

Director

Alok Kumar Agarwal

Executive Director

Vikas Mehra

Company Secretary

S. Mukherji

Director

Bhargav Dasgupta

Managing Director & CEO

Gopal Balachandran

Chief Financial Officer


Schedules forming part of the financial statements
Schedule – 1 Premium Earned (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	2014-15	2014-15	2014-15	2014-15			
Premium from direct business written-net of service tax	5,447,351	1,943,601	520,700	2,464,301	21,318,777	12,839,309	34,158,086
Add: Premium on reinsurance accepted	1,016,538	145,794	45,448	191,242	13,169	227,494	240,663
Less: Premium on reinsurance ceded	5,331,296	557,436	529,345	1,086,781	7,449,394	769,688	8,219,082
Net premium	1,132,593	1,531,959	36,803	1,568,762	13,882,552	12,297,115	26,179,667
Adjustment for change in reserve for unexpired risks	44,080	(19,406)	(12,963)	(32,369)	(675,066)	1,887,459	1,212,393
Total premium earned (net)	1,088,513	1,551,365	49,766	1,601,131	14,557,618	10,409,656	24,967,274

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine- Total			
	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

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
371,241	138,288	1,711,910	494,383	2,326,667	13,178,238	272,379	6,215,112	58,866,304	66,777,956
-	10,118	301,435	489,391	4,080	307,939	-	28,070	1,381,696	2,589,476
27,746	82,785	1,472,605	599,449	665,548	3,938,365	253,233	3,413,688	18,672,501	25,090,578
343,495	65,621	540,740	384,325	1,665,199	9,547,812	19,146	2,829,494	41,575,499	44,276,854
(3,023)	10,942	(16,905)	(2,062)	522,893	79,108	(599)	109,048	1,911,795	1,923,506
346,518	54,679	557,645	386,387	1,142,306	9,468,704	19,745	2,720,446	39,663,704	42,353,348

(₹ 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


Schedules forming part of the financial statements

Schedule – 2 Claims Incurred (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	2014-15	2014-15	2014-15	2014-15			
Claims paid- Direct	1,704,486	1,796,361	159,746	1,956,107	12,319,801	6,059,986	18,379,787
Add: Re-insurance accepted	516,997	51,540	139	51,679	1,048	15,017,268	15,018,316
Less: Re-insurance ceded	1,584,514	528,807	154,401	683,208	3,543,486	3,644,736	7,188,222
Net Claims paid	636,969	1,319,094	5,484	1,324,578	8,777,363	17,432,518	26,209,881
Add: Claims outstanding at the end of the year	1,780,839	1,030,435	131,940	1,162,375	3,863,042	26,649,287	30,512,329
Less: Claims outstanding at the beginning of the year	1,394,260	808,459	98,574	907,033	3,648,181	33,068,023	36,716,204
Total claims incurred	1,023,548	1,541,070	38,850	1,579,920	8,992,224	11,013,782	20,006,006

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	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 year	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

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
123,783	14,264	958,434	47,672	632,960	10,096,579	83,971	6,387,706	36,725,156	40,385,749
-	-	21,519	648,983	11,405	289,522	-	1,356	15,991,101	16,559,777
8,984	3,290	663,049	411,317	175,818	1,750,325	77,560	3,809,908	14,088,473	16,356,195
114,799	10,974	316,904	285,338	468,547	8,635,776	6,411	2,579,154	38,627,784	40,589,331
338,022	58,977	642,649	372,347	1,400,624	3,203,621	26,409	2,080,809	38,635,787	41,579,001
300,246	27,497	525,636	313,047	959,012	3,477,576	23,067	3,090,386	45,432,671	47,733,964
152,575	42,454	433,917	344,638	910,159	8,361,821	9,753	1,569,577	31,830,900	34,434,368

(₹ 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


Schedules forming part of the financial statements
Schedule – 3 Commission

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	2014-15	2014-15	2014-15	2014-15			
Commission paid							
-Direct	156,237	151,242	4,688	155,930	993,947	-	993,947
Add: Commission on re-insurance accepted	123,093	30,473	13,901	44,374	-	-	-
Less: Commission on re-insurance ceded	567,642	29,298	70,742	100,040	2,270,477	46,745	2,317,222
Net Commission	(288,312)	152,417	(52,153)	100,264	(1,276,530)	(46,745)	(1,323,275)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	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)

Schedule – 3A Commission Paid - Direct

(₹ in 000's)

Particulars	2014-15	2013-14
Agents	754,503	778,918
Brokers	1,226,942	1,478,108
Corporate agency	1,006,086	717,567
Referral	-	-
Total	2,987,531	2,974,593

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
31,712	10,452	77,233	9,676	236,183	1,043,535	17,673	254,953	2,675,364	2,987,531
-	538	38,012	92,513	41	13,178	-	5,975	150,257	317,724
5,829	9,130	331,730	6,119	474,915	2,810,761	42,373	377,707	6,375,786	7,043,468
25,883	1,860	(216,485)	96,070	(238,691)	(1,754,048)	(24,700)	(116,779)	(3,550,165)	(3,738,213)

(₹ 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)

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			
	2014-15	2014-15	2014-15	2014-15			
Employees' remuneration & welfare benefits	82,263	111,270	2,673	113,943	1,008,320	893,167	1,901,487
Travel, conveyance and vehicle running expenses	8,796	11,898	286	12,184	107,821	95,507	203,328
Training expenses	1,200	1,623	39	1,662	14,705	13,025	27,730
Rents, rates & taxes*	14,293	19,333	464	19,797	175,197	155,189	330,386
Repairs & maintenance	8,124	10,989	264	11,253	99,584	88,212	187,796
Printing & stationery	2,643	3,575	86	3,661	32,393	28,693	61,086
Communication	10,969	14,837	356	15,193	134,455	119,099	253,554
Legal & professional charges	41,441	24,060	578	24,638	218,035	193,134	411,169
Auditors' fees, expenses etc							
(a) as auditor	249	337	8	345	3,053	2,705	5,758
(b) as adviser or in any other capacity, in respect of							
(i) Taxation matters	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-
(c) in any other capacity	41	56	1	57	506	449	955
Advertisement and publicity	24,382	32,979	792	33,771	298,858	264,727	563,585
Interest & Bank charges	3,195	4,321	104	4,425	39,157	34,685	73,842
Others							
(a) Miscellaneous expenses	115,350	156,023	3,748	159,771	1,413,101	1,251,720	2,664,821
(b) Business & Sales promotion	49,435	66,867	1,606	68,473	605,945	536,743	1,142,688
Depreciation	13,727	18,568	446	19,014	168,259	149,044	317,303
Service tax on premium account	-	-	-	-	-	-	-
Total	376,108	476,736	11,451	488,187	4,319,389	3,826,099	8,145,488

* Rent expense is net off rental income of ₹ 24,421 thousand (previous year: ₹ 23,663 thousand)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	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 year: ₹ 20,451 thousand)

(₹ in 000's)

Miscellaneous									Total
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous	
2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
24,949	4,766	39,275	27,914	120,947	693,479	1,391	205,511	3,019,719	3,215,925
2,668	510	4,200	2,985	12,933	74,155	149	21,976	322,904	343,884
364	70	573	407	1,764	10,113	20	2,999	44,040	46,902
4,335	828	6,824	4,850	21,015	120,493	242	35,709	524,682	558,772
2,464	471	3,879	2,757	11,945	68,490	137	20,296	298,235	317,612
801	153	1,262	897	3,885	22,278	45	6,602	97,009	103,313
3,327	636	5,237	3,722	16,128	92,472	185	27,404	402,665	428,827
5,395	1,031	8,493	6,036	26,153	149,955	301	96,318	704,851	770,930
76	14	119	85	366	2,100	4	622	9,144	9,738
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
13	2	20	14	61	348	1	103	1,517	1,615
7,395	1,413	11,641	8,274	35,848	205,541	412	60,911	895,020	953,173
969	185	1,525	1,084	4,697	26,930	54	7,982	117,268	124,888
34,983	6,683	55,072	39,141	169,593	972,400	1,950	288,170	4,232,813	4,507,934
14,993	2,864	23,602	16,775	72,682	416,742	836	123,501	1,814,683	1,932,591
4,163	795	6,554	4,658	20,183	115,722	232	34,293	503,903	536,644
-	-	-	-	-	-	-	-	-	-
106,895	20,421	168,276	119,599	518,200	2,971,218	5,959	932,397	12,988,453	13,852,748

(₹ 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
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


Schedules forming part of the financial statements

Schedule – 5 Share Capital

(₹ in 000's)

Particulars	At March 31, 2015	At March 31, 2014
Authorised Capital		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	4,750,000	4,750,000
Issued Capital		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	4,465,940	4,450,555
Subscribed Capital		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	4,465,940	4,450,555
Called up Capital		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	4,465,940	4,450,555
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	4,465,940	4,450,555

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

Schedule – 5 A Share Capital
Pattern of shareholding
[As certified by the management]

Shareholder	At March 31, 2015		At March 31, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	325,883,744	72.97	325,883,744	73.22
- Foreign	114,499,002	25.64	114,499,002	25.73
Others-(Employees/others)	6,211,286	1.39	4,672,770	1.05
Total	446,594,032	100.00	445,055,516	100.00

Schedule – 6 Reserves and Surplus

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.16)		
Opening balance	14,842,165	13,882,772
Additions during the year	106,904	960,393
Deductions during the year - share issue expenses	-	1,000
Closing balance	14,949,069	14,842,165
4. General Reserves		
Opening balance	333,642	333,642
Additions during the year	-	-
Deductions during the year	-	-
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	8,484,640	4,184,559
Total	23,767,351	19,360,366

Schedule – 7 Borrowings

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-


Schedules forming part of the financial statements
Schedule – 8 Investments

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Long term investments		
Government securities and Government guaranteed bonds including		
Treasury Bills	38,183,566	33,077,043
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity (note 4 below)	10,391,422	4,945,338
(bb) Preference	53,970	51,894
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	16,795,957	13,468,070
(e) Other Securities (note 5 below)	1,470,000	500,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate (note 8 below)	1,390,844	-
Investments in Infrastructure and Social Sector	21,211,396	22,911,003
Other than Approved Investments	377,661	1,239,809
Total Long Term Investments	89,874,816	76,193,157
Short term investments		
Government securities and Government guaranteed bonds including		
Treasury Bills	-	102,542
Other Approved Securities (note 7 below)	424,129	175,248
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	750,090	1,372,263
(e) Other Securities (note 6 below)	7,728,771	14,074,491
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,662,127	1,050,900
Other than Approved Investments (note 3 below)	1,557,243	121,167
Total Short Term Investments	12,122,360	16,896,611
Total Investments	101,997,176	93,089,768

Notes:

- Aggregate book value of investments (other than listed equities) is ₹ 91,510,895 thousand (previous year: ₹ 87,941,910 thousand)
- Aggregate market value of investments (other than listed equities) is ₹ 98,925,088 thousand (previous year: ₹ 88,838,432 thousand)
- Includes investment in mutual fund amounting to ₹ 957,972 thousand (previous year: ₹ 121,167 thousand)
- Includes investments qualifying for infrastructure and social sector investments of ₹ 1,995,187 thousand (previous year: ₹ 837,848 thousand)
- Long term other securities includes Fixed deposit amounting to ₹ 1,470,000 thousand (previous year: Fixed deposits of ₹ 500,000 thousand)
- Short term other securities includes Certificate of deposits amounting to ₹ 5,841,809 thousand, Fixed deposits amounting to ₹ 500,000 thousand and Commercial Paper amounting to ₹ 1,386,962 (previous year: Certificate of deposits amounting to ₹ 9,111,991 thousand, Fixed deposits amounting to ₹ 4,962,500 thousand and Commercial Paper amounting to Nil).
- Short term "Other approved securities" consists of investment in reverse repo amounting to ₹ 424,129 (previous year: ₹ 175,248 thousand)
- Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 9,027 thousand.

Schedule – 9 Loans

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
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, 2015
	April 1, 2014	Additions	Deductions	
Goodwill	-	-	-	-
Intangibles - Computer Software*	2,176,079	376,830	5,030	2,547,879
Land-Freehold	2,411,770	-	-	2,411,770
Leasehold Property	-	-	-	-
Buildings	237,611	-	-	237,611
Furniture & Fittings	631,817	76,487	20,381	687,923
Information Technology Equipment	413,808	126,941	1,310	539,439
Vehicles	3,293	-	-	3,293
Office Equipment	342,263	33,953	14,138	362,078
Others	-	-	-	-
Total	6,216,641	614,211	40,859	6,789,993
Work in Progress				
Grand total	6,216,641	614,211	40,859	6,789,993
Previous year (refer note no. 4.10)	6,053,504	347,468	184,331	6,216,641

*Deductions from gross block includes grant received ₹ 2,255 thousand (previous year: ₹ NIL) and adjustments in depreciation includes accumulated depreciation thereon ₹ 1,274 (previous year: ₹ NIL) (refer note no. 5.2.8).

Schedule – 11 Cash and Bank Balances

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Cash (including cheques, drafts and stamps)	326,202	408,524
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)*	590,230	560,291
(bb) Others	-	-
(b) Current Accounts	500,429	650,846
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	1,416,861	1,619,661

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

(₹ in 000's)

Depreciation			Net Block		
April 1, 2014	For the year ended	On Sales/ Adjustments	March 31, 2015	March 31, 2015	March 31, 2014
-	-	-	-	-	-
1,436,432	367,425	4,049	1,799,808	748,071	739,647
-	-	-	-	2,411,770	2,411,770
-	-	-	-	-	-
14,480	3,966	-	18,446	219,165	223,131
496,791	52,584	19,789	529,586	158,337	135,026
347,696	62,548	1,273	408,971	130,468	66,112
2,482	484	-	2,966	327	811
189,247	40,617	9,663	220,201	141,877	153,016
-	-	-	-	-	-
2,487,128	527,624	34,774	2,979,978	3,810,015	3,729,513
				86,610	165,433
2,487,128	527,624	34,774	2,979,978	3,896,625	3,894,946
2,150,072	496,880	159,824	2,487,128	3,894,946	


Schedules forming part of the financial statements

Schedule – 12 Advances and Other Assets

(₹ in 000's)

Particulars	At March 31, 2015		At March 31, 2014	
Advances				
Reserve deposits with ceding companies		48,867		46,619
Application money for investments		-		-
Prepayments		127,976		89,513
Advances to Directors/Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		1,414,395		1,375,951
MAT credit entitlement		708,584		1,730,076
Others				
- Sundry Deposits	367,877		208,855	
- Provision for doubtful debts	(6,165)		(6,083)	
- Surplus in Gratuity fund	-		-	
- Advance for Investment in property	-		-	
- Advance to Employees against expenses	258	361,970	98	202,870
Total (A)		2,661,792		3,445,029
Other Assets				
Income accrued on investments/deposits		2,461,523		2,556,115
Outstanding Premiums	4,226,483		4,731,159	
Less : Provisions for doubtful debts	53,299	4,173,184	2,780	4,728,379
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	19,761,559		26,053,226	
Less : Provisions for doubtful debts	1,118,333	18,643,226	952,647	25,100,579
Due from subsidiaries/holding company		-		-
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]		-		-
Others				
- Service Tax unutilised credit	132,890		292,694	
- Service Tax paid in advance	60,274		54,782	
- Unsettled investment contract receivable	-		222,550	
- Margin deposit	40,000		30,000	
- Sundry receivable	348	233,512	394	600,420
Total (B)		25,511,445		32,985,493
Total (A + B)		28,173,237		36,430,522

Schedule – 13 Current Liabilities

(₹ in 000's)

Particulars	At March 31, 2015		At March 31, 2014	
Agents' Balances		72,085		65,960
Balances due to other insurance companies (net)		1,910,405		3,099,040
Deposits held on re-insurance ceded		2,788,889		4,820,511
Premiums received in advance		1,010,614		805,448
Unallocated Premium		2,083,648		1,727,950
Sundry Creditors		2,257,967		2,629,169
Due to subsidiaries/ holding company		52,601		44,055
Claims Outstanding (gross)		65,623,094		70,770,449
Due to Officers/ Directors		-		-
Others:				
- Statutory Dues	202,089		278,338	
- Salary Payable	19,500		18,493	
- Collections - Environment Relief fund (refer note no. 5.2.9)	131		205	
- Unclaimed amount of policyholders	1,151,153		1,013,466	
- Book Overdraft	1,917,935		1,477,818	
- Employee rewards	593,183		518,977	
- Deposits	27,954		7,713	
- Interim dividends payable	37		-	
- Service Tax Liability	-	3,911,982	-	3,315,010
Total		79,711,285		87,277,592

Schedule – 14 Provisions

(₹ in 000's)

Particulars	At March 31, 2015		At March 31, 2014	
Reserve for unexpired risk		24,602,834		22,679,328
Reserve for premium deficiency		-		-
For taxation (less advance tax paid and taxes deducted at source)		-		-
For proposed dividends		-		-
For dividend distribution tax		-		-
Others				
- Gratuity	1,502		14,059	
- Long term performance pay	258,029		348,701	
- Accrued leave	71,832		67,645	
- For future recoverable under reinsurance contracts	123,638	455,001	112,865	543,270
Total		25,057,835		23,222,598

Schedules forming part of the financial statements

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

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
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, 2015

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 of India ('IRDAI') and holds a valid certificate of registration.

2 **Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards referred to in section 133 of the Companies Act, 2013, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders/ directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

3 **Use of estimates**

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

4 **Significant accounting policies**

4.1 **Revenue recognition**

Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement

of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. 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 as confirmed by reinsurers and combined with commission on reinsurance ceded.

Income earned on investments

Interest/rental 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 constant yield 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 fund units the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account.

Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

4.2 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

4.3 Reinsurance premium

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

Schedules forming part of the financial statements

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.

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 IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

4.6 Acquisition costs

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

4.7 Premium deficiency

Premium deficiency is recognised 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 reinsurance acceptances from declined risk pool is not

considered as per regulatory guidelines. 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 constant yield basis over the holding period/maturity.

Equity shares and Convertible preference shares

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

Mutual funds (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

Investment Properties – Real Estate

Investment Properties – Real Estate are stated at historical cost less accumulated depreciation.

(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.

Schedules forming part of the financial statements

Investments other than those mentioned above are valued at cost.

(D) Impairment of Investments

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity and units of mutual fund. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the investment is restated to that extent.

Impairment for Investment properties is assessed at each balance sheet date. The impairment loss, if any is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value.

4.9 Employee Stock Option Scheme ("ESOS")

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

4.10 Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

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

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

Depreciation on fixed assets is provided using the rates based on the economic useful life of assets as estimated by the management/limits specified in Schedule II of the Companies Act, 2013 as below:

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years
Building	60.00	60.00
Information Technology equipment – Servers & Networks	3.00	6.00
Information Technology equipment – Others	3.00	3.00
Furniture & Fittings	6.67	10.00
Office Equipment	10.00	5.00
Vehicles	5.00	8.00

In case of Office Equipment, the management estimate of the useful life is higher and for Information Technology equipment (Servers & Networks), Furniture & Fitting and Vehicles, the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013.

This is based on the consistent practices followed, past experience and duly supported by technical advice.

Depreciation on Furniture & Fittings in leased premises is recognised on a straight-line basis over the primary period of lease or useful life as determined by management, whichever is lower.

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

Intangibles Assets

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

Impairment of Assets

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

4.11 Operating Lease

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

4.12 Employee benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority 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 are recognised in the revenue account(s) and profit and loss account.

Long Term Performance pay

Long Term Performance pay is provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account.

Schedules forming part of the financial statements

4.13 Foreign currency transactions

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

The premium or discount arising at the inception of a forward exchange contract, not intended for trading or speculation purpose, is amortised as expense or income as the case may be over the life of the contract. Exchange difference on account of change in rates of underlying currency at the expiry of the contract period is recognised in the revenue account(s) and profit and loss account. Any profit or loss arising on cancellation or roll-over of such a forward exchange contract is recognised as income or expense for the contract period.

4.14 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.

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.

Schedules forming part of the financial statements

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

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

5. Notes to accounts

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent liabilities

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
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)	681,404	1,103,216
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	-	-

Note: The Company has disputed the demand raised by Income Tax Authorities of ₹ 606,781 thousand (previous year: ₹ 1,029,672 thousand) and Service Tax Authorities of ₹ 74,623 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, 2005-06, 2006-07 & 2009-10 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 ₹ 215,481 thousand (previous year: ₹ 203,224 thousand).

5.1.4 Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 85,459 thousand (previous year: ₹ 110,459 thousand)

5.1.5 Claims

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

Particulars	(₹ in 000's)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
In India	40,299,722	30,465,279
Outside India	289,609	550,390

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

Particulars	(₹ in 000's)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
More than six months	21,941,570	18,398,123
Others	43,681,524	52,372,326

Claims settled and remaining unpaid for more than six months is ₹ NIL (previous year: ₹ NIL).

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognised on actuarial basis. Accordingly, the Appointed Actuary has certified the fairness of the liability assessment, assuming 'Nil' discount rate.

In this context, the following claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments.

Product Name: Personal protect

Particulars	(₹ in 000's)			
	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Count	Amount	Count	Amount
Intimated	225	1,21,000	165	94,040
Paid	288	19,011	63	12,625
Outstanding	150	96,332	87	70,967

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

Sector	For the year ended March 31, 2015					For the year ended March 31, 2014				
	GDPI	No. of	% of	No. of	% of	GDPI	No. of	% of	No. of	% of
	₹ in 000's	Policies	Policy	lives	GDPI	₹ in 000's	Policies	Policy	lives	GDPI
Rural	5,116,227	529,854	3.82	-	7.66	7,232,700	419,492	3.74	-	10.55
Social	41,332	2	0.00	77,050	0.06	42,567	2	0.00	81,389	0.06
Urban	61,620,397	13,336,945	96.18	-	92.28	61,286,378	10,802,590	96.26	-	89.39
Total	66,777,956	13,866,799	100.00	-	100.00	68,561,645	11,222,084	100.00	-	100.00

Schedules forming part of the financial statements

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, 2015		For the year ended March 31, 2014	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	25%	75%	31%	69%
Marine – Cargo	Value at risk	80%	20%	79%	21%
Marine – Hull	Value at risk	18%	82%	19%	81%
Miscellaneous					
- Engineering	Total sum insured	33%	67%	34%	66%
- Motor (refer note 5.2.4)	Total sum insured	76%	24%	75%	25%
- Workmen's Compensation	Value at risk	95%	5%	95%	5%
- Public Liability	Value at risk	61%	39%	50%	50%
- Personal Accident	Value at risk	73%	27%	75%	25%
- Aviation	Value at risk	63%	37%	73%	27%
- Health	Value at risk	71%	29%	68%	32%
- Credit Insurance	Value at risk	7%	93%	8%	92%
- Others	Value at risk	51%	49%	49%	51%

5.1.8 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 11,731 thousand (previous year: ₹ 27,492 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis is ₹ 7,884,287 thousand (previous year: ₹ 4,134,245 thousand).

All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (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.

(C) Investment Properties – Real Estate

During the year ended March 31, 2015, the Company has purchased Investment Properties (Real Estate) valued at ₹ 1,399,872 thousand (previous year: ₹ NIL). The fair value of these investment properties as at March 31, 2015 is ₹ 1,399,872 thousand which based on a valuation report.

(D) Amortisation of premium or accretion of discount on debt securities and non-convertible preference shares

During the year ended March 31, 2015, the Company has changed the basis of amortisation of premium or accretion of discount over the holding period/maturity from straight line method to constant yield method. As a result of this change, the operating profit in the revenue accounts, profit before tax and the value of investments are lower by ₹ 139,005 thousand (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, 2015	For the year ended March 31, 2014
Contribution to staff provident fund	131,544	118,131

Schedules forming part of the financial statements

(B) Defined benefit plan

Gratuity

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

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below.

	(₹ in 000's)	
Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2015	For the year ended March 31, 2014
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	307,903	272,949
Current Service Cost	48,491	46,519
Interest Cost	31,001	24,613
Actuarial Losses/(Gain)	27,324	(234)
Liabilities assumed on Acquisition	5,218	-
Benefits Paid	(35,493)	(35,944)
Closing Defined Benefit Obligation	384,444	307,903
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	293,845	236,474
Expected Return on Plan Assets	22,479	18,455
Actuarial Gains/(Losses)	26,893	14,860
Contributions by Employer	70,000	60,000
Assets acquired on acquisition	5,218	-
Benefits paid	(35,493)	(35,944)
Closing Fair Value of Plan Assets	382,942	293,845
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, 2015	At March 31, 2014
Fair Value of Plan Assets at the end of the year	(382,942)	(293,845)
Present Value of the defined obligations at the end of the year	384,444	307,903
Liability recognised in the balance sheet	1,502	14,059
Asset recognised in the balance sheet	-	-
Investment details of plan assets		
100% Insurer Managed Funds	382,942	293,845
Assumptions		
Discount Rate	7.90% p.a.	9.33% 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, 2015	For the year ended March 31, 2014
Current Service Cost	48,491	46,519
Interest on Defined Benefit Obligation	31,001	24,613
Expected return on Plan Assets	(22,479)	(18,455)
Net Actuarial Losses/(Gains) recognised in year	431	(15,093)
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	57,444	37,584

Experience adjustments of five years is given below

(₹ in 000's)

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation	384,444	307,903	272,949	228,357	189,667
Plan assets	382,942	293,845	236,474	237,011	209,384
Surplus/(Deficit)	(1,502)	(14,059)	(36,475)	8,654	19,717
Exp.Adj on Plan Liabilites	5,957	25,459	3,634	10,137	2,943
Exp.Adj on Plan Assets	26,894	14,860	7,996	(290)	231

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, 2015	For the year ended March 31, 2014
Opening Balance	67,645	62,784
Add: Provision made during the year	4,187	4,861
Closing balance	71,832	67,645

Schedules forming part of the financial statements

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.

Particulars	(₹ in 000's)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	348,701	311,597
Add: Provision made during the year	(90,672)	37,104
Closing balance	258,029	348,701
Assumptions		
Discount Rate	8.00% p.a.	9.33% p.a.

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, 2015	For the year ended March 31, 2014
Salaries and allowances	123,096	80,804
Contribution to provident and other funds	3,214	2,908
Perquisites	455	2,611

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, 2015 the Company has allotted 1,538,516 equity shares (previous year: 948,080 shares) under ESOP raising ₹ 122,289 thousand (previous year: ₹ 40,797 thousand).

During the year the Company has not made any preferential allotment (previous year the Company had made the allotment of shares under preferential issue of 7,092,197 equity share of ₹ 10 each at a premium of ₹ 131 per share to the promoters raising ₹ 1,000,000 thousand).

(B) Share Application

At March 31, 2015 the Company has received share application money of ₹ 1,986 thousand (previous year: ₹ 3,069 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, 2015	For the year ended March 31, 2014
Outsourcing expenses	1,337,551	1,227,100
Business development	1,932,635	1,260,465
Marketing support	953,173	883,372

5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2015:

SI No.	Authority	(₹ in 000's)			
		Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	5,000 (500)	5,000 (500)	5,000 (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)	- (2,468)	- (2,494)	- (-)

Figure in brackets pertain to year ended March 31, 2014


Schedules forming part of the financial statements

5.1.15 Summary of Financial Statements for five years:

	(₹ in 000's)				
Particulars	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11
Operating Result					
Gross direct premium	66,777,956	68,561,645	61,339,850	51,501,386	42,518,748
Net premium income [#]	44,276,854	44,979,957	41,454,927	41,087,394	30,331,834
Income from investments (net) [@]	7,641,750	6,593,546	4,634,211	3,082,833	2,589,359
Other income	209,277	195,955	132,742	881,528	622,489
Total income	52,127,881	51,769,458	46,221,880	45,051,755	33,543,682
Commissions (net) (including brokerage)	(3,738,213)	(2,290,885)	(1,831,182)	(613,538)	(543,007)
Operating expenses	13,852,748	12,145,729	10,180,673	8,728,920	6,797,879
Net incurred claims & other outgoes	34,434,368	36,189,051	33,788,889	36,007,854	27,324,929
Change in unexpired risk reserve	1,923,506	1,450,824	1,362,412	5,597,396	1,770,187
Operating Profit/(Loss)	5,655,472	4,274,739	2,721,088	(4,668,877)	(1,806,306)
Non - Operating Result					
Total income under shareholder's account (net of expenses)	1,251,749	927,634	95,676	716,732	982,886
Profit/(Loss) before tax	6,907,221	5,202,373	2,816,764	(3,952,145)	(823,420)
Provision for tax	1,551,076	88,814	(240,989)	211,147	(19,992)
Profit/(Loss) after tax	5,356,145	5,113,559	3,057,753	(4,163,292)	(803,428)
Miscellaneous					
Policy holder's account:					
Total funds	70,427,250	73,972,565	66,485,230	60,322,530	40,382,814
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Shareholder's account:					
Total funds	28,233,291	23,810,921	17,657,566	14,580,600	15,308,265
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Paid up equity capital	4,465,940	4,450,555	4,370,152	4,365,839	4,045,672
Net worth**	28,233,291	23,810,921	17,657,566	14,580,600	15,308,265
Total assets	136,563,891	135,448,793	118,686,969	105,251,554	82,286,865
Yield on total investments (annualised)	10%	9%	9%	8%	9%
Earnings per share (₹)	12.03	11.50	7.00	(9.56)	(1.99)
Book value per share (₹)	63.22	53.50	40.40	33.40	37.84
Total dividend (excluding dividend tax)	891,225	-	-	-	565,889
Dividend per share (₹)	2.00	-	-	-	1.40

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, 2015 refer Annexure 1a and 1b and for March 31, 2014 refer Annexure 2a and 2b.
- (B) Solvency Margin

	(₹ in 000's)	
Solvency Margin	At March 31, 2015	At March 31, 2014
Required solvency margin under IRDAI Regulations (A)	11,894,700	11,856,200
Available solvency margin (B)	23,156,100	20,372,300
Solvency ratio actual (times) (B/A)	1.95	1.72
Solvency ratio prescribed by Regulation	1.50	1.50

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 thirteenth 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 (2005, 2006 & 2007):

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

Performance ESOPs (2008):

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

Performance ESOPs (2009):

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

Performance ESOPs (2010):

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

Performance ESOPs (2011):

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

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

During the year ended March 31, 2015, the Company has extended the maximum term of options by an additional period of 3 years for options which were granted between the years 2005 to 2007. The incremental compensation cost and charge to profit and loss account for the year ended March 31, 2015 would have been higher by ₹ 12,361 thousand had the Company followed the fair valuation method for accounting for such options.

The compensation cost and charge to the profit and loss account for all the grants (2005 to 2011) for the year ended March 31, 2015 would have been higher by ₹ 4,472 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 ₹ 12.02 and ₹ 11.92.

Schedules forming part of the financial statements

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, 2015	At March 31, 2014	At March 31, 2015	At March 31, 2014
Outstanding at the beginning of the year	8,009	9,223	1,835	1,875
Add: Granted during the year	-	-	-	-
Add/Less: Options reclassified during the year*	715	-	(715)	-
Less: Forfeited/lapsed during the year	(254)	(320)	-	-
Less: Exercised during the year	(1,449)	(895)	(20)	(40)
Outstanding at the end of the year	7,021	8,009	1,100	1,835
Exercisable at the end of the year	7,021	7,509	1,100	1,645

*Consequent to resignation of Mr. Neelesh Garg – Executive Director with effect from February 2, 2015.

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, 2015 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 IRDAI from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

5.2.2 Provision for Free Look period

The provision for Free Look period is duly certified by the Appointed Actuary.

5.2.3 Contribution to terrorism pool

The Company in accordance with the requirements of IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium 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 ₹ 15 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, 2014 (previous year: December 31, 2013) as per the last confirmation received.

5.2.4 Declined Risk Pool

In accordance with the directions of the IRDAI, effective April 1, 2012, the Company, together with other insurance companies has participated in the DR Pool, a multilateral reinsurance arrangement, 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 IRDAI instructions and guidelines of the declined risks.

During the year ended March 31, 2015, the Company has received the audited statements from DR Pool for the year ended March 31, 2014, and for the nine months ended December 31, 2014. The Company has actualised the provisionally estimated premium and claims for the quarter ended March 31, 2014 and nine months ended December 31, 2014 respectively, based on the above statements. For the quarter ended March 31, 2015 pending the receipt of the audited statement from the DR pool the Company has recognised its share of the pool based on internal estimates of market gross premium, DR pool size, its share and the ultimate loss ratio as per last audited statement received from the DR pool. Necessary revision in estimates will be made upon receipt of the audited statements from the DR pool.

During the year ended March 31, 2015, IRDAI has issued Order no. IRDA/NL/ORD/MPL/251/11/2014 dated November 27, 2014 declaring the ultimate loss ratio (ULR) for the DR pool for the 2013-14 at 175% against provisional ultimate loss ratio of 210% as well as advised a provisional ultimate loss ratio of 175% for the 2014-15.

The change in ultimate loss ratio (ULR) from 210% to 175% has resulted in an impact of ₹ 174,188 thousand pertaining to 2013-14 and consequently profit before tax for the year ended March 31, 2015 is higher to that extent.

Necessary impact consequent to revision in estimated ultimate loss ratios for the quarter ended March 31, 2015 will be given upon receipt of final ultimate loss ratio 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 ₹ 106,680 thousand (previous year: ₹ 444,937 thousand) on dues to Indian Motor Third Party Insurance Pool (IMTPIP) @ 7.5% p.a consequent to clean cut settlement.

Schedules forming part of the financial statements

5.2.6 Re-insurance inward

The results of reinsurance inward are accounted as per last available statement of accounts/ confirmation from reinsurers.

5.2.7 Contribution to Solatium fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at 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 ₹ 1,904 thousand (US\$ 30,000) (previous year: ₹ 1,806 thousand (US\$ 28,000)). The cumulative disbursement received up to March 31, 2015 is ₹ 16,040 thousand (US\$ 300,000) (previous year: ₹ 14,136 thousand (US\$ 270,000)) 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 Swasthya 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, 2015
Disbursement received	1,904	16,040
	(1,806)	(14,136)
Capital expenditure incurred	2,255	9,666
	(-)	(7,411)
Revenue expenditure incurred		
Employees' remuneration & welfare benefits	-	1,667
	(669)	(1,667)
Travel, conveyance and vehicle running expenses	-	401
	(254)	(401)
Legal & professional charges	590	2,575
	(360)	(1,985)
Miscellaneous expenses	-	300
	(-)	(300)
Business & Sales promotion	-	1,360
	(-)	(1,360)
Total	590	6,303
	(1,283)	(5,713)
Unspent amount		71
		(1,012)

Figure in brackets pertain to year ended March 31, 2014

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".

5.2.9 Environment Relief Fund

There is ₹ 131 thousand outstanding (Previous year: ₹ 205 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, 2015	At March 31, 2014
a. not later than one year	2,152	2,674
b. later than one year and not later than five years	2,595	4,634
c. later than five years	-	-

An amount of ₹ 2,262 thousand (previous year: ₹ 3,100 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, 2015. 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. Segment revenue & results have been disclosed in the Revenue accounts.


Schedules forming part of the financial statements

Segmental Assets & Liabilities to the extent identifiable to business segments are given below:

(₹ in 000's)

Segment	Current Liabilities		Current Assets
	Year	Claims Outstanding	Outstanding Premium
Fire	2014-15	6,538,900	8,015
	2013-14	4,698,427	7,992
Engineering	2014-15	2,242,032	17,212
	2013-14	2,398,436	10,450
Marine Cargo	2014-15	1,563,804	-
	2013-14	1,273,127	-
Marine Hull	2014-15	998,826	-
	2013-14	570,518	-
Motor OD	2014-15	5,997,814	-
	2013-14	4,608,483	-
Motor TP	2014-15	37,528,833	-
	2013-14	45,481,201	-
Workmen's Compensation	2014-15	344,964	-
	2013-14	309,339	-
Public/Product Liability	2014-15	71,229	-
	2013-14	34,603	-
Personal Accident	2014-15	1,781,630	-
	2013-14	1,228,550	-
Aviation	2014-15	963,088	-
	2013-14	1,020,615	-
Health	2014-15	3,627,259	2,437,082
	2013-14	3,926,344	2,076,057
Credit Insurance	2014-15	88,852	-
	2013-14	114,670	-
Others	2014-15	3,875,863	1,710,875
	2013-14	5,106,136	2,633,880
Total Amount	2014-15	65,623,094	4,173,184
	2013-14	70,770,449	4,728,379

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.

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

Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO

Alok Kumar Agarwal, Executive Director

Neelesh Garg, Executive Director (ceased to be Director w.e.f from February 2, 2015)

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

Meghna Dasgupta : Daughter of Bhargav Dasgupta

Manoj Kumar Agarwal : Brother of Alok Kumar Agarwal

Brij Mohan Gupta : Brother of Alok Kumar Agarwal


Schedules forming part of the financial statements

Details of transaction with related parties for the year ended March 31, 2015 are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		Venturer in Joint Venture	
Premium income	1,070,117	8,228	2,744	161,986	66,449	32,440	-	135
	(978,517)	(8,246)	(2,735)	(177,290)	(66,145)	(31,543)	(-)	(42)
Income from interest & dividend	17,347	-	-	-	-	-	-	-
	(9,980)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Issue of share capital	-	-	-	-	-	-	-	200
	(52,482)	(-)	(-)	(-)	(-)	(-)	(18,440)	(400)
Share premium on share issued	-	-	-	-	-	-	-	500
	(687,518)	(-)	(-)	(-)	(-)	(-)	(241,560)	(1,000)
Claim payments net of claims received	158,468	-	1,886	-1,627	27,246	39	-	-
	(326,677)	(-)	(672)	(10,410)	(23,490)	(58)	(-)	(-)
Commission/ Brokerage payouts	677,193	25,875	-	-	9,146	-	-	-
	(538,893)	(14,279)	(-)	(-)	(9,626)	(-)	(-)	(-)
Investment								
- Purchases	15,608,696	-	6,474,688	2,691,901	-	-	-	-
	(12,107,795)	(-)	(3,270,895)	(676,905)	(-)	(-)	(-)	(-)
- Sales	14,500,074	-	878,455	2,509,507	-	-	-	-
	(10,392,485)	(-)	(1,707,629)	(-)	(-)	(-)	(-)	(-)
Premium Paid	-	-	-	5,402	-	-	-	-
	(-)	(-)	(-)	(5,838)	(-)	(-)	(-)	(-)
Establishment & other expenditure	256,736	-12,682	-	-3,749	599	-	-	126,765
	(219,813)	(-10,108)	(-)	(-5,810)	(-104)	(-)	(-)	(86,324)
Dividend Paid	651,767	-	-	-	-	-	228,998	113
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2014

Balances with related parties at March 31, 2015, are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		Venturer in Joint Venture	
Assets								
Cash, Bank	-827,574	-	-	-	-	-	-	-
Balances & Deposits	(-762,678)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Income accrued on investments	499 (226)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Liabilities								
Capital	3,258,837 (3,258,837)	- (-)	- (-)	- (-)	- (-)	- (-)	1,144,990 (1,144,990)	- (550)
Share premium	10,872,192 (10,872,192)	- (-)	- (-)	- (-)	- (-)	- (-)	3,819,959 (3,819,959)	- (1,375)
Premium received in advance/Cash deposits	420,986 (379,789)	2,141 (8,912)	61 (64)	955 (191)	596 (625)	1,027 (17,281)	- (-)	- (-)
Others liabilities/ Payables	187,221 (225,372)	5,205 (-4,474)	267 (-)	17,069 (21,205)	7,233 (10,438)	2,611 (2,507)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2014

Schedules forming part of the financial statements

5.2.14 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2015

At March 31, 2015 the Company has not appropriated/ written back the unclaimed amount of policyholders. (Reference IRDAI circular no IRDA/F&I/CIR/CMP/174/11/2010 dated November 4, 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	193,233 (182,635)	5,570 (9,750)	9,455 (5,894)	5,740 (7,767)	5,810 (5,011)	7,626 (14,902)	159,032 (139,311)
Cheques issued but not encashed by the policyholder/ insured	797,307 (753,323)	81,397 (136,198)	60,052 (65,088)	58,069 (72,592)	56,359 (80,538)	68,029 (72,746)	473,401 (326,161)
Total	990,540 (935,958)	86,967 (145,948)	69,507 (70,982)	63,809 (80,359)	62,169 (85,549)	75,655 (87,648)	632,433 (465,472)

Figure in brackets pertain to year ended March 31, 2014

The Company was deriving ageing of unclaimed amount from the date of issuance of cheque/ instruments till March 31, 2014. However, in the current year, the ageing is derived from the date of the expiry of cheque/instruments.

5.2.15 Details of earning per share for the year ended March 31, 2015

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Profit/(loss) available to equity shareholders ₹	5,356,145	5,113,559
Weighted average number of equity shares		
Number of shares at the beginning of the year	445,056	437,015
Share issued during the year	1,538	8,041
Total number of equity share outstanding at the end of the year	446,594	445,056
Weighted average number of equity shares outstanding during the year	445,319	444,683
Add : Effect of dilutive issues of options and share application pending allotment	3,683	4,657
Diluted weighted average number of equity shares outstanding during the year	449,002	449,340
Nominal value of equity shares ₹	10.00	10.00
Basic earning per share ₹	12.03	11.50
Diluted earning per share ₹	11.93	11.38

5.2.16 Deferred taxes

The major components of deferred tax are as under:

Particulars	(₹ in 000's)	
	Deferred tax asset at March 31, 2015	Deferred tax asset at March 31, 2014
Timing differences on account of:		
Reserve for Unexpired Risks	581,457	-
Provision for escalation in lease rentals	25,381	25,724
Leaves accrued	24,861	22,992
Provision for doubtful debts	448,293	365,180
Total	1,079,992	413,896
Net deferred tax asset/(liability)	1,079,992	413,896
Deferred tax expense/(income) recognised in the Profit and Loss A/c	(666,096)	88,814

Schedules forming part of the financial statements

5.2.17 REPO/Reverse repo transactions

(₹ in 000's)

	For the year ended March 31, 2015			Outstanding at March 31, 2015
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	
Securities sold under repo (At cost)				
Government Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Securities purchased under repo (At cost)				
Government Securities	175,248	2,511,807	69,110	424,129
	(19,924)	(6,809,475)	(965,423)	(175,248)
Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2014

5.2.18 During the year ended March 31, 2015 the Company has changed the useful life of Building from 61.35 years to 60.00 years and the impact of the same on profits for the year is not material.

5.2.19 As at March 31, 2015 there are no outstanding forward exchange contracts.

5.2.20 The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer Note no. 5.1.1 for details on contingent liabilities)

5.2.21(A) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard.

(B) As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.

5.2.22 For the year ended March 31, 2015, the company is not required to transfer any amount into the Investor Education & Protection Fund.

5.2.23 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)	Schedule 13 (Current Liabilities)	March 2014	12,408	Better classification.
	- Others	-Others			
	- Unclaimed amount of policyholders	- Sundry Creditors			

2. Previous year numbers in Note no. 5.2.14 have been rearranged according to the current method of deriving the ageing of unclaimed amount of policyholders.

For and on behalf of the Board

Chanda Kochhar

Chairperson

Dileep Choksi

Director

Alok Kumar Agarwal

Executive Director

Vikas Mehra

Company Secretary

S. Mukherji

Director

Bhargav Dasgupta

Managing Director & CEO

Gopal Balachandran

Chief Financial Officer

Mumbai, April 24, 2015

Annexure-1a Analytical Ratios as at March 31, 2015

Sr. No.	Particulars	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen's compensation
1	Gross Direct Premium Growth Rate	-3%	12%	2%	-16%	-2%	3%	13%	6%	-2%
2	Gross Direct Premium to Net Worth Ratio	2.37								
3	Growth rate of Net Worth	19%								
4	Net Retention Ratio	64%	18%	73%	7%	59%	65%	94%	76%	93%
5	Net Commission Ratio	-8%	-25%	10%	-142%	6%	-9%	0%	-5%	8%
6	Expense of Management to Gross Direct Premium Ratio	25%								
7	Expense of Management to Net Written Premium Ratio	38%								
8	Net Incurred Claims to Net Earned Premium	81%								
9	Combined Ratio	104%								
10	Technical Reserves to Net Premium Ratio	2.04								
11	Underwriting balance Ratio	(0.05)	(0.02)			(0.35)				
12	Operating Profit Ratio	13%								
13	Liquid Assets to liabilities Ratio	15%								
14	Net earnings Ratio	13%								
15	Return on Net Worth Ratio	19%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.95								
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
-9%	-6%	18%	16%	-11%	6%	-32%	-4%	(GDPI current year- GDPI previous year)/ GDPI previous year
								GDPI/ Net worth
								(Net worth current year- Net worth previous year)/Net worth previous year
44%	27%	39%	71%	71%	7%	45%	69%	NWP/(GDPI + RI accepted)
3%	-40%	25%	-14%	-18%	-129%	-4%	-9%	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-1b Equity Holding Pattern as at March 31, 2015

1	(a) No. of shares	446,594,032
2	(b) Percentage of shareholding (Indian/Foreign)	74.4%/ 25.6%
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	₹ 12.03 and ₹ 11.93
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 12.03 and ₹ 11.93
6	(iv) Book value per share ₹	63.22

Annexure-2a 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's 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

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

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	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-2b Equity Holding Pattern as 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

Receipts & Payment Account for the year ended March 31, 2015

(₹ in 000's)

	Year ended March 31, 2015		Year ended March 31, 2014	
A Cash flow from operating activities				
1 - Premium received from policyholders, including advance receipt	73,525,871		71,675,899	
2 - Other receipts (including-environment relief fund & Motor TP Pool and Terrorism Pool)	255,279		242,042	
3 - Receipt / (payment) from / to re-insurer net of commissions & claims recovery	4,054,329		(2,211,463)	
4 - Receipt / (payment) from / to co-insurer net of claims recovery	1,045,562		2,694,749	
5 - Payments of claims (net of salvage)	(56,171,861)		(44,208,778)	
6 - Payments of commission and brokerage	(3,770,969)		(3,737,725)	
7 - Payments of other operating expenses	(13,825,363)		(12,718,151)	
8 - Preliminary and preoperative expenses	-		-	
9 - Deposits, advances & staff loans (net)	(171,384)		(97,412)	
10 - Income tax paid (net)	(1,234,124)		(884,592)	
11 - Service taxes paid	(4,686,212)		(4,805,856)	
12 - Cash flows before extraordinary items		(978,872)		5,948,713
13 - Cash flows from extraordinary operations		-		-
14 Net cash from operating activities		(978,872)		5,948,713
B Cash flow from investing activities				
1 - Purchase of fixed assets (including capital advances)	(520,662)		(384,452)	
2 - Proceeds from sale of fixed assets	4,451	(516,211)	1,858	(382,594)
3 - Purchase of investments	(83,740,452)		(108,635,107)	
4 - Loans disbursed	-		-	
5 - Sale of investments	78,508,474		98,891,380	
6 - Repayments received	-		-	
7 - Rent/interest/dividends received	6,821,058		5,834,993	
8 - Investments in money market instruments and liquid mutual fund (net)	1,598,936		(2,676,896)	
9 - Other payments (Interest on IMTPIP)	(962,465)		(85,412)	
10 - Other payments (Advance payment for purchase of real estate)	-		-	
11 - Expenses related to investments	(14,365)		(10,080)	
12 - Other (Deposit received on leasing of premises)	15,919	2,227,105	-	(6,681,122)
13 Net cash from investing activities		1,710,894		(7,063,716)

(₹ in 000's)

	Year ended March 31, 2015		Year ended March 31, 2014	
C Cash flow from financing activities				
1 - Proceeds from issuance of share capital / application money (including share premium & net of share issue expenses)	121,206		38,512	
2 - Proceeds from borrowing	-		-	
3 - Repayments of borrowing	-		-	
4 - Interest and Dividends paid	(1,056,028)		-	
5 Net cash from financing activities		(934,822)		38,512
D Effect of foreign exchange rates on cash and cash equivalents, net		-		-
E Net increase/(decrease) in cash and cash equivalents		(202,800)		(1,076,491)
1 Cash and cash equivalents at the beginning of the year		1,619,661		2,696,152
2 Cash and cash equivalents at end of the year*		1,416,861		1,619,661

*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 590,230 thousand (previous year: ₹ 560,291 thousand), balances with banks in current accounts ₹ 500,429 thousand (previous year: ₹ 650,846 thousand) and cash including cheques and stamps in hand amounting to ₹ 326,202 thousand (previous year: ₹ 408,524 thousand)

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 24, 2015

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Gopal Balachandran
Chief Financial Officer





Insurance is the subject matter of solicitation. IRDAI Reg. No. 115

Trade logo displayed above belongs to ICICI Bank Ltd. and Northbridge Financial Corporation and is used by ICICI Lombard GIC Ltd. under license.

Registered Office: ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai 400 025
Toll Free No. 1800 2666. Fax No. 02261961323. CIN U67200MH2000PLC129408

Website: www.icicilombard.com. Email: customersupport@icicilombard.com