

SCHEDULE – 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2020

1 BACKGROUND

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.

The equity shares of the Company are listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') from September 27, 2017.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented on a going concern basis in accordance with Generally Accepted Accounting Principles followed in India under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards specified in section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority of India Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) (the "Act") in the manner so required and current practices prevailing within the insurance industry in India.

The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis. The Financial Statements are presented in Indian rupees rounded off to the nearest thousand.

3 USE OF ESTIMATES

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

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Premium income

Premium including reinsurance accepted (net of Goods & Service Tax) other than for Long term (with term more than one year) motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recorded on receipt of complete information, for the policy period at the commencement of risk. For Crop insurance, the premium is accounted based on management

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estimates that are progressively actualised on receipt of information. For installment cases, premium is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the policy period based on 1/365 method whichever is appropriate on a gross basis, other than instalment premiums received for group health policies, wherein, the instalment premiums are recognised over the balance policy period. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or policy period, as applicable.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, premium received (net of Goods & Service Tax) for third party liability coverage is recognised equally over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy in years and premium received for Own damage coverage is recognised in accordance with the movement of Insured Declared Value (IDV) over the period of risk, on receipt of complete information. Reinstatement premium is recorded as and when such premiums are recovered. Premium allocated for the year is recognised as income earned based on 1/365 method, on a gross basis. Reinstatement premium is allocated on the same basis as the original premium over the balance term of the policy. Any subsequent revisions to premium as and when they occur are recognised on the same basis as the original premium, over the balance term of the policy.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled. Adjustments to premium income for corrections to area covered under Crop insurance are recognised in the period in which the information is confirmed by the concerned Government/nodal agency.

Income from reinsurance ceded

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

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

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

Income earned on investments

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

Dividend income is recognised when the right to receive dividend is established. Dividend income in respect of listed equity shares is recognised on ex-dividend date.

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognised on the trade date. In determining the

realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares and mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account.

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

4.2 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date and in case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 premium allocated to subsequent periods.

4.3 Reinsurance premium

Insurance premium on ceding of the risk other than for long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements with the reinsurers.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, Reinsurance premium is recognised on the insurance premium allocated for the year simultaneously along with the recognition of the insurance premium in accordance with the reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled. Adjustments to reinsurance premium for corrections to area covered under Crop insurance are recognised simultaneously along with related premium income.

4.4 Reserve for unexpired risk

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable to, and is to be allocated to succeeding accounting periods. For Fire, Marine Cargo and Miscellaneous business it is calculated on a daily pro-rata basis except in the case of Marine Hull business it is computed at 100% of net premium written on all unexpired policies on the balance sheet date.

4.5 Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation and includes provision for solatium fund. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report.

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Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed / Panel Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

4.6 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred except for commission on long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 commission is expensed at the applicable rates on the premium allocated for the year.

4.7 Premium deficiency

Premium deficiency is recognised at segmental revenue account level when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed / Panel Actuary.

4.8 Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc., if any, and exclude interest accrued up to the date of purchase.

(A) Classification

- Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.
- Investments other than 'short term investments' are classified as 'long term investments'.

Investments that are earmarked, are allocated separately to policyholder's or shareholder's, as applicable; balance investments are segregated at Shareholder's level and Policyholder's level notionally based on policyholder's funds and shareholder's funds at the end of period as prescribed by IRDAI.

(B) Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

All debt securities including government securities, non-convertible and redeemable preference shares and Additional Tier 1 perpetual bonds are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a constant yield basis over the holding period/maturity.

Equity shares and Convertible preference shares

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

Mutual funds (Other than venture capital fund)

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

Investment Properties – Real Estate

Investment Properties- Real Estate are stated at historical cost less accumulated depreciation (calculated at the same rate as applicable for Fixed Assets- Buildings).

Investments other than those mentioned above are valued at cost.

(C) Fair Value Change Account

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

(D) Impairment of Investments

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

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

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price, purchase tax (other than those recoverable from tax authorities) and any cost directly attributable to bringing the asset to its working condition for its intended use.

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

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

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

In case of Office Equipment, the management estimate of the useful life is higher and for Information Technology equipment (Servers & Networks), Furniture & Fitting and Vehicles, the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013. This is based on the consistent practices followed, past experience and is duly supported by technical advice.

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

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

Management reviews its estimate of useful life at each Balance sheet date.

Capital work in progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

Intangibles Assets

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

Management reviews its estimate of useful life at each Balance sheet date.

Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its

recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

4.10 Operating Lease

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

4.11 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries, bonus, and compensated absences.

Long term employee benefits

Provident fund

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

Gratuity

Gratuity, which is a defined benefit scheme, is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Unit Credit Method.

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and are recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Accrued Benefit Method which is same as the Projected Unit Credit Method in respect of past service.

Long Term Performance Pay

Long Term Performance Pay is provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Unit Credit Method.

Employee Stock Option Scheme ("ESOS")

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

The fair market price is the latest closing price, immediately prior to the grant date, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then, the stock exchange where there is highest trading volume on the said date is considered.

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4.12 Foreign currency transactions

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

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

4.13 Borrowings

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

4.14 Grants

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

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

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

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

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

4.15 Taxation

Current tax

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

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

Deferred tax

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

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

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

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

Goods and Service Tax

Goods and Service Tax ("GST") collected (net of refunds) is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority. Unutilised GST credits, if any, are carried forward under "Other Assets" and disclosed in Schedule 12 for adjustment in subsequent periods. At the end of every reporting period, the company assesses whether the unutilised GST credits are eligible for carrying forward as per the related legal provisions. Any ineligible GST credit is expensed on such determination. GST liability to be remitted to the appropriate authority is disclosed under "Others - GST Liability" in Schedule 13.

GST on capital assets is included in the acquisition cost of such assets.

4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.17 Earnings per share

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

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered. Dilutive potential equity shares are deemed to be converted as at the beginning of the period unless issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, being average of closing rate quoted on the last day of each week during the last six months period at BSE Limited. Dilutive potential equity shares are determined independently for each period presented.

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4.18 Provisions and Contingencies

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

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

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

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

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

Contingent asset are neither recognised nor disclosed in the financial statements.

4.19 Cash and cash equivalents

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

5. NOTES TO ACCOUNTS

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent liabilities

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
Partly-paid up investments	-	-
Claims, other than those under policies, not acknowledged as debt	-	-
Underwriting commitments outstanding	NA	NA
Guarantees given by or on behalf of the Company	-	-
Statutory demands/liabilities in dispute, not provided for (Refer note-1 & 2 below)	4,569,652	4,305,776
Reinsurance obligations to the extent not provided for in accounts	-	-
Others : (Refer note-3 below)	48,180	1,884

Note: (1) The Company has disputed the demand raised by Income Tax Authorities of ₹ 290,327 thousand (previous year: ₹ 227,099 thousand), the appeals of which are pending before the appropriate Authorities. This excludes Income Tax demand related to Assessment Year 2003-04, 2005-06, 2006-07 & 2008-09 in respect of which the Company has received favorable appellate order, which is pending for effect to be given by the Assessing Authority.

(2) Includes disputed refund / demand (including interest and penalty) of ₹ 4,279,325 thousand (previous year: ₹ 4,078,677 thousand) from Service Tax Authorities / Goods & Service Tax Authorities, the appeals of which are pending before the appropriate Authorities. Further, ₹ 100,000 thousand has been paid at the time of filing CESTAT appeal as per the provisions of the Finance Act.

(3) Others include: (₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
Relating to refund of premium on policies issued under the RSBY scheme (net of claims outstanding).	1,884	1,884
Relating to penalty / penal interest towards non-meeting operational guidelines (OG) of Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme.	13,100	NIL
Relating to property tax (including interest).	33,196	NIL

5.1.2 The assets of the Company are free from all encumbrances except for fixed deposits of ₹ 1,500 thousand (previous year: ₹ 541,100 thousand) (Included in short term deposit account in Schedule – 11) for issuing bank guarantees.

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5.1.3 Capital Commitments

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 455,421 thousand (previous year: ₹ 306,972 thousand).

5.1.4 Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 973,076 thousand (previous year: ₹ 6,932,036 thousand).

5.1.5 Claims

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In India	73,441,237	86,220,995
Outside India	1,358,415	1,218,746

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

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
More than six months	49,777,161	45,434,370
Others	130,296,582	118,821,599

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

Claims where the claim payment period exceeds four years:

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

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

Product Name: Personal Protect

(₹ in 000's)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Count	Amount	Count	Amount
Intimated	307	301,655	255	322,545
Paid	3,583	110,791	792	25,030
Outstanding	379	414,213	330	354,900

5.1.6 Premium

- (A) All premiums net of Re-insurance are written and received in India.
(B) No premium income is recognised on varying risk pattern.

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

Sector	For the year ended March 31, 2020					For the year ended March 31, 2019				
	GDPI ₹ in 000's	No. of Policies (in nos)	% of Policy	No. of Lives (in nos)	% of GDPI	GDPI ₹ in 000's	No. of Policies (in nos)	% of Policy	No. of Lives (in nos)	% of GDPI
Rural	9,405,553	2,870,624	10.95	-	7.07	28,608,945	761,664	2.88	-	19.75
Social	17,316	0	0.00	7,460,320	0.01	75,257	0	0.00	10,408,643	0.05
Urban	123,705,564	23,351,415	89.05	-	92.92	116,198,073	25,722,414	97.12	-	80.20
Total	133,128,433	26,222,039	100.00		100.00	144,882,275	26,484,078	100.00		100.00

5.1.8 Extent of risks retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance):

Particulars	Basis	For the year ended March 31, 2020		For the year ended March 31, 2019	
		Retention	Ceded	Retention	Ceded
Fire	Value at risk	28%	72%	21%	79%
Marine – Cargo	Value at risk	66%	34%	72%	28%
Marine – Hull	Value at risk	6%	94%	7%	93%
Miscellaneous					
- Engineering	Value at risk	38%	62%	34%	66%
- Motor	Value at risk	90%	10%	90%	10%
- Workmen's Compensation	Value at risk	85%	15%	85%	15%
- Public Liability	Value at risk	52%	48%	48%	52%
- Personal Accident	Value at risk	85%	15%	82%	18%
- Aviation	Value at risk	31%	69%	21%	79%
- Health	Value at risk	68%	32%	70%	30%
- Credit Insurance	Value at risk	6%	94%	8%	92%
- Crop / Weather Insurance	Value at risk	27%	73%	26%	74%
- Others	Value at risk	56%	44%	64%	36%

5.1.9 (A) Investments

Value of contracts in relation to investments for:

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

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Historical cost of investments that are valued on fair value basis is ₹ 32,382,285 thousand (previous year: ₹ 21,651,683 thousand).

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares	25,269,785	20,640,383
Mutual Funds	7,112,500	1,011,300
Total	32,382,285	21,651,683

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

(B) Allocation of investment income

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

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

5.1.10 Allocation of expenses

Allocation / apportionment of Operating Expenses is based on the Organisational Structure of the Company comprising off Business, Service and Support Groups. Business comprises of Wholesale Business Group, Retail Business Group (including Sub Groups) and Government Business Group. Expenses incurred by Business Group are direct in nature. Service Group comprises of Customer Service Group which consists of Underwriting and Claims Group, created based on product segments. Support Group consists of Investments, Operations, Legal, Finance and Accounts, Reinsurance, Technology etc. Expenses incurred by Service and Support Groups are indirect in nature.

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

- Direct expenses pertaining to Business Group that are directly identifiable to a product segment are allocated on actuals and other direct expenses are apportioned in proportion to the net written premium of the product within the Business Group. However, in case of retail business group, the other expenses of its sub group are apportioned based on the net written premium contributed by the respective sub group;
- Expenses pertaining to Service Group are apportioned directly to the product to which it pertains. In case of multiple products, expenses are apportioned in proportion to the net written premium of the multiple products;
- Expenses pertaining to Support Group and any other expenses, which are not directly allocable, are apportioned on the basis of net written premium in each business class.

In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses in excess of segmental limits of ₹ 744,013 thousand in Health - Retail Segment and ₹ 6,760 thousand in Health-Government Segment (previous year: ₹ 241,920 thousand in Miscellaneous - Retail segment) are reduced proportionately from each expenditure head and are borne by the shareholders.

5.1.11 Employee Benefit Plans

(A) Defined contribution plan

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to staff provident fund	276,860	197,850

(B) Defined benefit plan

Gratuity

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

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

(₹ in 000's)

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2020	For the year ended March 31, 2019
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	730,679	607,582
Current Service Cost	93,723	77,296
Interest Cost	53,418	47,103
Actuarial Losses / (Gain)	72,350	65,887
Liabilities assumed on Acquisition	3,074	-
Benefits Paid	(37,526)	(67,189)
Closing Defined Benefit Obligation	915,718	730,679
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	699,131	523,527
Expected Return on Plan Assets	50,464	37,943
Actuarial Gains / (Losses)	(31,446)	5,699
Contributions by Employer	154,498	199,151
Assets acquired on acquisition	-	-
Benefits paid	(37,526)	(67,189)
Closing Fair Value of Plan Assets	835,121	699,131
Expected Employer's contribution Next Year	100,000	70,000

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(₹ in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2020	At March 31, 2019
Fair Value of Plan Assets at the end of the year	(835,121)	(699,131)
Present Value of the defined obligations at the end of the year	915,718	730,679
Liability recognised in the balance sheet	80,597	31,548
Asset recognised in the balance sheet	-	-
Assumptions		
Discount Rate	5.90% p.a.	7.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement Age	58.00	58.00
Attrition Rate	10% - 26%	10% - 26%
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	9.00% p.a.	9.00% p.a.

Investment Pattern of Gratuity Funds:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount (₹ in 000's)	%	Amount (₹ in 000's)	%
Group Balanced Fund	624,895	74.83	511,069	73.10
Group Debt Fund	88	0.01	14	0.00
Group Short Term Debt Fund	210,138	25.16	188,048	26.90
Total Funds*	835,121	100.00	699,131	100.00

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

(₹ in 000's)

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	93,723	77,296
Interest on Defined Benefit Obligation	53,418	47,104
Expected return on Plan Assets	(50,464)	(37,943)
Net Actuarial Losses / (Gains) recognised in year	103,796	60,188
Past Service Cost	-	-
Losses / (Gains) on "Curtailments & Settlements"	-	-
Losses / (Gains) on "Acquisition/ Divestiture"	-	-
Effect of limit	-	-
Total included in Employee Benefit Expense	200,473	146,645

Experience adjustments of five years is given below:

(₹ in 000's)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined Benefit Obligation	915,718	730,679	607,582	540,390	417,465
Plan assets	835,121	699,131	523,527	542,670	421,344
Surplus / (Deficit)	(80,597)	(31,548)	(84,055)	2,280	3,879
Exp. Adj on Plan Liabilities	19,853	48,064	28,632	44,699	(32,494)
Exp. Adj on Plan Assets	(31,446)	5,699	(5,063)	18,732	(11,373)

Accrued Leave

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	92,805	73,639
Add: Liabilities assumed on Acquisition	2,926	-
Add / (Less): Provision for the year	30,962	19,166
Closing balance	126,693	92,805
Assumptions		
Discount Rate	5.90% p.a.	7.00% p.a.

Long Term Performance Pay

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	224,847	218,447
Less: Amount paid	(124,975)	(110,776)
Add / (Less): Provision for the year	27,901	117,176
Closing balance	127,773	224,847
Assumptions		
Discount Rate	4.90% p.a.	6.65% p.a.

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5.1.12 Remuneration to Managerial and Key Management Persons

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

(₹ in 000's)

Particulars (see note below)	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	144,579	129,479
Contribution to provident and other funds	5,855	5,550
Perquisites	2,735	1,541

Managerial remuneration in excess of ₹ 15,000 thousand, for each Managerial personnel has been charged to profit and loss account. Additionally, the Directors are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme.

- (B) The details of remuneration paid to Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

(₹ in 000's)

Particulars (see note below)	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	184,397	199,274
Contribution to provident and other funds	5,728	6,100
Perquisites	3,069	1,592

Note: Provision towards gratuity, leave accrued and Long Term Performance Pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosures. Additionally, the KMP's based on entitlements are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme.

5.1.13 (A) Share Capital

During the year the Company has allotted 156,320 equity shares (previous year: 361,640 equity shares) under ESOS raising ₹ 33,020 thousand (previous year: ₹ 37,081 thousand).

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

(B) Share Application

At March 31, 2020 the Company has received share application money under ESOS of ₹ 2,145 thousand (previous year: ₹ NIL) against which shares are yet to be allotted.

5.1.14 Outsourcing, business development and marketing support expenses

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Outsourcing expenses	1,973,229	2,156,219
Business development		
- Sales promotion	8,625,080	7,153,760
- Business support services	90,170	128,661
Marketing support	1,737,244	1,892,405

5.1.15 Details of penal actions taken by various Govt. authorities during year ended March 31, 2020:

(₹ in 000's)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	- (-)	10,000 (-)	10,000 (-)	- (-)
2	Service Tax Authorities	- (18,214)	- (18,214)	- (18,214)	- (-)
3	Income Tax Authorities	- (-)	- (-)	- (-)	- (-)
4	Any other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	- (-)	- (-)	- (-)	- (-)
9	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	- (-)	71 (-)	71 (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

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5.1.16 Summary of Financial Statements for five years:

(₹ in 000's)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Operating Result					
Gross direct premium	133,128,433	144,882,275	123,568,546	107,251,960	80,907,071
Net premium income [#]	96,406,925	95,385,568	78,447,557	65,947,994	54,348,919
Income from investments (net) [@]	15,425,056	13,355,190	11,267,503	10,012,329	9,299,869
Other income	1,067,349	655,436	278,607	446,568	400,599
Total income	112,899,330	109,396,194	89,993,667	76,406,891	64,049,387
Commissions (net) (including brokerage)	3,639,935	2,229,052	(2,839,545)	(4,341,303)	(3,279,732)
Operating expenses	22,931,019	20,139,702	21,118,673	19,820,372	17,112,042
Net incurred claims & other outgoes	68,515,769	63,081,176	53,147,238	49,543,315	39,282,142
Change in unexpired risk reserve	2,371,755	11,632,090	9,330,209	4,311,952	6,132,746
Operating Profit/(Loss)	15,440,852	12,314,174	9,237,092	7,072,555	4,802,189
Non - Operating Result					
Total income under shareholder's account (net of expenses)	1,528,014	3,669,990	2,725,239	2,028,459	2,274,739
Profit/(Loss) before tax	16,968,866	15,984,164	11,962,331	9,101,014	7,076,928
Provision for tax	5,031,296	5,491,538	3,344,574	2,082,175	2,002,461
Profit/(Loss) after tax	11,937,570	10,492,626	8,617,757	7,018,839	5,074,467
Miscellaneous					
Policy holder's account:					
Total funds	215,778,910	172,154,124	134,006,827	107,240,107	88,920,306
Total investments					
Yield on investments					
Shareholder's account:					
Total funds	61,340,342	53,204,606	45,411,629	37,252,943	31,756,464
Total investments					
Yield on investments					
Paid up equity capital	4,544,663	4,543,099	4,539,483	4,511,507	4,475,384
Net worth**	61,340,342	53,204,606	45,411,629	37,252,943	31,756,464
Total assets	370,420,885	334,026,207	297,496,589	233,508,755	156,758,044
Yield on total investments (annualised)	8%	9%	9%	10% ^z	11%
Earnings per share (₹)	26.27	23.11	19.01	15.66	11.35
Book value per share (₹)	134.97	117.11	100.04	82.57	70.96
Total dividend (excluding dividend tax)	3,180,993	2,270,104	679,988	1,571,008	1,341,696
Dividend per share (₹)	7.00 [^]	5.00	1.50	3.50	3.00

[#] Net of Reinsurance[@] Includes Profit Net of Losses on sale / redemption of investments and at gross Interest, Dividend & Rent^{**} Shareholders funds / Net worth = (Share capital + Reserve & Surplus) – (Miscellaneous Expenditure + Debit balance in profit & loss account)[^] This includes Final dividend of ₹ 3.50 per share for FY 2018-19 paid during FY 2019-20 and Interim dividend of ₹ 3.50 per share for FY 2019-20. The Board of directors have not declared any final dividend for the FY 2019-20. (Refer Note 5.2.23)

5.1.17 Ratio Analysis:

- (A) For ratios at March 31, 2020 refer Annexure 1a and 1b and for March 31, 2019 refer Annexure 2a and 2b.
- (B) Solvency Margin:

(₹ in 000's)

Solvency Margin	At March 31, 2020	At March 31, 2019
Required solvency margin under IRDAI Regulations (A)	25,721,100	23,446,500
Available solvency margin (B)	55,747,200	52,576,200
Solvency ratio actual (times) (B/A)	2.17	2.24
Solvency ratio prescribed by Regulation	1.50	1.50

5.1.18 Employee Stock Option Scheme (ESOS)

The Company instituted the ESOS Scheme pursuant to the resolutions passed by our Board and Shareholders on April 26, 2005 and July 22, 2005, respectively. The Company had granted Stock options to employees in compliance with the Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) guidelines, 1999. Pursuant to the ESOS Scheme, no eligible employee could, in aggregate be granted in a financial year, options greater than 0.1% of the issued equity share capital of the Company and the aggregate of options granted to the eligible employees under the ESOS Scheme was capped at 5% of the issued capital of our Company as on the date of such grants. ESOS Scheme was further amended pursuant to the resolutions passed by the Board and Shareholders on June 9, 2017 and July 10, 2017, respectively, to approve the amendment in the ESOS Scheme for, inter alia, aligning it with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Further, the exercise price was finalised by the Board Nomination and Remuneration Committee in concurrence with the Board based on an independent valuer's report. During the year ended March 31, 2019 and March 31, 2020, the Company has granted options under the ESOS scheme in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is set out below.

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The salient features of the scheme are stated below:

Scheme	Performance ESOPs (2005, 2006 & 2007)	Performance ESOPs (2009):	Performance ESOPs (2010):	Performance ESOPs (2011):	Performance ESOPs (2018):	Special ESOPs (2018)	Performance ESOPs (2019):
Date of Grant	2005: April 26, 2005 2006: April 24, 2006 2007: April 21, 2007	July 21, 2009	April 19, 2010	April 25, 2011	July 17, 2018	July 17, 2018	April 18, 2019
No. of Options granted (in 000's)	13,322	1,249	2,312	723	947	1,583	2,346
Grant Price (In ₹)	35 – 60	91	114	109	715.15	715.15	1,086.85
Graded Vesting Period							
1 st Year	20% of the option	0% of the option	20% of the option	40% of the option	30% of the option	0% of the option	30% of the option
2 nd Year	20% of the option	20% of the option	20% of the option	60% of the option	30% of the option	0% of the option	30% of the option
3 rd Year	30% of the option	20% of the option	30% of the option	-	40% of the option	50% of the option	40% of the option
4 th Year	30% of the option	30% of the option	30% of the option	-	-	50% of the option	-
5 th Year	-	30% of the option	-	-	-	-	-
Maximum term of option granted	Later of the thirteenth anniversary of the date of grant of options or fifth anniversary of the date of vesting	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting			5 years from the date of grant		5 years from the date of vesting
Mode of settlement	Equity						

The estimated fair value is computed on the basis of Black-Scholes option for Performance ESOP (2019) issued during the year ended March 31, 2020. 284,010 options are vested during the year ended March 31, 2020 and ₹ 33,020 thousand (previous year: ₹ 37,081 thousand) was realised by exercise of options.

The company follows intrinsic value method and hence there was no charge in the Revenue Accounts and Profit and Loss Account. Had the Company followed the fair value method for valuing its options for the year ended, the charge to the Revenue Accounts and Profit and Loss Account would have been higher by ₹ 597,308 thousand (previous year ₹ 176,244 thousand) and profit after tax would have been lower by ₹ 446,978 thousand (previous year ₹ 115,686 thousand). Consequently, the Company's basic and diluted earnings per share would have been ₹ 25.29 and ₹ 25.21 respectively.

The weighted average price of options exercised during the year ended March 31, 2020 is ₹ 220.7 (previous year: ₹ 102.5).

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

(in 000's)

Particulars	Other than Wholetime Directors'		Wholetime Directors'	
	At March 31, 2020	At March 31, 2019	At March 31, 2020	At March 31, 2019
Outstanding at the beginning of the year	2,408	255	236	240
Add: Granted during the year	2,010	2,345	336	184
Less: Forfeited / lapsed during the year	(208)	(18)	-	-
Less: Exercised during the year	(62)	(174)	(96)	(188)
Outstanding at the end of the year	4,148	2,408	476	236
Exercisable at the end of the year	208	81	10	52

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

Exercise Price (in ₹)	At March 31, 2020		At March 31, 2019	
	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)
60	-	-	16	1.1
114	4	0.1	57	1.1
109	-	-	60	2.1
715.15	876	3.3	933	4.3
715.15	1,492	3.3	1,578	4.3
1,086.85	2,252	4.1	-	-
Total	4,624	3.7	2,644	4.2

5.2 Other disclosures

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

IBNR (including IBNER) liability as at March 31, 2020 for all lines of business has been estimated by the Panel Actuary in compliance with the guidelines issued by IRDAI from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

Pursuant to IRDAI regulation of Asset, Liabilities, and Solvency margin of General Insurance Business Regulations 2016 (IRDAI/Reg/7/119/2016 dated April 7, 2016); claim reserves are determined as the aggregate amount of Outstanding Claim Reserve and Incurred but Not Reported (IBNR) claim reserve for 28 stipulated lines of business.

Pursuant to Actuarial Practice Standard (APS) 33 issued by Institute of Actuaries of India (IAI) which is mandatory and effective from December 1, 2017, the peer review of statutory valuation of liabilities for March 31, 2020 has been carried out by an independent actuary.

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5.2.2 Provision for Free Look period

The provision for Free Look period ₹ 205 thousand (previous year: ₹ 336 thousand) is duly certified by the Panel Actuary.

5.2.3 Contribution to Terrorism Pool

The Company in accordance with the requirements of IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 20 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on intimation / confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded only up to December 31, 2019 (previous year: December 31, 2018) as per the last statement of account received.

5.2.4 India Nuclear Insurance Pool

In view of the passage of the Civil Liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance covers for nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re and 11 other non-life insurance companies are Founder Members with their collective capacity of ₹ 15,000,000 thousand. GIC Re is also appointed as the Pool Manager of the INIP. The business underwritten by the INIP will be retroceded to all the Member Companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹ 15,000,000 thousand of the INIP, the capacity provided by the Company is ₹ 1,000,000 thousand. The Company has recorded its share of the premium retrocession, commission and interest income upto September 30, 2019 as per the latest available statements. The share of income for the quarter ended March 31, 2020 (previous year: March 31, 2019) has been recognised on an estimate basis.

5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income is net of interest expense of ₹ 1,277 thousand (previous year: ₹ NIL) on account of REPO transactions.

5.2.6 Re-insurance inward

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

5.2.7 Contribution to Solatium fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at General Insurance Council meeting held on February 4, 2005 and as per letter no. HO/MTD/Solatium Fund/2010/482 dated July 26, 2010 from The New India Assurance Co. Ltd. (Scheme administrator), the Company has provided 0.1% of the total Motor TP premium of the Company towards solatium fund.

5.2.8 Environment Relief Fund

During the year, an amount of ₹ 5,458 thousand (previous year ₹ 3,871 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 5,401 thousand (previous year

₹ 4,915 thousand) has been transferred to “United India Insurance Company Limited, Environment Fund Account” as per Notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended. The balance amount of ₹ 278 thousand (previous year ₹ 221 thousand) has been disclosed under the head current liabilities in schedule 13.

5.2.9 Leases

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

Non Cancelable operating lease

The detail of future rentals payable are given below:

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
a. not later than one year	308	1,817
b. later than one year and not later than five years	-	308
c. later than five years	-	-

An amount of ₹ 3,162 thousand (previous year: ₹ 1,770 thousand) towards said lease payments has been recognised in the statement of revenue account.

5.2.10 Micro and Small scale business entities

As per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) the Micro and Small Enterprises have been identified by the Company from the available information. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

(₹ in 000's)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i.	The principal amount remaining unpaid to any supplier as at the end of the year	23,828	-
ii.	Interest due on the above amount	-	-
iii.	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	Amounts of the payment made to the supplier beyond the appointed day during the year.	6,724	-
v.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
vi.	Amount of interest accrued and remaining unpaid at the end of the year	147	-
vii.	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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5.2.11 Segmental reporting

Primary reportable segments

The Company's primary reportable segments are business segments, which have been identified in accordance with AS 17 – Segment Reporting read with the Regulations. The income and expenses attributable to the business segments are allocated as mentioned in paragraph 5.1.9 & 5.1.10 above. Segment revenue & results have been disclosed in the Revenue accounts.

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

(₹ in 000's)

Segment	Year	Current Assets	Current Liabilities		Provisions
		Outstanding Premium	Claims Outstanding	Premium Received in Advance	Reserve for Unexpired risk
Fire	FY 2019-20	23,446	19,458,908	4,497	2,194,838
	FY 2018-19	10,296	17,357,168	2,953	1,201,847
Engineering	FY 2019-20	20,723	4,066,521	1,429	728,147
	FY 2018-19	-	3,359,540	2,676	579,410
Marine Cargo	FY 2019-20	-	2,716,754	1,127	559,339
	FY 2018-19	27,353	2,738,789	10,166	540,139
Marine Hull	FY 2019-20	-	3,182,291	-	47,753
	FY 2018-19	-	2,888,146	-	55,870
Motor OD	FY 2019-20	-	7,874,168	5,438,032	16,323,971
	FY 2018-19	7,058	7,314,990	2,110,256	15,789,790
Motor TP	FY 2019-20	-	97,664,895	25,010,384	15,619,896
	FY 2018-19	4,680	81,557,545	11,275,329	16,462,800
Workmen Compensation	FY 2019-20	-	808,502	5,553	249,183
	FY 2018-19	-	722,435	2,432	206,947
Public/Product Liability	FY 2019-20	-	495,362	137	116,593
	FY 2018-19	-	430,961	116	78,700
Personal Accident	FY 2019-20	5,135	3,904,868	459	5,684,847
	FY 2018-19	-	3,979,787	358	5,762,017
Aviation	FY 2019-20	-	1,737,914	-	100,638
	FY 2018-19	-	1,738,809	-	52,555
Health	FY 2019-20	269,175	6,697,430	47,535	12,145,393
	FY 2018-19	500,850	5,996,502	31,701	10,191,029
Credit Insurance	FY 2019-20	-	557,381	1,200	7,494
	FY 2018-19	-	505,082	1,200	6,742
Crop/Weather Insurance	FY 2019-20	17,244,126	25,289,446	-	-
	FY 2018-19	21,506,678	30,522,632	-	-
Others	FY 2019-20	-	5,619,303	1,106	4,603,495
	FY 2018-19	8,805	5,143,583	1,273	5,081,986
Total Amount	FY 2019-20	17,562,605	180,073,743	30,511,459	58,381,587
	FY 2018-19	22,065,720	164,255,969	13,438,460	56,009,832

Secondary reportable segments

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

5.2.12 Related party

Party where control exists

Holding Company:

ICICI Bank Limited

Other related parties

Fellow Subsidiaries / Associates / Other related entities:

Name of the Related Party	Relationship
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Securities Inc.	Fellow Subsidiary
ICICI Securities Holdings Inc.	Fellow Subsidiary
ICICI Trusteeship Services Limited	Fellow Subsidiary
ICICI Investment Management Company Limited	Fellow Subsidiary
ICICI International Limited	Fellow Subsidiary
ICICI Bank Canada	Fellow Subsidiary
ICICI Prudential Trust Limited	Fellow Subsidiary
ICICI Prudential Pension Funds Management Company Limited	Fellow Subsidiary

Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO

Alok Kumar Agarwal, Executive Director

Sanjeev Mantri, Executive Director

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

Ansuman Dasgupta : Father of Bhargav Dasgupta

Brij Mohan Gupta : Brother of Alok Kumar Agarwal

Vibha Mantri : Spouse of Sanjeev Mantri

Schedules (Contd.)

forming part of the financial statements

Details of transaction with related parties for the year ended March 31, 2020 are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		
Premium income	2,113,420 (1,902,487)	38,058 (24,977)	3,331 (4,087)	219,944 (207,272)	97,564 (87,552)	64,288 (66,363)	97 (158)
Income from interest & dividend	- (-)	42,342 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Claim payments net of claims received	95,598 (50,932)	- (-)	1,737 (881)	-7,915 (-2,880)	35,845 (36,122)	257 (392)	- -
Commission/ Brokerage payout	1,652,297 (1,273,345)	76,565 (24,192)	- (-)	- (-)	4,371 (5,015)	- (-)	- (-)
Investment							
- Purchases	6,595,830 (2,016,945)	- (-)	6,401,778 (2,998,049)	- (1,053,200)	- (-)	- (-)	- (-)
- Sales	- (-)	- (-)	2,227,470 (-)	466,145 (952,784)	- (-)	- (-)	- (-)
Issue of Share capital	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	970 (1,880)
Receipt of Share premium	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	9,788 (17,827)
Premium paid	- (-)	- (-)	- (-)	11,560 (14,187)	- (-)	- (-)	- (-)
Establishment & other expenditure	372,628 (357,338)	-1,871 (-17,663)	- (-)	27,728 (-)	3,844 (4,097)	- (-)	153,170 (136,570)
IPO Expenses Recovered	566 (4,530)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Royalty expenses	104,926 (86,178)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Dividend paid	1,776,907 (1,269,219)	- (-)	- (-)	- (-)	- (-)	- (-)	7,000 (4,280)
Fixed Assets							
- Sales	- (-)	- (-)	- (-)	- (23)	- (-)	- (-)	- (-)

Figures in brackets are for the year ended March 31, 2019

Above amounts are excluding GST wherever applicable.

Balances with related parties at March 31, 2020, are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		
Assets							
Cash, Bank Balances & Deposits	-801,814 (150,962)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Other assets/receivables	- (-)	2,150,235 (-)	- (-)	11,954 (-)	- (-)	- (-)	- (-)
Liabilities							
Capital	2,538,438 (2,538,438)	- (-)	- (-)	- (-)	- (-)	- (-)	11,600 (10,630)
Share premium	10,872,192 (10,872,192)	- (-)	- (-)	- (-)	- (-)	- (-)	111,615 (101,827)
Debentures	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Premium received in advance / Cash deposits	102,640 (694,948)	239 (442)	8,049 (4,280)	6,572 (7,877)	383 (1,032)	66,540 (44,290)	- (-)
Others liabilities/ Payables	684,020 (665,549)	28,529 (9,872)	- (-)	- (6,822)	747 (438)	4 (-)	- (-)

Figures in brackets are as at March 31, 2019

Above amounts are excluding GST wherever applicable.

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forming part of the financial statements

5.2.13 (a) Details of age-wise analysis of the unclaimed amount of the policyholders (excluding Income from Investment) for the year ended March 31, 2020

(₹ in 000's)

Particulars	Total Amount	Age-wise analysis						
		0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/ policyholders	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sum due to the insured/ policyholders on maturity or otherwise	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	1,348,820 (891,602)	2,916 (1,976)	390,133 (265,331)	280,092 (215,718)	169,100 (109,620)	173,579 (62,656)	90,264 (30,885)	242,736 (205,416)
Cheques issued but not encashed by the policyholder/ insured	980,357 (1,047,102)	216,445 (290,899)	92,770 (70,423)	66,365 (39,757)	21,777 (19,292)	25,650 (49,887)	18,151 (24,432)	539,199 (552,412)
Total	2,329,177 (1,938,704)	219,361 (292,875)	482,903 (335,754)	346,457 (255,475)	190,877 (128,912)	199,229 (112,543)	108,415 (55,317)	781,935 (757,828)

Figure in brackets pertain to year ended March 31, 2019

Movement in unclaimed amount of policy holders due:

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	2,220,129	1,260,941
Add: Amount transferred to unclaimed amount during the year	1,703,377	2,150,473
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	15,416	7,182
Add: Investment income	120,078	164,551
Less: Amount paid during the year	1,218,520	1,243,791
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred)	140,139	119,227
Closing balance	2,700,341	2,200,129

- (b) Premium refundable to beneficiaries/government in the case of Crop/Weather Insurance is considered for transfer to 'Unclaimed Amount of Policyholders Account' only on final determination of sown insured area and the consequential refund computation is duly confirmed by concerned government agencies.

5.2.14 Details of earning per share for the year ended March 31, 2020:

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) available to equity shareholders ₹	11,937,570	10,492,626
Weighted average number of equity shares		
Number of shares at the beginning of the year	454,310	453,948
Share issued during the year	156	362
Total number of equity share outstanding at the end of the year	454,466	454,310
Weighted average number of equity shares outstanding during the year	454,415	454,051
Add : Effect of dilutive issues of options and share application pending allotment	1,437	893
Diluted weighted average number of equity shares outstanding during the year	455,852	454,943
Nominal value of equity shares ₹	10	10
Basic earnings per share ₹	26.27	23.11
Diluted earnings per share ₹	26.19	23.06

5.2.15 Deferred taxes

The major components of deferred tax are as under:

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
Timing differences on account of:		
Reserve for Unexpired Risks	2,180,396	2,407,757
Provision for escalation in lease rentals	50,142	44,878
Provision for Diminution in value of Investments	302,398	-
Leaves accrued	31,886	32,430
Provision for doubtful debts	498,245	527,532
Total	3,063,067	3,012,597
Net deferred tax asset / (liability)	3,063,067	3,012,597
Deferred tax expense / (income) recognised in the Profit and Loss A/c	(50,470)	(898,469)

Schedules (Contd.)

forming part of the financial statements

5.2.16 REPO / Reverse repo / TREPS Lending / Borrowing transactions

REPO / Reverse repo transaction:

(₹ in 000's)

Particulars	For the year ended March 31, 2020			Outstanding at March 31, 2020
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	
Securities sold under repo (At cost)				
Government Securities	207,024 (-)	1,045,797 (-)	670,335 (-)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under reverse repo (At cost)				
Government Securities	49,921 (49,939)	49,921 (499,944)	49,921 (294,231)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

TREPS Lending / Borrowing transaction:

(₹ in 000's)

Particulars	For the year ended March 31, 2020			Outstanding at March 31, 2020
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	
Securities sold under TREPS (At cost)				
Government Securities	249,967 (2,999,462)	1,999,945 (5,998,944)	788,454 (3,998,590)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under TREPS (At cost)				
Government Securities	6,499 (31,994)	8,826,386 (12,393,836)	1,556,706 (3,684,109)	249,984 (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

5.2.17 CSR Expenditure

During the year ended March 31, 2020 the Company has incurred expenditure towards CSR activities which are as below:

- (a) Gross amount required to be spent by the company during the year was ₹ 239,518 thousand (previous year: ₹ 181,534 thousand).
- (b) Amount spent during the year is ₹ 242,421 thousand (previous year: ₹ 183,691 thousand).

(₹ in 000's)

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	242,421 (183,691)	- (-)	242,421 (183,691)
(a)	Contribution to ICICI Foundation projects (Skill development & sustainable livelihoods; elementary education & healthcare)	123,000 (136,100)	- (-)	123,000 (136,100)
(b)	Ride to safety (helmet distribution to children)	59,645 (28,815)	- (-)	59,645 (28,815)
(c)	Access to Healthcare: Sanitation and Healthcare (Preventive and Curative)	5,357 (3,048)	- (-)	5,357 (3,048)
(d)	Eye check-up camps for under privileged school children led by employees	18,589 (15,728)	- (-)	18,589 (15,728)
(e)	Contribution to GIC	35,830 (-)	- (-)	35,830 (-)
(f)	Contribution to Disaster Relief fund	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

5.2.18 Terms of Borrowings

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

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

Schedules (Contd.)

forming part of the financial statements

(B) Maturity Pattern from the date of issue:		(₹ in 000's)
Maturity buckets		Borrowings
1 to 5 years		-
Above 5 years		4,850,000
Total		4,850,000

(C) Debenture Redemption Reserve:

The Company has been creating Debenture Redemption Reserve (DRR) on a straight-line basis. Pursuant to amendment vide Ministry of Corporate Affairs notification no. G.S.R. 574(E) dated August 16, 2019 of Companies (Share Capital and Debenture) Rules, 2014, the Company is not required to create any additional DRR. Accordingly the Company continues to hold the existing DRR of ₹ 277,144 thousand.

5.2.19 Outstanding Forward Exchange Contracts

As at March 31, 2020 there are no (previous year: ₹ NIL) outstanding forward exchange contracts.

5.2.20 Pending Litigations

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

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

(B) As at March 31, 2020, the Company did not have any outstanding long term derivative contracts (previous year: ₹ NIL).

5.2.22 Investor Education & Protection Fund

For the year ended March 31, 2020, the company has transferred ₹ Nil (previous year: ₹ 1 thousand) to the Investor Education & Protection Fund.

5.2.23 Dividend

Interim dividend appropriation for the year ended March 31, 2020 amounted to ₹ 1,917,472 thousand (previous year ₹ 1,368,526 thousand) including dividend distribution tax of ₹ 326,939 thousand (previous year ₹ 233,340 thousand).

The IRDAI, vide its circular IRDA/F&A/CIR/MISC/099/04/2020 dated April 24, 2020, stipulated that, in view of the emerging market conditions and to conserve capital with the insurance companies in the interest of Policyholders and of the economy at large, has urged insurers to take conscious call to refrain from dividend payout from profits pertaining to the financial year ended March 31, 2020 till further instructions. This position shall be reassessed by the authority based on financial results of insurers for the quarter ending September 30, 2020. Accordingly, the Board of Directors has not declared any final dividend for the financial year ended March 31, 2020 (The Board of Directors had recommended a final dividend of ₹ 3.50 per equity share for the year ended March 31, 2019). Total dividend declared for financial year 2019-20 is ₹ 3.50 per share (Total dividend for the financial year 2018-19 is ₹ 6.00 per share).

5.2.24 In the previous year, the Company has made recovery of ₹ 566,826 thousand consequent to final settlement with one of the foreign reinsurers and the balance dues amounting to ₹ 460,738 thousand has been written off and the related provision has been reversed.

5.2.25 The Company has during the period, changed the annual premium allocation for Long Term Motor Own Damage policies issued on or after September 01, 2018 up to March 31, 2019 for new cars and new two wheelers in line with IRDAI's letter no. IRDA/NL/MISC/32/2019-20 dated May 21, 2019. This change has the impact of decreasing the operating profit / profit before tax by ₹ 10,425 thousand for FY 2019.

5.2.26 Amendment in Taxation Laws

The Taxation Laws Amendment Act, 2019 has amended the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured the opening balance of Deferred Tax Assets as at April 01, 2019 at the lower tax rate prescribed in the said section.

The impact of this change which has been recognised in the Profit & Loss for the current period is set out below:

Particulars	Amount
Reduction in tax due to lower rate	1,627,314
Impact of one-time reversal of Deferred tax asset as on April 01, 2019	(842,810)
Net Impact during the period	784,504

5.2.27 Business Transfer Agreement

The Company had entered into a business transfer agreement on October 30, 2019, to acquire proprietary software, platforms and underlying intellectual property assets developed by Unbox Technologies Private Limited along with ancillary movable assets for housing the Software and employees for operation, maintenance and development of the Software for an aggregate consideration of ₹ 2,244,000 thousand on a slump sale basis.

5.2.28 The COVID-19 has been declared a pandemic by the World Health Organisation on March 11, 2020. The pandemic has led to a significant impact on the Indian Financial markets and an overall decline in the economic activities all across the world. On March 24, 2020, the Union Government of India has announced a 21-day lockdown, which was further extended by 19 days, across the country for containment of the pandemic.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, due to the uncertainties associated with the pandemic, the actual impact of the pandemic may not be in with the current estimates. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

5.2.29 Impairment on Investments

The Company has assessed and provided for impairment on investment in equity assets and venture funds of ₹ 1,201,518 thousand (previous year ₹ 7,729 thousand) as per its policy.

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forming part of the financial statements

5.2.30 In accordance with the IRDAI circular no. IRDAI/NL/CIR/MOT/079/04/2020 dated April 02, 2020 and IRDAI/NL/CIR/MOT/ 090 /04/2020 dated April 16, 2020, the Policyholders whose motor vehicle third party insurance policies fell due for renewal during the period on and from March 25, 2020 up to May 03, 2020 and who are unable to make payment of their renewal premium on time in view of the prevailing situation in the country as a result of COVID 19 are allowed to make premium payment for renewal of policies to their insurers on or before May 15, 2020 to ensure continuity of the statutory motor vehicle third party insurance cover from the date on which the policy fell due for renewal so that any valid claim triggered during the grace period can be paid.

The Authority had further vide Circular dated April 3, 2020 responded that premiums for renewals in Motor Third Party policies that fell due between March 25, 2020 and March 31, 2020 shall be recognised as income during FY 2019-20 and correspondingly liabilities on such premium such as UPR, Claims provisioning shall also be provided in FY 2019-20.

In accordance with the IRDAI circular and the subsequent intimation by the authority, the Company is making a disclosure in connection with Motor third party policies as under:

Particulars	
Count of policies due for renewal between March 25, 2020 to March 31, 2020 (Nos)	212,043
Value of premium with respect to above cases (Amount in ₹ 000)	1,104,185
Count of policies which were renewed before March 31, 2020 (Nos)	44,345
Value of premium with respect to above cases (Amount in ₹ 000)	167,870
Count of policies which has been renewed between April 1, 2020 to April 29, 2020 (Nos)	9,263
Value of premium received in connection with such renewals (Amount in ₹ 000)	62,394

Impact of above on profits for the year ended March 31, 2020 is not material.

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

Sr. No.	Regrouped from	Regrouped to	Period ended	Amount (in ₹ 000's)	Reason
1	Schedule 1 Premium Earned - Miscellaneous (Others)	Schedule 1 Premium Earned - Miscellaneous (Health)	March 2019	1,478,318	
2	Schedule 2 Claims Incurred - Miscellaneous (Others)	Schedule 2 Claims Incurred - Miscellaneous (Health)	March 2019	543,261	As per IRDAI Master Circular on Preparation of Financial Statements (IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019); Travel Insurance to be clubbed with Miscellaneous (Health) Segment from Miscellaneous (Others) Segment.
3	Schedule 3 Commission - Miscellaneous (Others)	Schedule 3 Commission - Miscellaneous (Health)	March 2019	53,149	
4	Schedule 4 Operating expenses - Miscellaneous (Others)	Schedule 4 Operating expenses - Miscellaneous (Health)	March 2019	584,332	

Sr. No.	Regrouped from	Regrouped to	Period ended	Amount (in ₹ 000's)	Reason
5	Schedule 4 Operating expenses	Form B- RA Revenue Account -Others	March 2019	241,920	As per IRDAI Master Circular on Preparation of Financial Statements (IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019) the excess of allowable expenses to be reported as income under Revenue Account under separate sub line item as "Contribution from Shareholders Funds towards Excess EoM" in the line item "Others" and the excess of allowable expenses to be reported as expenses under Profit & Loss account under separate sub line item, "Contribution to policyholders Funds towards Excess EoM" in line item "Other Expenses".
6	Form B- RA Revenue Account - Profit on sale/ redemption of investments	Form B- RA Revenue Account - Profit on sale/ redemption of investments	March 2019	Fire - 2,913 Marine - 1,670 Miscellaneous - (4,583)	Reapportionment of the investment income within revenue account done for FY 2019-20 in line with current year considering total segmental liabilities less segmental assets. Last year only segmental liabilities were considered for the same.
7	Form B- RA Revenue Account - Loss on sale/ redemption of investments	Form B- RA Revenue Account - Loss on sale/ redemption of investments	March 2019	Fire - (352) Marine - (202) Miscellaneous - 554	
8	Form B- RA Revenue Account - Interest, Dividend & Rent (Gross)	Form B- RA Revenue Account - Interest, Dividend & Rent (Gross)	March 2019	Fire - 8,158 Marine - 4,679 Miscellaneous - (12,837)	

For and on behalf of the Board

Lalita D. Gupte
Chairperson

Sandeep Batra
Director

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Sanjeev Mantri
Executive Director

Vikas Mehra
Company Secretary

Gopal Balachandran
Chief Financial Officer

Mumbai, May 2, 2020