

DIRECTORS' REPORT

TO THE MEMBERS

ICICI Prudential Life Insurance Company Limited

Your Directors have pleasure in presenting the 18th Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2018 (FY2018).

PERFORMANCE

Industry in FY2018

The retail weighted received premium (RWRP) for the industry grew 19.2% from ₹ 532.67 billion in the year ended March 31, 2017 (FY2017) to ₹ 634.70 billion in FY2018. The market share of private players increased from 53.9% in FY2017 to 56.2% in FY2018.

Company in FY2018

The Company achieved a market share of 11.8% in FY2018 based on RWRP as compared to 12.0% in FY2017. The Company's Annualised Premium Equivalent (APE) grew by 17.6% from ₹ 66.25 billion in FY2017 to ₹ 77.92 billion in FY2018, within which the protection APE grew by 71.5% to ₹ 4.46 billion. The Company is focused on improving its protection business. There was a 36.5% increase in overall assured sum.

Total gross premium collected by the Company grew by 21.1% from ₹ 223.54 billion in FY2017 to ₹ 270.69 billion in FY2018. Our continued focus on customer retention has resulted in increase in retail renewal premium by 23.1% from ₹ 142.19 billion in FY2017 to ₹ 174.97 billion in FY2018. The 13th month persistency ratio¹ also improved from 85.7% in FY2017 to 86.8% in FY2018. The Company's assets under management at March 31, 2018 was ₹ 1,395.32 billion.

Total expenses increased to ₹ 34.75 billion in FY2018 as compared to ₹ 31.60 billion in FY2017. The total cost to total weighted received premium (TWRP²) ratio improved from 15.1% in FY2017 to 13.7% in FY2018. Profit after tax (PAT) for the Company stood at ₹ 16.20 billion in FY2018 compared to ₹ 16.82 billion in FY2017.

Value of New Business grew from ₹ 6.66 billion in FY2017 to ₹ 12.86 billion in FY2018, representing an increase of 93.1%.

Embedded Value increased from ₹ 161.84 billion at March 31, 2017 to ₹ 187.88 billion at March 31, 2018.

A summary of key parameters is as set out below:

Particulars	₹ billion	
	FY2017	FY2018
RWRP	64.08	74.61
APE	66.25	77.92
Savings	63.64	73.45
Protection	2.60	4.46
Retail renewal premium	142.19	174.97
Total premium	223.54	270.69
Expenses	31.60	34.75
Standalone profit after tax	16.82	16.20
Sum assured for new business	2,447.19*	3,340.93
Assets held	1,229.19	1,395.32
Cost to TWRP**	15.1%	13.7%
13 th month persistency	85.7%	86.8%
Value of new business (VNB)	6.66	12.86
Embedded value (EV)	161.84	187.88

*Restated for new business definition of group

**Cost/ (Total premium less 90% of single premium)

¹ Calculated in accordance with IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014

² TWRP: Total premium less 90% of single premium

30 | TRUST & TRANSPARENCY | ANNUAL REPORT 2017-18

OUTLOOK FOR THE INDUSTRY AND THE COMPANY

In FY2018, the Indian economy and capital markets was marginally affected by temporary disruptions caused after the introduction of Goods and Service Tax (GST). Over the medium term, the GST is expected to benefit economic activity and fiscal sustainability by eliminating multiple state tax systems, drawing informal activity into the formal sector and expanding the tax base.

Post demonetisation, there has been an increase in financialisation of household savings and this trend is expected to continue going forward as well. The life insurance industry is an important component of financial savings and is expected to gain from this shift in trend.

Recent events such as shift from physical saving to financial saving, digitisation and the improving customer proposition of insurance products coupled with fundamental strengths of the Indian economy (high GDP growth rate, high savings and investment rate, favourable demography) are expected to provide a fillip to the growth of the insurance industry in India.

The Company would continue to focus on its strategic priorities, namely:

Expand our savings business: The Company would continue to focus on growth opportunities in the long term savings business with a customised regional strategy.

Expand our protection business: The Company is focused on expanding protection by offering protection as an add-on to our savings products across channels, penetrating the online term insurance market and partnering with loan providers to offer coverage against loans.

Continue to deliver customer value: The Company would continue to focus on delivering value to consumers through competitive customer charges, better returns and transparent service experience.

Strengthen multichannel architecture: The Company would strengthen its multichannel distribution by non-linear scale up of agency and proprietary sales force, leveraging the bancassurance franchise and focusing on quality third party distribution.

Maintain cost efficiency: The Company would focus on cost efficiency and in particular would leverage the digital platform to improve customer experience and efficiency of operations.

Customer retention: The Company would strengthen mechanisms to improve the asset under management (AUM) growth by increasing renewal premium and curtailing surrenders.

Risk calibrated fund performance: The Company has in place a risk and investment management framework and would endeavour to continue to deliver healthy risk adjusted returns to customers.

Financials

Particulars	₹ billion			
	Standalone		Consolidated	
	FY2017	FY2018	FY2017	FY2018
Profit after tax	16.82	16.20	16.82	16.19
Balance brought forward from previous year	2.51	12.68	2.49	12.66
Profit available for appropriations	19.33	28.88	19.31	28.85
Appropriations:				
Interim Equity Dividend	(5.52)	(4.88)	(5.52)	(4.88)
Final Equity Dividend	-	(5.02)	-	(5.02)
Tax on Equity Dividend	(1.13)	(2.02)	(1.13)	(2.02)
Surplus carried to next year's account	12.68	16.96	12.66	16.93

The financial position of the Company remained strong with a solvency margin of 252.5% in FY2018 compared to 280.7% for FY2017 against regulatory requirement of 150%.

The AUM increased to ₹ 1,395.32 billion at March 31, 2018 from ₹ 1,229.19 billion at March 31, 2017.

OUR REACH

The Company reaches its customers through 505 offices in 442 locations at March 31, 2018. On March 31, 2018, the Company had 15,780 employees and 151,563 advisors to cater to the needs of customers. The Company distributes its products through agents, corporate agents, banks, brokers, proprietary sales force (PSF) and online channels.

PRODUCTS

Broadly, all the Company's products can be categorised into either savings or protection. Savings products are offered on three platforms- linked, participating and non-participating. These platforms differ in terms of choice of asset allocation, charges, transparency and surrender penalties. However life cover offered is the same across all savings products i.e. 10 times annual premium. The exception to this 10 times cover is annuity products.

Protection products are available on retail, group and credit life platforms. These products provide cover for life, disability, critical illness and accidental death. These are pure risk protection low cost products.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The operations have resulted in a profit after tax of ₹ 16.20 billion as compared to a profit after tax of ₹ 16.82 billion for the previous year. The marginal drop in profit is primarily on account of growth in protection business which has a higher new business strain. The Board had approved payment of interim dividend of ₹ 2.30 per equity share and a special dividend of ₹ 1.10 per equity share, at its Meeting held on October 24, 2017. Further, the Board at its Meeting held on April 24, 2018 has recommended a final dividend of ₹ 3.30 per equity share (including special dividend of ₹ 1.10 per equity share). Total dividend for the year is ₹ 6.70 per equity share aggregating to ₹ 9.62 billion for FY2018.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Dividend Distribution Policy of the Company is disclosed on the website <https://www.iciciprulife.com/about-us/corporate-policies.html>.

The Company has uploaded the details of unpaid and unclaimed dividend on the Company's website: https://www.iciciprulife.com/content/dam/icicpru/about-us/unpaid-dividend/Statement_of_unpaid_dividend.pdf

CLAIMS

The Company has settled over 11,000 individual mortality claims in FY2018. The claims settlement ratio for the Company was 97.85%. For non-investigated claims, the settlement was completed within an average turnaround time of 2.99 days from receipt of last requirement as compared to the regulatory norm of 30 days.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (CA2013) requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security, are not applicable to an insurance company.

SUBSIDIARY

The Company's wholly owned unlisted subsidiary, ICICI Prudential Pension Funds Management Company Limited (PFM) acts as a pension fund manager under the National Pension System (NPS) with the objective of providing a strategic platform to leverage the substantial pension opportunity in India due to the lack of formal retirement provisions for a large segment of the population.

During FY2018, the subscribers' funds managed by PFM have increased by 61.3% from ₹ 14,414.8 million at March 31, 2017 to ₹ 23,255.1 million at March 31, 2018. PFM registered a loss of ₹ 6.6 million (previous year: loss of ₹ 5.7 million) The overall contribution of the subsidiary to the financial results of the Company is not significant currently as it is still scaling up.

The Request for Proposal (RFP) issued by Pension Fund Regulatory and Development Authority (PFRDA) in September 2016 for selection of Pension Fund Managers for NPS-Private Sector expired in October 2017 without any appointments. The PFM continues to operate under the earlier 2014 appointment and awaits a fresh RFP from PFRDA.

The Company will make available separate audited financial statements of the subsidiary company to any Member upon request. These documents/details are available on the Company's website (www.iciciprulife.com) and will also be available for inspection by any Member of the Company at its Registered Office. A statement containing salient features of the financial statements of the subsidiary company forms part of the financial statements of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of future operations of the Company.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Changes in the composition of the Board of Directors and other key Managerial Personnel (KMP) during the year

Name of Director/ KMP#	Appointment/ Resignation/ Cessation of tenure/ Withdrawal of nomination	With effect from
Prof. Marti G Subrahmanyam – Independent Director	Cessation of tenure	July 26, 2017
Mr. Adrian O'Connor – Non-executive Director nominated by Prudential Corporation Holdings Limited	Withdrawal of nomination	December 13, 2017
Mr. R. K. Nair – Additional (Independent) Director	Appointment*	July 25, 2017
Mr. Raghunath Hariharan – Non-executive Director nominated by Prudential Corporation Holdings Limited	Appointment*	December 14, 2017
Ms. Rama Bijapurkar – Independent Director	Cessation of tenure	January 17, 2018
Mr. Dileep Choksi – Additional (Independent) Director	Appointment*	January 19, 2018

* Subject to the approval of the members at the Company's ensuing Annual General Meeting.

As per CA2013.

Independent Directors

The Board of Directors of the Company at March 31, 2018 consisted of twelve Directors, out of which six were independent Directors. All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the CA2013 and Regulation 16 of the Listing Regulations.

Separate Meeting of Independent Directors

During FY2018, a separate meeting of the independent Directors was held on April 25, 2017.

Retirement by rotation

In accordance with the provision of Section 152 of the CA2013, Mr. Puneet Nanda (DIN: 02578795) and Mr. Sandeep Batra (DIN: 03620913) would retire by rotation at the ensuing AGM. Mr. Puneet Nanda and Mr. Sandeep Batra, being eligible have offered themselves for re-appointment.

AUDITORS

Statutory Auditors

B S R & Co. LLP, bearing registration number 101248W/W-100022, Chartered Accountants and Walker Chandiook & Co LLP bearing registration number 001076N/N500013, Chartered Accountants were appointed as joint statutory auditors of the Company at the 17th Annual General Meeting (AGM) held on July 17, 2017 to hold office upto the conclusion of 19th AGM and 21st AGM of the Company.

Secretarial Auditors

The Company has, with the approval of its Board of Directors, appointed Dr. K R Chandratre, Company Secretary in Practice to undertake Secretarial Audit of the Company for FY2018. The Secretarial Audit Report is annexed herewith as Annexure A. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report.

Extract of Annual Return

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

Particulars of Employees

The statement containing the particulars of employees as required under Section 197(12) of the CA2013, read with Rule 5(2) of the Companies

(Appointment & Remuneration) Rules, 2014, is set out in an Annexure and forms part of this Report. In terms of Section 136(1) of CA2013 the Report and the Accounts are sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of this Annexure may write to the Company Secretary at the Registered Office of the Company.

Rural and Social Business

The Company has micro insurance retail products and group term products to cater to the protection and savings need of the unorganised and economically vulnerable section of the society.

- The Company has provided risk cover to Self Help Group (SHG) members predominantly in the rural areas of Tamil Nadu, Maharashtra, Karnataka & Rajasthan. These members are a group of micro entrepreneurs having homogeneous social and economic background, coming together to avail micro credit for financing their small and micro enterprises.
- The Company provides micro insurance savings product at the door step to the tea workers in Assam.
- The Company partners with Micro Finance Institutions/NBFCs and extends group term cover to customers for covering their loss of income risk arising out of unfortunately and untimely demise.
- 177,452 policies were issued in rural areas, constituting 21.2% of total policy issuances. The Company also covered more than 403,824 lives of the total lives covered within the norm of 'social sector' business.

Increase in Share Capital

The paid-up capital of the Company increased by ₹ 1.52 million pursuant to exercise of stock options granted under the Employee Stock Option Scheme and the paid-up capital was ₹ 14.35 billion at March 31, 2018.

Public Deposits

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

Corporate Social Responsibility Initiatives

The Corporate Social Responsibility policy as approved by the Board has been hosted on the Company's website (<https://www.iciciprulife.com/about-us/company-overview/corporate-social-responsibility.html>).

The Annual Report on Corporate Social Responsibility is annexed herewith as Annexure C.

Particulars of contracts or arrangements with related parties

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the CA2013 including certain arm's length transactions under third proviso thereto are disclosed in Form AOC -2 appended as Annexure D.

The Company has a Board approved policy on Related Party Transactions, which has been hosted on the website of the Company and can be viewed at <https://www.iciciprulife.com/about-us/corporate-policies.html>

Statement in respect of adequacy of internal financial controls

The Company has established an internal financial control framework comprising internal controls over financial reporting, operating controls and fraud prevention controls. The framework is designed to ensure accuracy, completeness and reliability of financial records, orderly and efficient conduct of business and safe guarding of assets as well as prevention and detection of fraud. Key components of the internal financial control framework include:

Entity level controls: The control environment of the Company relies on a set of Entity Level Controls (ELCs) which operate at an organisation level and may not be embedded in any single process of the Company. The ELCs set up by the Company include:

1. Corporate governance framework comprising Board and Executives committees for oversight on the management of the Company.
2. Policies commensurate with the Company's size and level of complexity to establish standards of conduct including code of conduct, whistle blower policy, work place harassment, conflict of interest, insurance awareness and customer education policy, grievance redressal policy, record maintenance policy and accounting policy etc.
3. Risk and fraud management framework to identify, measure, monitor and control various risks including operational risk and framework for identifying, monitoring of and control over outsourced activities.
4. Independent Internal Audit department with oversight from the Audit Committee.
5. Employee management framework comprising of hiring, retention, training, performance evaluation, remuneration structure, employee stock options & benefits, succession planning through leadership cover index etc.
6. Framework to ensure compliance to regulations, laws including compliance certification, communication of changes in regulations/laws etc. and litigation management.
7. Budgeting, monitoring and reporting of the performance with key performance indicators.
8. Information and cyber security policy & information security framework along with framework to ensure business continuity and disaster recovery.

Operating controls: Comprises of IT and process controls operating at a system/process level with the objective of providing assurance at a transaction recording stage. Salient aspects include:

1. The Company has implemented the COSO 2013 framework for ensuring compliance with Section 404 of Sarbanes Oxley Act, 2002. All business processes having implication on financial results are subject to quarterly reviews. Any material deficiency is discussed at the Audit Committee.

2. The Company has deployed automation in most aspects of transaction processing including policy administration, investment management, actuarial computations, expense processing, claims management, human resource processes and accounting to ensure greater control and efficiency.
3. The Company has in place a robust IT control environment with integrated systems, interface controls, centralised data warehouse, spreadsheet controls, direct database update controls and access controls.
4. The Company has a vendor on-boarding process with due diligence, risk assessment, document review and periodic assessment to ensure controls over third party service providers relevant from a financial reporting perspective. Further, the Board Risk Management Committee has an oversight on implementation of controls and monitors performance of the outsourced vendors.
5. The Company ensures controls on safeguarding of assets comprising investment assets, IT assets and other assets.

Review controls: Review control comprises multiple levels of oversight over financial reporting by way of a strong reporting and review framework as follows:

1. The financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee. They are also submitted to IRDAI.
2. The internal audit team exercises independent oversight over operational and financial processes and significant observations and recommendations are presented to the Audit Committee. Investment operations is subject to concurrent audit certification on a daily basis and an Investment Risk Management Systems (IRMS) audit on a once in two years basis. Any significant findings in the concurrent audit or IRMS audit are presented to the Audit Committee.
3. The Company has an effective organisation structure which segregates duties among business groups thereby ensuring orderly and efficient conduct of business. Additionally the Board has from time to time constituted various committees. These committees are responsible for specific operational areas, formulation of policies and framework, identification, assessment & monitoring of principal risks in accordance with the policies & procedures.
4. Management exercises review control by way of in depth reviews of financials, GL balances, suspense and payables, liability assumptions, information security, regulatory compliance, communication and reporting, key compliance issues and supervision of risk management function etc. conducted by CFO, Appointed Actuary, Chief IT & Operations and Chief Compliance & Risk Officer.

Fraud prevention: The Company has a Board approved fraud risk management policy. The Company has an Operational Risk Management Committee (ORMC) which independently monitors frauds. The ORMC reports to Executive Risk Committee which in turn reports to Board Risk Management Committee.

1. The fraud control framework consists of preventive and incident management. Preventive management includes fraud risk assessment for design of processes, investigation triggers across policy life cycle and proactive use of analytics to identify fraud patterns. Incident management includes recovery of loss, detailed investigation & root cause analysis and fraud incident reporting to BRMC.
2. The Company ensures implementation of controls to prevent repeat incidents, financial recovery process and disciplinary action against

involved employees. It also initiates actions through law enforcement authorities based on severity of the incident.

3. The Company undertakes several measures from time to time to create awareness amongst its employees and customers against fraudulent practices.
4. The Company is in compliance with 'Insurance Fraud Monitoring Framework' guidelines issued by IRDAI.

Auditor's Report

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

Internal audit and compliance framework

Internal Audit:

The Company has in place an internal audit framework with a risk based audit approach. The basic philosophy of risk based internal audit is to provide reasonable assurance to the Board Audit Committee and management about the adequacy and effectiveness of the risk management and control framework in the Company. Review of controls is undertaken through execution of internal audits as per risk based audit plan. The internal audit covers auditing of processes, transactions and systems. Key audit observations and recommendations made are reported to the Board Audit Committee every quarter. Implementation of the recommendations is actively monitored.

Compliance:

The Board Audit Committee oversees the compliance framework of the Company. The Company has formulated various internal policies/procedures and an employee code of conduct, which govern day-to-day activities to ensure compliance. The Compliance function disseminates relevant laws, regulations and circulars related to insurance and anti-money laundering to various functions. It also serves as a reference point for the staff of various functions for seeking clarifications on applicable laws, regulations and circulars issued by the regulatory authorities. The Compliance team also monitors the adequacy of the compliance framework across the Company. Key issues observed as part of this monitoring are reported to the Board Audit Committee, and implementation of recommendations is actively monitored. A compliance certificate signed by the Managing Director & CEO, based on the certification from respective functional heads, is placed at the Board Audit Committee on a quarterly basis.

Ind AS Implementation

International Accounting Standard Board (IASB) issued IFRS 17 Insurance Contracts on May 18, 2017, effective mandatorily from January 1, 2021. Subsequently, Insurance Regulatory and Development Authority of India (IRDAI) reviewed the Ind AS implementation and noted that Ind AS in its current form is likely to lead a mismatch in asset & liability, along with volatility in financial statements of insurance companies with double transition. Therefore, IRDAI through circular dated June 28, 2017 deferred the implementation of Ind AS for a period of two years with applicability for accounting periods beginning from April 1, 2020.

Further, IRDAI through its order dated August 21, 2017 constituted a working group on IFRS 17 primarily to review the standard and identify relevant areas/aspects which require suitable adoption in Indian context and changes in regulations/guidelines. Pursuant to this, Accounting Standards

Board of ICAI issued the exposure draft of Ind AS 117 Insurance Contracts (Ind AS equivalent standard of IFRS 17) on February 12, 2018.

Risk Management

The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for the generation of shareholder value. The risk governance structure of the Company consists of the Board, the Board Risk Management Committee (BRMC), the Executive Risk Committee (ERC) and its sub-committees. The Board approved risk policy details identification, measurement, monitoring and control standards relating to the various individual risks, namely investment (market, credit and liquidity), insurance and operational risks.

1. Investment risk

Investment risk is the risk arising out of variations in the level or volatility of market prices of assets and financial instruments, including the risk arising from any mismatch between assets and liabilities, due to external market and economic factors. The Company faces limited liquidity risk due to the nature of its liabilities. The key mitigation approaches for this risk are as follows:

- (a) Product approval process: Launching new products can significantly alter the risk profile of the Company's Balance Sheet. Investment risks inherent in the new products or significant modifications to existing products are identified at the product design stage and products are launched only after approval by the ERC.
- (b) Asset Liability Management (ALM): The Company has detailed Investment Specifications that govern the investment strategy and limits for each fund depending on the profile of the liability backed by those assets. For each category of products, the Investment Specifications specify limits to permissible exposures to various asset classes, duration guidelines for fixed income instruments and minimum investment in liquid assets.
- (c) Exposure limits have been defined for companies, groups and industries in accordance with IRDAI guidelines and the Company's internal Investment Policy. The Company restricts investments primarily to securities rated AA and above.
- (d) The Company has a liquidity contingency plan in place.

2. Insurance risk

Insurance risk is the risk arising because of variance to the best estimate or because of random fluctuations in the frequency, size and timing of insurance liabilities. Insurance risk is composed of the following components: mortality, morbidity, persistency and expense risk. These risks are mitigated through:

- (a) Product approval process: Insurance risks inherent in the new products or significant modifications to existing products are identified at the product design stage and products are launched only after approval by the ERC. The Company in its product design incorporates product features and uses appropriate policy wordings to mitigate insurance risk.
- (b) Reinsurance: The Company uses appropriate reinsurance arrangements, including catastrophe reinsurance, to manage insurance risk. The arrangements are with select and financially sound reinsurers. The Company's reinsurance exposures are considered and approved by the ERC periodically.

- (c) Underwriting and claims controls: Underwriting and claims policies and procedures are in place to assess and manage mortality and morbidity risks. The Company seeks to minimise these risks by diversifying its business portfolio and adhering to appropriate and segmented underwriting norms. The Company conducts periodic reviews of both underwriting and claims procedures.
- (d) Experience analysis: The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing, reserving and embedded value reporting are in line with experience. The Company actively monitors its claims experience, persistency levels and expense ratios.
- (e) Aligning key performance indicators: The Company uses appropriate key performance indicators for different levels of hierarchy in sales and operations to align interests and ensure adequate focus on insurance risk specially, persistency and expense.

3. Operational risk:

Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems, or from external events.

The Company uses the following approaches to manage the risk:

- (a) The Company develops and monitors mitigation plans for high risk items identified through the Risk Control Self-Assessment (RCSA) done by each business function, loss events and/or audit findings.
- (b) The Company continuously monitors the internal loss events and ensures adequate mitigation for high impact events to avoid repeat instances.
- (c) The Company actively promotes a risk awareness culture by improving understanding through communication. It further engages with the law enforcement agencies to create awareness on various insurance frauds and emerging issues.
- (d) Fraud Management: The Company follows both a proactive and reactive approach to manage fraud. Proactive management is done by using triggers to identify suspected frauds and through random sample checks. Reactive management is done through incident management. Investigation is done for identification of process/system failures and/or identification of responsible internal/external parties. The Company ensures implementation of controls to prevent repeat incidents, financial recovery process and disciplinary action against involved employees in accordance to Malpractice Matrix. It also initiates actions through law enforcement authorities based on severity of the incident.
- (e) Outsourcing Risk: Processes of the Company are outsourced as permitted under the regulatory guidelines. The Company carries out required due-diligence for any new activity or vendor empanelment.
- (f) Business Continuity Management (BCM): The Company has a BCM framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as usual presence in the market place and safety of human resources. This includes systems and processes including use of disaster recovery sites and business continuity plans for critical processes which are being tested periodically.
- (g) Information and Cyber Security: The Company has an information

and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organisation. The Company's controls include deployment of security solutions like firewall, intrusion prevention system, anti-malware solution and dynamic URL filtering, further a programme for regular vulnerability assessment of critical IT applications and infrastructure.

- (h) Whistle-blower policy that facilitates reporting of observed breaches. Employee Code of Conduct that is laid out with a malpractice matrix prescribing disciplinary action including caution, deterrent action and termination based on the nature and seriousness of non-compliant behaviour.

Sexual Harassment Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at the workplace and has communicated the same to all its employees. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education & awareness amongst employees through e-learning programmes.

CORPORATE GOVERNANCE

The Company considers its stakeholders as partners in success and remains committed to maximising stakeholders' value. The Company believes that sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. It is committed to exercise overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with corporate governance requirements.

The Company's corporate governance philosophy is based on an effective independent Board, the separation of Board's supervisory role from the executive management. The Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

Whistle Blower Policy

The Company has formulated a Whistle blower Policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. As per the Policy, employees or Directors can raise concerns related to breach of any law, statute or regulation, issues related to accounting policies and procedures, acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences, non-compliance to anti-bribery & anti-corruption policy by the Company or its employees to the Board Audit Committee through specified channels. The Policy has been periodically communicated to the employees and also posted on the Company's intranet and details pertaining to establishment of vigil mechanism is hosted on the website at <https://www.icicprulife.com/about-us/corporate-policies.html>.

Code of Conduct under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The Company has in place a Code of Conduct to Regulate, Monitor and Report Trades in securities by Directors, Employees & Connected Persons which is in conformity with the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Employees of the Company, Designated Persons, and their Immediate Relatives and Connected Persons, to the extent applicable. The objective of the Code is to prohibit insider trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a 'need to know' basis.

Code of business conduct and ethics

The Board of Directors has approved a Code of Business Conduct and Ethics for Directors and employees of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the Company. The Code lays down the broad framework of general guiding principles. This Code is available on the website of the Company (<https://www.iciciprulife.com/about-us/company-overview/board-of-directors.html>). Pursuant to the Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

Policy for determining Material Subsidiaries

In accordance with the requirements of the Listing Regulations, the Company has formulated a Policy for determining Material Subsidiaries and the same has been hosted on the website of the Company (<https://www.iciciprulife.com/about-us/corporate-policies.html>)

Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, business overview, digitisation initiatives in policy issuance and servicing processes, key regulatory developments, governance, strategy, investment, human resource and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link: <https://www.iciciprulife.com/about-us/company-overview/board-of-directors.html>

The names of the Directors with their qualification and field of specialisation are set out in the following table:

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialisation
Non-executive non-independent Directors			
Ms. Chanda Kochhar, Chairperson, Non-executive Director nominated by ICICI Bank Limited	00043617	MMS – Finance, ICWA	Banking, Financial Services
Mr. N. S. Kannan, Non-executive Director nominated by ICICI Bank Limited	00066009	Bachelor of Engineering (Honours) PGDM, Chartered Financial Analyst (ICFAI)	Banking, Financial Services
Mr. Adrian O'Connor, Non-executive Director nominated by Prudential Corporation Holdings Limited ¹	02417554	Fellow of the Institute of Actuaries and Fellow of Society of Actuaries	Financial Management, Strategic Planning
Mr. Raghunath Hariharan, Non-executive Director nominated by Prudential Corporation Holdings Limited ²	08007442	MBA, Finance & Strategy Master of Management Studies Bachelors of Engineering (Production), First Class with Honours	Financial Management, Strategic Planning

CEO / CFO Certification

In terms of the Listing Regulations, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

Board of Directors

The Company's Board is, constituted in compliance with the CA2013, in accordance with Listing Regulations and IRDAI Corporate governance guidelines, 2016. The Board comprises six Independent Directors, two Directors nominated by ICICI Bank Limited, one Director nominated by Prudential Corporation Holdings Limited, the Managing Director & CEO and two Executive Directors. Except the Managing Director & CEO and two Executive Directors, all other Directors including the Chairperson of the Board are Non-Executive Directors. The Board is responsible for corporate strategy and other responsibilities as laid down by IRDAI under the Corporate Governance guidelines. The Managing Director & CEO and the Executive Directors oversee implementation of strategy, achievement of the business plan and day-to-day operations. There is an appropriate mix of executive, non-executive and independent Directors. None of the Directors are related to any other Director or employee of the Company.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board has constituted Committees, namely, Board Audit Committee, Board Risk Management Committee, Board Investment Committee, Board Customer Service & Policyholders' Protection Committee, Board Nomination and Remuneration Committee, Board Corporate Social Responsibility Committee, Stakeholders Relationship Committee, With Profits Committee, Special Committee and Strategy Committee.

There were seven Meetings of the Board during FY2018 – on April 25, 2017, July 25, 2017, October 6, 2017, October 24, 2017, January 12, 2018, January 19, 2018 and March 6, 2018. The maximum interval between any two meetings did not exceed 120 days.

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialisation
Non-executive Independent Directors			
Prof. Marti G Subrahmanyam ³	00306761	B.Tech, PGDM, Ph.D.	Corporate Finance, Capital Markets and International Finance
Ms. Rama Bijapurkar ⁴	00001835	B.Sc (Hon.), PGDM	Market Strategy
Mr. Vinod Kumar Dhall	02591373	LLB , M.Sc, Masters degree in Mathematics	Corporate Affairs, Law and Insurance
Mr. V. Sridar	02241339	B.Com (Hons), FCA	Banking, Finance and Accountancy
Mr. M. S. Ramachandran	00943629	B. E. (Mechanical)	Oil and Petroleum Industry
Mr. Dilip Karnik	06419513	B.Sc. and LLB	Former Judge of High Court of Bombay, Currently an Advocate
Mr. R. K. Nair ⁵	07225354	M.Sc LLB, MBA Financial Management, Diploma in Securities Law	Banking, Insurance, Securities Market Regulation
Mr. Dileep Choksi ⁶	00016322	B.Com CA LLB, Cost Accountant	Finance and Taxation
Executive Directors			
Mr. Sandeep Bakhshi, Managing Director & CEO	00109206	B.E. (Mech), PGDM	Banking, Insurance, Financial Services
Mr. Puneet Nanda	02578795	B.E. PGDM	Insurance, Financial Services
Mr. Sandeep Batra	03620913	B.Com FCA, ACS	Banking, Insurance, Financial Services

1. Mr. Adrian O'Connor ceased to be a Director with effect from December 13, 2017.
2. Mr. Raghunath Hariharan was appointed as a Director with effect from December 14, 2017.
3. Prof. Marti G Subrahmanyam ceased to be an Independent Director with effect from July 26, 2017.
4. Ms. Rama Bijapurkar ceased to be an Independent Director with effect from January 17, 2018.
5. Mr. R. K. Nair has been appointed as an Additional (Independent) Director with effect from July 25, 2017.
6. Mr. Dileep Choksi has been appointed as an Additional (Independent) Director with effect from January 19, 2018.

The attendance of Directors at the Board Meetings during the year are set out in the following table:

Name of the Director	Board Meetings attended/held during the year	Attendance at last AGM (July 17, 2017)	Number of other directorships		Number of other committee memberships ¹⁰
			Of Indian public limited companies ⁹	Of other companies ⁹	
Non-executive non-independent Directors					
Ms. Chanda Kochhar, Chairperson, Non-executive Director nominated by ICICI Bank Limited	7/7	Present	4	2	-
Mr. N. S. Kannan, Non-executive Director nominated by ICICI Bank Limited	6/7	Present	4	2	3
Mr. Adrian O'Connor, Non-executive Director nominated by Prudential Corporation Holding Limited ¹	2/4	Absent	NA	NA	NA
Mr. Raghunath Hariharan, Non-executive Director nominated by Prudential Corporation Holding Limited ²	1/3	NA	-	-	-
Non-executive Independent Directors					
Prof. Marti G. Subrahmanyam ³	2/2	Present	NA	NA	NA
Ms. Rama Bijapurkar ⁴	5/5	Present	NA	NA	NA
Mr. Vinod Kumar Dhall ⁵	7/7	Absent	6	-	7(5)
Mr. V. Sridar	7/7	Present	6	-	6(4)
Mr. M. S. Ramachandran ⁵	7/7	Present	5	3	2(1)
Mr. Dilip Karnik	5/7	Present	5	-	2
Mr. R. K. Nair ⁶	5/5	NA	7	1	2
Mr. Dileep Choksi ⁷	1/1	NA	9	2	8(5)
Executive Directors					
Mr. Sandeep Bakhshi, Managing Director & CEO	7/7	Present	1	-	-
Mr. Puneet Nanda	7/7	Present	1	-	-
Mr. Sandeep Batra	7/7	Present	2	1	1

1. Mr. Adrian O'Connor ceased to be a Director with effect from December 13, 2017.
2. Mr. Raghunath Hariharan was appointed as a Director with effect from December 14, 2017. He has participated in two Meetings through tele-conference.
3. Prof. Marti G. Subrahmanyam ceased to be an Independent Director from close of business hours on July 25, 2017 i.e. with effect from July 26, 2017.
4. Ms. Rama Bijapurkar ceased to be an Independent Director from close of business hours on January 16, 2018 i.e. with effect from January 17, 2018.
5. Participated in one Meeting through video-conference.
6. Mr. R. K. Nair has been appointed as an Additional (Independent) Director with effect from July 25, 2017. Participated in one Meeting through video-conference.
7. Mr. Dileep Choksi has been appointed as an Additional (Independent) Director with effect from January 19, 2018.
8. Comprises of public limited companies incorporated in India.
9. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
10. Comprises only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies. Figures in parentheses indicate committee chairmanship including alternate chairmanship.

In terms of the Listing Regulations, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a member/chairman were within the limits prescribed under Listing Regulations, for all the Directors of the Company. The number of directorships of each independent Director is also within the limits prescribed under Listing Regulations.

Board Committees

The details of Board Committees are as follows:

a) Board Audit Committee

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, with high levels of transparency, integrity and quality of financial reporting. The Committee shall oversee the work of internal audit & compliance functions and ensure deployment of policies for an effective control mechanism including mechanism to address potential conflict of interest among stakeholders. The Committee has the authority and responsibility to select, evaluate and recommend the statutory auditors in accordance with law. The Committee shall ensure independence of control functions demonstrated by a credible reporting arrangement.

Terms of Reference:

I. Accounts & Audit

- Oversee the financial statements, financial reporting process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
- Recommend the appointment, re-appointment, terms of appointment and, if required, the replacement or removal; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/ statutory/ concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Oversight of the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person.
- Evaluation of internal financial controls and risk management systems.
- Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern.
- Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-Section (3) of Section 134 of the CA2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgement by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements to the extent applicable.
- Approval or any subsequent modification and disclosure of any related party transactions of the Company. Provided that the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
- Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
- To the extent applicable, review with the management, the statement of uses/ end use/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review of housekeeping items, particularly review of suspense balances, reconciliations (including Subsidiary General Ledger (SGL) accounts) and other outstanding assets & liabilities.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), or by any other regulatory authority.

II. Internal Audit

- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Oversee the efficient functioning of the internal audit department and review its reports. The Committee would additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Discussion with internal auditors of any significant findings and follow up there on.

- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower/Vigil mechanism.

III. Compliance & Ethics

- Review reports on the above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.
- Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- Supervise and monitor matters reported using the Company's whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.
- Advise the Board on the effect of the above on the Company's conduct of business and helping the Board set the correct 'tone at the top' by communicating, or supporting the communication, throughout the Company of the importance of ethics and compliance.
- Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters.
- Review key transactions involving conflict of interest.
- Review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme.
- Review compliance of Insurance Regulatory & Development Authority of India (IRDAI) Corporate Governance guidelines.
- Monitor the directives issued/ penalties imposed/ penal action taken against the Company under various laws and statutes and action taken for corrective measures.
- Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

Composition

There were five Meetings of the Board Audit Committee held during FY2018 – on April 24, 2017, June 15, 2017, July 24-25, 2017, October 24, 2017 and January 18-19, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. V. Sridar – Chairman	5/5
Prof. Marti G Subrahmanyam ¹	3/3
Mr. Vinod Kumar Dhall ²	5/5
Mr. M. S. Ramachandran ²	5/5
Mr. R K Nair ³	2/2
Mr. N S Kannan	5/5
Mr. Adrian O'Connor ⁴	1/4
Mr. Raghunath Hariharan ⁵	1/1

1. Ceased to be a member with effect from July 25, 2017. Participated in one Meeting through video-conference.
2. Participated in one Meeting through video-conference.
3. Appointed as a member with effect from July 25, 2017.
4. Ceased to be a member with effect from December 13, 2017.
5. Appointed as a member with effect from December 14, 2017.

b) Board Risk Management Committee

The Committee reviews the Risk Management policy of the Company, including Asset Liability Management (ALM), to monitor all risks across the various lines of business of the Company and establish appropriate systems to mitigate such risks. The Committee also reviews the risk appetite and risk profile of the Company. The Committee oversees the effective operation of the risk management system and advises the Board on key risk issues.

Terms of Reference:

A. Risk Management

- Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
- Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
- Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;
- Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
- Review the Company's risk-reward performance to align with overall policy objectives;
- Discuss and consider best practices in risk management in the market and advise the respective functions;
- Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;

- viii. Review the solvency position of the Company on a regular basis;
- ix. Monitor and review regular updates on business continuity;
- x. Formulation of a Fraud monitoring policy and framework for approval by the Board;
- xi. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
- xii. Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated January 21, 2013, issued by the Authority.
- xiii. To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

B. Asset Liability Management (ALM)

- i. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;
- ii. Reviewing the Company’s overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
- iii. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
- iv. Placing information pertaining to ALM before the Board at periodic intervals;
- v. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
- vi. Quantifying the level of risk exposure (eg. market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
- vii. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
- viii. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
- ix. Managing capital requirements at the Company level using the regulatory solvency requirements; and
- x. Reviewing, approving and monitoring capital plans and related decisions over capital transactions.
- xi. To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Risk Management Committee held during FY2018 – on April 24, 2017, July 25, 2017, October 18, 2017 and January 18, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. M. S. Ramachandran – Chairman ¹	2/2
Prof. Marti G. Subrahmanyam – Chairman ²	2/2
Ms. Rama Bijapurkar ³	3/3
Mr. N. S. Kannan	4/4
Mr. Adrian O’Connor ⁴	1/3
Mr. Raghunath Hariharan ⁵	0/1

- 1. Appointed as a Chairman with effect from July 25, 2017.
- 2. Ceased to be a member with effect from July 25, 2017.
- 3. Ceased to be a member with effect from close of business hours on January 16, 2018.
- 4. Ceased to be a member with effect from December 13, 2017.
- 5. Appointed as a member with effect from December 14, 2017.

c) Board Investment Committee

The Investment Committee assists the Board in fulfilling its oversight responsibility for the investment assets of the Company. The Committee is responsible for formulating the overall investment policy and establishing a framework for its investment operations with adequate controls. The Committee also monitors investment performance against the applicable benchmarks and provide guidance for protection of shareholders’ and policyholders’ funds.

Terms of Reference:

- Responsible for the recommendation of the Investment Policy and laying down of the operational framework for the investment operations of the Company. The Investment Policy and operational framework should, inter alia, focus on a prudential asset liability management supported by robust internal control systems; and encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments in line with policyholders’ reasonable expectations and above all protection of policyholders’ funds.
- Put in place an effective reporting system to ensure compliance with the Investment Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations.
- To submit a report to the Board on the performance of investments at least on a quarterly basis and provide an analysis of its investment portfolio (including with regard to the portfolio’s safety and soundness) and on the future outlook.
- The committee should independently review its investment decisions and ensure that support by the internal due diligence process is an input in making appropriate investment decisions.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Investment Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or by any other regulatory authority.

Composition

There were four Meetings of the Board Investment Committee held during FY2018 – on April 24, 2017, July 24, 2017, October 18, 2017 and January 18, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/ held
Mr. M. S. Ramachandran – Chairman ¹	2/2
Prof. Marti G. Subrahmanyam – Chairman ²	2/2
Mr. R. K. Nair ³	1/2
Mr. N. S. Kannan	4/4
Mr. Adrian O'Connor ⁴	1/3
Mr. Raghunath Hariharan ⁵	0/1
Mr. Sandeep Bakhshi	4/4
Mr. Sandeep Batra	4/4
*Mr. Satyan Jambunathan	4/4
*Mr. Manish Kumar	4/4
*Mr. Deepak Kinger	3/4
*Ms. Asha Murali	4/4

* As per IRDAI Corporate Governance guidelines 2016, Board Investment Committee shall also have Appointed Actuary, Chief Investment Officer, Chief Financial Officer and Chief Risk Officer as members.

1. Appointed as a Chairman with effect from July 25, 2017.
2. Ceased to be a member with effect from July 25, 2017.
3. Appointed as a member with effect from July 25, 2017. Participated in one meeting through tele-conference.
4. Ceased to be a member with effect from December 13, 2017.
5. Appointed as a member with effect from December 14, 2017.

d) Board Customer Service & Policyholders' Protection Committee

The Board Customer Service & Policyholders' Protection Committee will assist the Board to protect the interests of the policyholders and improve their experiences in dealing with the Company at all stages and levels of their relationship with the Company. In this connection, the Committee aims to upgrade and monitor policies and procedures for grievance redressal and resolution of disputes, disclosure of 'material information' to the policy holders, and compliance with the regulatory requirements.

Terms of Reference:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection.
- Review of the mechanism at periodic intervals.
- Ensure adequacy of disclosure of 'material information' to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
- Review the status of complaints of the policyholders, and take steps to reduce these complaints, at periodic intervals.

- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- Provide details of insurance ombudsmen to the policyholders.
- Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry.
- Oversee the functions of the customer service council.
- Review measures for enhancing the quality of customer service.
- Provide guidance to improve in the overall satisfaction level of customers.
- Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.
- Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.
- Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.
- Reviewing Repudiated claims with analysis of reasons.
- Status of settlement of other customer benefit payouts like Surrenders, Loan and Partial withdrawal requests etc.
- Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

The Company has a Grievance Redressal Committee (GRC). The key discussions of the GRC Meeting are put up at the Board Customer Service & Policyholders' Protection Committee for information. The GRC is formed to provide effective grievance redressal to the policyholders. The GRC consists of two external members and three members from senior management team of the Company. Mr. R. Narayanan, an external member, chairs the GRC. As part of the grievance redressal mechanism, the GRC constituted as the final authority to address the policyholders' grievances before approaching the Regulator and the Ombudsman office. The GRC meets on a quarterly basis with the following terms of reference:

- a) Evaluate feedback on quality of customer service and claims experience.
- b) Review and approve representations received on claims repudiations.
- c) Ensure that the Company follows all prescribed regulatory requirements on policyholder service.
- d) Submit report on its performance to the Customer Service & Policyholder Protection Committee (CS & PPC) on a quarterly basis.

Composition

There were four Meetings of the Board Customer Service & Policyholders' Protection Committee held during FY2018 - on April 25, 2017, July 24, 2017, October 24, 2017 and January 17, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. Vinod Kumar Dhall – Chairman	4/4
Mr. Dilip Karnik ¹	2/2
Mr. N. S. Kannan	4/4
Mr. Adrian O'Connor ²	2/3
Mr. Raghunath Hariharan ³	0/1

1. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

e) Board Nomination and Remuneration Committee

The Board Nomination & Remuneration Committee shall assist the Board to formulate policies relating to the composition & remuneration of the directors, key managerial personnel, other employees consistent with criteria approved by the Board. The Committee shall coordinate and oversee the self-evaluation of the performance of the Board and succession planning for senior management. The Committee shall ensure that the Board comprises competent and qualified Directors.

Terms of Reference:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To consider and approve employee stock option schemes and to administer and supervise the same.
- To devise a policy on diversity of the Board.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance.
- To scrutinise the declarations of intending applicants before the appointment/ re-appointment/ election of directors by the shareholders at the annual general meeting; and to scrutinise the applications and details submitted by the aspirants for appointment as the key managerial personnel.
- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To ensure that the proposed appointments/ re-appointments of key managerial personnel or directors are in conformity with the Board approved policy on retirement/ superannuation.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Nomination & Remuneration Committee held during FY2018 - on April 24, 2017, July 25, 2017, January 17, 2018 and March 6, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. M. S. Ramachandran – Chairman ¹	2/2
Ms. Rama Bijapurkar – Chairperson ²	2/2
Prof. Marti G. Subrahmanyam ³	2/2
Mr. Vinod Kumar Dhall ⁴	4/4
Mr. N. S. Kannan	3/4
Mr. Adrian O'Connor ⁵	1/2
Mr. Raghunath Hariharan ⁶	0/2

1. Appointed as a member with effect from July 25, 2017 and Chairman with effect from January 17, 2018.
2. Ceased to be a member with effect from close of business hours on January 16, 2018.
3. Ceased to be a member with effect from July 25, 2017.
4. Participated in one meeting through video-conference.
5. Ceased to be a member with effect from December 13, 2017.
6. Appointed as a member with effect from December 14, 2017. Participated in one meeting through tele-conference.

f) Board Corporate Social Responsibility (CSR) Committee

The purpose of the Committee is to formulate and recommend to the Board the CSR policy of the Company. It will also formulate the annual CSR plan, and monitor the CSR activities and compliance with the CSR policy from time to time. Corporate Social Responsibility Policy of the Company as per Section 135 of the CA2013 is put up on the Company's website.

Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition

There were two Meetings of the Board Corporate Social Responsibility Committee held during FY2018 – on April 25, 2017 and January 17, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/ held
Mr. Vinod Kumar Dhall – Chairman	2/2
Mr. Dilip Karnik ¹	1/1
Mr. N. S. Kannan	2/2
Mr. Adrian O'Connor ²	1/1
Mr. Raghunath Hariharan ³	0/1

1. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

Note: Mr. N. S. Kannan ceased and Mr. Sandeep Batra was appointed as a member of the Committee with effect from April 24, 2018.

g) Stakeholders Relationship Committee

Terms of reference:

- Consider and review redressal and resolutions of the grievances of the security holders of the Company, including those of shareholders, debenture holders and other security holders.
- Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities.
- Approval and rejection of requests for split and consolidation of share certificates.
- Approval and rejection of issue of duplicate share, issued from time to time.
- Redemption of securities and the listing of securities on stock exchanges.
- Allotment of shares and securities.
- Any other activities which are incidental or ancillary thereto.

Composition

There were four Meetings of the Stakeholders Relationship Committee held during FY2018 - on April 25, 2017, July 24, 2017, October 23, 2017 and January 17, 2018. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/ held
Mr. Vinod Kumar Dhall – Chairman	4/4
Mr. Sandeep Bakhshi	3/4
Mr. Sandeep Batra	4/4

Ms. Vyoma Manek, Company Secretary acts as the Compliance Officer of the Company in accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The total number of complaints from shareholders in fiscal 2018 was 442 and 441 complaints have been resolved. At March 31, 2018, 1 complaint was pending which was responded to within timeline.

h) With Profits Committee

Terms of reference:

- Maintaining the asset shares, at policy level, and ensuring that only the portion of expenses representing this business shall be allocated and interest rate credits to these asset shares represent the underlying assets of these funds.
- Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India.
- Providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund, etc. which were represented in the asset share.

Composition

There was one Meeting of the With Profits Committee held during FY2018 on April 24, 2017. The details of the composition of the Committee and attendance at its Meeting are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. V. Sridar – Chairman	1/1
Mr. R. K. Nair ¹	0/0
Mr. N. S. Kannan	1/1
Mr. Adrian O' Connor ²	0/1
Mr. Raghunath Hariharan ³	0/0
Mr. Sandeep Bakhshi	1/1
*Mr. N. M. Govardhan	1/1
*Ms. Asha Murali	1/1

* As per IRDAI regulations With Profits Committee shall also have an Independent Actuary and Appointed Actuary as members.

1. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

i) Special Committee

The Board of Directors at its Meeting held on July 25, 2017 had constituted a Special Committee to consider the proposal on acquisition of policyholders' liabilities and assets of Sahara India Life Insurance Company Limited. The said Committee comprised Mr. M S Ramachandran – Chairman, Mr. N. S. Kannan, Mr. Adrian O'Connor, Mr. Sandeep Bakhshi and Mr. Sandeep Batra. The Committee met once during the year on July 28, 2017.

Subsequently since the role and objectives of the Special Committee were completed, the Committee stood dissolved.

j) Strategy Committee

The Board of Directors at its Meeting held on January 19, 2018 had constituted a Strategy Committee to consider and evaluate any combination, arrangement, transfer of assets, acquisition, divestiture and any other strategic initiative and recommend such proposals to the Board of Directors. The said Committee comprised Mr. R. K. Nair – Chairman, Mr. N. S. Kannan, Mr. Raghunath Hariharan, Mr. Sandeep Bakhshi, Mr. Puneet Nanda and Mr. Sandeep Batra. The meeting for this Committee was not convened in the financial year ended March 31, 2018.

Criteria for appointment of Directors & Senior Management

The Company has a well-defined Policy for determining criteria for appointment of Directors & Senior Management personnel.

Remuneration Policy

The Company already has in place a Compensation & Benefits Policy (Compensation Policy) applicable to Wholtime Directors (WTDs), Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees.

Further details with respect to the Compensation Policy are provided under the section titled "Compensation Policy and Practices".

Details of Remuneration paid to Whole Time Directors

The Board Nomination and Remuneration Committee (BNRC) determines and recommends to the Board the remuneration, including performance bonus and perquisites, payable to the Whole Time Directors.

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to whole time Directors for fiscal 2018:

Particulars	Details of Remuneration (₹)		
	Mr. Sandeep Bakhshi	Mr. Puneet Nanda	Mr. Sandeep Batra
Basic	22,851,240	12,854,280	9,791,520
Variable pay paid out in fiscal 2018 ¹	18,601,859	12,581,378	12,188,599
Allowances and perquisites ²	18,568,910	14,480,908	15,588,897
Contribution to provident fund	2,742,148	1,542,512	1,174,983
Contribution to superannuation fund	150,000	-	-
Contribution to gratuity fund	1,903,508	1,070,762	815,634
Stock options of the Company (Numbers)			
Granted in fiscal 2018	165,000	66,000	49,500
Granted in fiscal 2017	-	-	-
Stock options of ICICI Bank (Numbers)³			
Granted in fiscal 2018	673,750	269,500	202,125
Granted in fiscal 2017	913,000	303,050	256,025

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

- ¹ The variable pay figure includes deferred variable pay of previous years as approved by IRDAI
- ² Allowances and perquisites exclude stock options exercised during fiscal 2018 which does not constitute remuneration paid to the Whole Time Directors for fiscal 2018.
- ³ Pursuant to approval of shareholders, the Bank issued bonus shares in June 2017, accordingly the above ICICI Bank stock options have been adjusted with increase of one option for every ten outstanding options and the exercise price is proportionately adjusted.

Perquisites (evaluated as per Income-Tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the gas, electricity, furnishing, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, were provided in accordance with the scheme(s) and rule(s) applicable from time to time.

Details of Remuneration paid to non-executive Directors

As provided in the Articles of Association of the Company, the fees payable to the non-executive independent Directors for attending a Meeting of the

Board or Committee thereof is decided by the Board of Directors from time to time within the limits prescribed by the CA2013. For FY2018, the Company has paid ₹ 100,000 as sitting fees for each Meeting of Board and ₹ 20,000 as sitting fees for each Meeting of Committee attended. This amount is within the limits prescribed as per Rule 4 of Companies (Appointment & Remuneration) Rules, 2014 of the CA2013.

The members of the Company at the Annual General Meeting held on July 17, 2017 have approved the payment of profit related commission upto ₹ 750,000 every year to each non-executive independent Director of the Company in proportion with their tenure, for each year effective from financial year ended March 31, 2017. The payments is subject to the regulatory provisions applicable to the Company. Sitting fees paid to Independent Directors are outside the purview of the above limits.

The details of the sitting fees and commission paid are as below:

Sitting fees paid to Independent Directors during the financial year ended March 31, 2018:

Name of the Director	Amount (in ₹)
Prof. Marti G. Subrahmanyam ¹	3,80,000
Ms. Rama Bijapurkar ²	6,00,000
Mr. Vinod Kumar Dhall	10,80,000
Mr. V. Sridar	8,20,000
Mr. M. S. Ramachandran	9,20,000
Mr. Dilip Karnik	5,60,000
Mr. R. K. Nair ³	5,60,000
Mr. Dileep Choksi ⁴	1,00,000

- ¹ Ceased to be an Independent Director with effect from July 26, 2017.
- ² Ceased to be an Independent Director with effect from January 17, 2018.
- ³ Appointed as an Additional (Independent) Director with effect from July 25, 2017.
- ⁴ Appointed as an Additional (Independent) Director with effect from January 19, 2018.

* As per requirements of IRDAI regulations, Mr. N. M. Govardhan being an Independent Actuary is required to be a member of the With Profits Committee and is paid fees of ₹ 1,00,000 for attending the Meeting.

Commission paid to Independent Directors in the financial year ended March 31, 2018:

Name of the Director	Amount (in ₹)
Prof. Marti G. Subrahmanyam	750,000
Ms. Rama Bijapurkar	750,000
Mr. Vinod Kumar Dhall	750,000
Mr. V. Sridar	750,000
Mr. Keki Dadiseth*	51,369
Mr. M. S. Ramachandran*	567,123
Mr. Dilip Karnik*	567,123

* Proportionately paid in accordance with the tenure as an Independent Director of the Company. A provision of ₹ 44.98 lakhs is made in the financial statement ending March 31, 2018.

Remuneration disclosures pursuant to IRDAI guidelines

Pursuant to IRDAI guidelines on Remuneration of Non-Executive Directors and Managing Director/Chief Executive Officer/Wholtime Directors of Insurers (IRDAI Guidelines) issued vide Reference No. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 requires the Company to make following disclosures on remuneration on an annual basis in their Annual Report:

COMPENSATION POLICY AND PRACTICES

(A) Qualitative Disclosures

a. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

Name, composition and mandate of the main body overseeing remuneration

The Board Nomination and Remuneration Committee (BNRC/Committee) is the body which oversees the remuneration aspects. The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, formulate a criteria for the evaluation of the performance of the Wholtime/independent Directors and the Board and to extend or continue the term of appointment of independent Director on the basis of the report of performance evaluation of independent Directors, recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, recommending to the Board the remuneration (including performance bonus and perquisites) to Wholtime Directors (WTDs), commission and fee payable to non-executive Directors subject to applicable regulations, approving the policy for and quantum of bonus payable to the members of the staff including senior management and key managerial personnel, formulating the criteria for determining qualifications, positive attributes and independence of a Director, framing policy on Board diversity, framing guidelines for the Employees Stock Option Scheme (ESOS) and decide on the grant of the Company's stock options to employees and WTDs of the Company.

External consultants whose advice has been sought, the body by which they were commissioned and in what areas of the remuneration process

The Company did not take advice from an external consultant on any area of remuneration during the year ended March 31, 2018.

Scope of the Company's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

The Compensation Policy of the Company as last amended and approved by the BNRC and the Board at its Meeting held on April 25, 2017, which covers all employees of the Company.

Type of employees covered and number of such employees

All employees of the Company are governed by the compensation policy. The total number of permanent employees governed by the compensation policy of the Company at March 31, 2018 was 15,780.

Key features and objectives of remuneration policy

The Company has under the guidance of the Board and the BNRC, followed compensation practices intended to drive meritocracy within the framework of prudent risk management. This approach has been incorporated in the Compensation Policy, the key elements of which are given below:

Effective governance of compensation

The BNRC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for the Organisation and the performance threshold for bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The BNRC assesses organisational performance as well as the individual performance of WTDs and equivalent positions. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and equivalent positions and bonus for employees, including senior management and key management personnel.

Alignment of compensation philosophy with prudent risk taking

The Company seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Company has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time.

Whether the BNRC reviewed the Company's remuneration policy during the past year, and if so, an overview of any changes that were made

The Compensation & Benefits Policy on remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Wholtime Directors of Insurers was reviewed, amended and approved by the Board of Directors held April 25, 2017.

Description of the ways in which current and future risks are taken into account in the remuneration processes

- To ensure effective alignment of compensation with prudent risk taking, the Company shall take into account adherence to the risk framework to ensure remuneration is adjusted for all types of risks in conjunction with other pre-defined performance objectives. Remuneration payout shall be sensitive to the time horizon of the risks involved and symmetric to risk outcomes.
- Compensation is aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.
- Prudent behaviour is assessed through a Good Order Index for senior management level employees.
- These business objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.
- Acts of gross negligence and integrity breach are covered under the purview of the compensation policy.
- The deferred part of the variable pay (performance bonus) will be subject to malus, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.
- The quantum of bonus does not exceed a certain percentage (as stipulated in Compensation policy) of total fixed pay in a year, for Wholtime Directors if the quantum of bonus exceeds a pre-defined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period.

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

The Company follows a philosophy of meritocracy, which is the relative differentiation of employees based on performance delivered. The design of the variable pay is linked to the individual employee’s performance rating which is arrived at basis assessment of performance delivered against a set of pre-defined performance objectives. These objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives. To ensure effective alignment of compensation with prudent risk parameters, the Company will take into account various risk parameters along with other pre-defined performance objectives of the Company. Prudent behavior is assessed through a Good Order Index for middle and senior management level employees.

(B) Quantitative disclosures

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Wholetime Directors (including MD & CEO)

Particulars	At March 31, 2018
Number of meetings held by the BNRC during the financial year	4
Remuneration paid to its members during the financial year (in million) (sitting fees)	-
Number of WTD/ CEO/ MD having received a variable remuneration award during the financial year	3
Number and total amount of sign on awards made during the financial year	Nil
Details of guaranteed bonus, if any, paid as joining/ sign on bonus	Nil
Breakup of amount of remuneration awarded for the financial year (in million)	
Fixed ¹	98.8
Variable Pay ²	54.5
Deferred	21.8
Non-Deferred	32.7
Share-Linked Instruments – ICICI Life ²	280,500
Share-Linked Instruments – ICICI Bank ²	1,145,375
Total amount of referred remuneration paid out in the financial year	10.7
Total amount of outstanding deferred remuneration	
Cash (₹ in million)	37.6
Shares	Nil
Shares-linked instruments – ICICI Life	280,500
Shares-linked instruments – ICICI Bank ³	2,796,228
Other forms	Nil

¹ Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Company.

² For the year ended March 31, 2018, variable pay and share-linked instruments represent amounts paid/options during the year FY2018 as per IRDAI approval.

³ The table excludes special grant of stock options granted in FY2016 approved by IRDAI on June 3, 2016 aggregating to 1,100,000 for Sandeep Bakhshi, 478,500 for Puneet Nanda and 404,250 for Sandeep Batra.

Note: Pursuant to approval of shareholders, the Bank issued bonus shares in June 2017, accordingly the above ICICI Bank stock options have been adjusted with increase of one option for every ten outstanding options and the exercise price is proportionately adjusted.

Disclosures required with respect to Section 197(12) of the CA2013

The ratio of the remuneration of each Director to the median employee’s remuneration and such other details in terms of Section 197(12) of the CA2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees, who are part of annual bonus plan, of the Company for the financial year

Mr. Sandeep Bakhshi, Managing Director & CEO	78:1
Mr. Puneet Nanda, Executive Director	53:1
Mr. Sandeep Batra, Executive Director	48:1

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

The percentage increase in remuneration of Whole Time Directors, Chief Financial Officer, and Company Secretary ranged between 14% to 19%.

(iii) The percentage increase in the median remuneration of employees, who are part of annual bonus plan, in the financial year

The percentage increase in the median remuneration of employees, who are part of annual bonus plan, in the financial year was around 9.0%.

(iv) The number of permanent employees on the rolls of Company

The number of employees, as mentioned in the Section on ‘Management’s Discussion & Analysis’ is 15,780.

(v) The explanation on the relationship between average increase in remuneration and company performance

The Company’s philosophy on compensation and benefits is based on the ethos of meritocracy. The twin pillars of the performance management system and talent management system are closely intertwined with the compensation and benefits policy of the Company. While the Company aims to ensure internal and external equity consistent with emerging market trends, the Company’s business model and affordability based on business performance sets the overarching boundary conditions. The Board sets and approves the Key Performance Indicators of the Company based on the financial and strategic plan. The Board KPIs are balanced in nature and include both quantitative and qualitative aspects. To ensure effective alignment of compensation with prudent risk parameters, the KPIs comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives. The BNRC assesses organisational performance as well as the individual performance of WTDs against the set KPIs at the Company level and at the individual level. Based on its assessment, the BNRC recommends to the Board the compensation proposal for WTDs and the compensation proposal for employees.

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company

For the FY2018, the KMPs were paid around 0.74% of the PAT.

(vii) Variations in the market capitalisation of the company, price earnings ratio at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies

Particulars	At March 31, 2017	At March 31, 2018
Market capitalisation (₹ in billion)	548.88	557.83
Price/Earnings multiple	32.6	34.44
Increase in the market quotations of the equity shares in comparison to the rate at which the last public offer made in September 2016	14.50%	16.3%

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentage increase in the salaries of total employees other than the Key Managerial Personnel for fiscal 2018 was around 9.0%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 14% to 19%.

(ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

The ratio of the remuneration of each KMP (as per Companies Act, 2013) to the PAT of the Company is given below:

Mr. Sandeep Bakhshi, Managing Director & CEO	0.27%
Mr. Puneet Nanda, Executive Director	0.18%
Mr. Sandeep Batra, Executive Director	0.16%
Mr. Satyan Jambunathan, Chief Financial Officer	0.11%
Ms. Vyoma Manek, Company Secretary	0.02%

(x) The key parameters for any variable component of remuneration availed by the directors

The Compensation & Benefits Policy applicable to Wholtime Directors, Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees, is in line with the guidelines issued by IRDAI on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Wholtime Directors of Insurers and in line with ICICI Group norms.

These KPIs of the Organisation and Wholtime Directors, in addition to financial parameters, include parameters related to quality and health of the business. To ensure effective alignment of compensation with prudent risk parameters, the Company takes into account various risk parameters along with other pre-defined performance objectives of the Company. At the end of the financial year, the performance of the Company as well as performance of each WTD based on their respective KPI(s) is presented to the BNRC. Based on the performance assessment by the BNRC, the variable component of the remunerations for the WTDs is recommended to and approved by the Board.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year
Not applicable

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company

Yes

Performance evaluation of Board, Committees and Directors

The Company with the approval of its Board Nomination & Remuneration Committee has put in place an evaluation framework for evaluation of the Board, Directors and Chairperson. The Board also carries out an evaluation of the working of its Committees.

The evaluations for the Directors, the Board and the Chairperson of the Board were undertaken through circulation of three questionnaires, one for the Directors, one for the Board and one for the Chairperson of the Board. The performance of the Board was assessed 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. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation process for Wholtime Directors is further detailed under the Section titled "Compensation Policy and Practices."

Employee Stock Option Scheme (ESOS)

The Company granted options to its employees under its Employee Stock Option Scheme, prior to listing, since approval of its Employee Stock Option Scheme – 2005. This pre-IPO scheme shall be referred to as 'Scheme'. The Scheme has six tranches namely Founder 1, 2004-05, 2005-06, 2006-07, Founder II and 2007-08 ESOS, pursuant to which shares have been allotted and listed in accordance with the in-principle approval extended by the stock exchanges. The Scheme was instituted vide approval of its members at the Extra-Ordinary General Meeting (EGM) dated March 28, 2005 and subsequently amended by the members of the Company vide its EGM dated February 24, 2015.

The Scheme was last ratified and amended by the members of the Company at its Annual General Meeting held on July 17, 2017 which is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (referred to as the 'Revised Scheme').

In the last amendment, which was approved by the members at the Annual General Meeting held on July 17, 2017, the definition of Exercise Period was modified to read as 'Exercise Period means the period commencing from the date of vesting and would expire on completion of such period not exceeding ten years from the date of vesting of Options as may be determined by the Board Nomination and Remuneration Committee for each grant.' The amendment to the definition covers only future grants and not the grants already made.

As per the Revised Scheme the aggregate number of shares issued or issuable since March 31, 2016 pursuant to the exercise of any options granted to the eligible employees issued pursuant to the Scheme or any other stock option scheme of the Company, shall not exceed 2.64% of

the number of shares issued as on March 31, 2016; which pursuant to the Scheme was capped at 3% of the issued capital of the Company as on the date of grant(s). Further, pursuant to the Revised Scheme the maximum number of options that can be granted to any eligible employee is restricted to 0.1% of the issued Shares of the Company at the time of grant of Options, which pursuant to the Scheme was 1% of the issued capital of the Company to any eligible employee. Both, the Scheme and the Revised Scheme, provides for a minimum period of one year between the grant of options and vesting of options. Shares are allotted to all those who have exercised their options, as granted by the Board of the Company and/or the Committee in accordance with the criteria ascertained pursuant to the Company's Compensation and Benefits Policy.

Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, the below disclosures are available on the website of the Company at <https://www.icicprulife.com/content/dam/icicpru/about-us/FinancialInformation/AnnualReports/FY2018.pdf>.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss account on account of modification of the Scheme.

The salient features of tranches issued under the Scheme and the Revised Scheme are as stated below:

Date of Grant	Founder March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008	2017-18 July 25, 2017
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000	656,300
Maximum term for exercising options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options	Tenth anniversary from the date of vesting of options
Graded Vesting Period						
1st Year	50% of option granted		25% of options granted		30% of options granted	
2nd Year	25% of options granted		25% of options granted		30% of options granted	
3rd Year	25% of options granted		25% of options granted		40% of options granted	
4th Year	-		25% of options granted		-	
Mode of settlement	Equity					

Exercise price of all the options outstanding for all years/quarter for tranches Founder, 2004-05, 2005-06, 2006-07, Founder II, 2007-08 & 2017-18 is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130, ₹ 400 and ₹ 468.6 respectively.

Particulars of options granted by the Company up to March 31, 2018 are given below:

Options granted	24,840,125
Options forfeited/ lapsed	10,116,085
Options vested	19,187,161
Options exercised	11,903,152
Total number of options in force	2,820,888
Number of shares allotted pursuant to exercise of options	11,903,152
Extinguishment or modification of options	Nil
Amount realized by exercise of options (₹)	933,800,100

Note: For details on option movement during the year refer Notes to accounts.

The following Key Managerial Personnel, other than wholtime Directors, and Senior Management Personnel (SMP) were granted ESOPs upto a maximum of 41,000 options, aggregating to 232,300 options during FY2018.

Sr. No.	Name	Designation
1	Judhajit Das	Chief – Human Resources
2	Satyan Jambunathan	Chief Financial Officer
3	V. V. Balaji	Chief – IT & Operations
4	Pranav Mishra	Chief – Sales & Distribution
5	Prasun Kumar Sikdar*	Chief – Sales & Distribution
6	Manish Kumar	Chief Investments Officer
7	Deepak Kinger	Chief Risk & Compliance Officer

* Mr. Prasun Kumar Sikdar ceased to be an employee with the Company with effect from October 1, 2017.

No employee was granted options during any one year equal to or exceeding 0.1% of the issued equity shares of the Company at the time of the grant.

Nil options were vested during the year ended March 31, 2018 and ₹ 39.6 million was realised by exercise of options during the year ended March 31, 2018 (March 31, 2017: ₹ 327.3 million). During the year ended March 31, 2018 the Company has recognized a compensation cost of ₹ nil (year ended March 31, 2017: ₹ nil) as the intrinsic value of the options. Had the company followed fair value method based on binomial tree model valuing its options compensation cost for the year ended would have been higher by ₹ 39.7 million (March 31, 2017: ₹ nil) and the proforma profit after tax would have been ₹ 16,158.6 million (March 31, 2017: ₹ 16,822.3 million). On a proforma basis, the company's basic and diluted earnings per share would have been ₹ 11.26 (March 31, 2017: ₹ 11.73) and ₹ 11.25 (March 31, 2017: ₹ 11.72) respectively.

Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2018 were

Particulars	March 31, 2018	Basis
Risk-free interest rate	6.68% to 6.96%	G-Sec yield at grant date for tenure equal to the expected term of ESOPs
Expected life of the options	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	0.96%	Based on recent dividend declared
Expected volatility	15.82% to 16.39%	Based on historical volatility determined on the basis of Nifty 50

The weighted average price of options exercised during the year ended March 31, 2018 is ₹ 261.08 (year ended March 31, 2017: ₹ 108.3).

Further disclosures pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, Guidance Note on accounting for employees share based payments issued by ICAI or any other relevant accounting standard have been included in the Notes to Accounts.

ICICI Bank Limited ("Holding company") has granted options to executive Directors and certain employees of the Company. The holding company follows an intrinsic value method and has recognized a cost of ₹ nil for the year ended March 31, 2018, for the options granted to employees of the Company (year ended March 31, 2017: ₹ nil).

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

None of the non-executive Directors of the Company holds shares of the Company as on March 31, 2018.

General Body Meetings

The details of the last three Annual General Meetings (AGM) are given below:

Financial Year ended	Day, Date	Start time	Venue
Fifteenth AGM	Thursday, June 25, 2015	10.00 am	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Sixteenth AGM	Friday, June 24, 2016	11.00 am	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Seventeenth AGM	Monday, July 17, 2017	2.00 pm	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Near Bombay Hospital & Medical Research Centre, New Marine Lines, Mumbai 400 020

The following special resolutions were passed by the members during the last three Annual General Meeting:

Annual General Meeting held on June 25, 2015

- Re-appointment & Revision in remuneration payable to Mr. Sandeep Bakhshi, Managing Director & CEO.
- Re-appointment & Revision in remuneration payable to Mr. Puneet Nanda, Executive Director.
- Revision in remuneration payable to Mr. Sandeep Batra, Executive Director.

Annual General Meeting held on June 24, 2016

- Amendment of the Articles of Association of the Company.

Annual General Meeting held on July 17, 2017

- Approval and ratification of ICICI Prudential Life Insurance Company Limited - Employees Stock Option Scheme.
- Approval to Grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the Revised Scheme.

Means of Communication

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.iciciprulife.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released through as per regulatory requirements. The information is also disseminated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from time to time.

The financial and other information and the various compliances as required/prescribed under the Listing Regulations are filed electronically with NSE and BSE through NSE Electronic Application Processing (NEAP) System and through BSE Listing Centre and are also available on their respective websites in addition to the Company's website. Additionally information is also disseminated to BSE/NSE where required by email or fax.

The Company's quarterly financial results are published in the Financial Express (Mumbai, Pune, Ahmedabad, Lucknow, Delhi, Kolkata, Chandigarh, Chennai, Bengaluru, Hyderabad, Cochin edition) and Loksatta (Mumbai, Pune, Nagpur, Ahmednagar, Delhi, Aurangabad edition). The financial results, official news releases, analyst call transcripts and presentations are also available on the Company's website.

Management Discussion and Analysis

The Management Discussion and Analysis Report for FY 2018 forms part of the Annual Report.

General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Eighteenth AGM	Tuesday, June 26, 2018, 2.30 pm	Swatantrya Veer Sawarkar Auditorium, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028

Financial Year: April 1, 2017 to March 31, 2018

Book Closure: June 20, 2018 to June 26, 2018 (both days inclusive)

Dividend Payment date: On or before July 25, 2018.

Listing of equity shares on Stock Exchange

The Company has listed its equity shares on the following Stock Exchanges:

Stock Exchange	Code for ICICI Prudential Life Insurance Company Limited
BSE Limited (BSE) (Equity) Phiroze Jeejeebhoy Tower Dalal Street Mumbai 400 001	540133
National Stock Exchange of India Limited (NSE) (Equity) 'Exchange Plaza' Bandra-Kurla Complex Bandra (East), Mumbai 400 051	ICICIPRULI

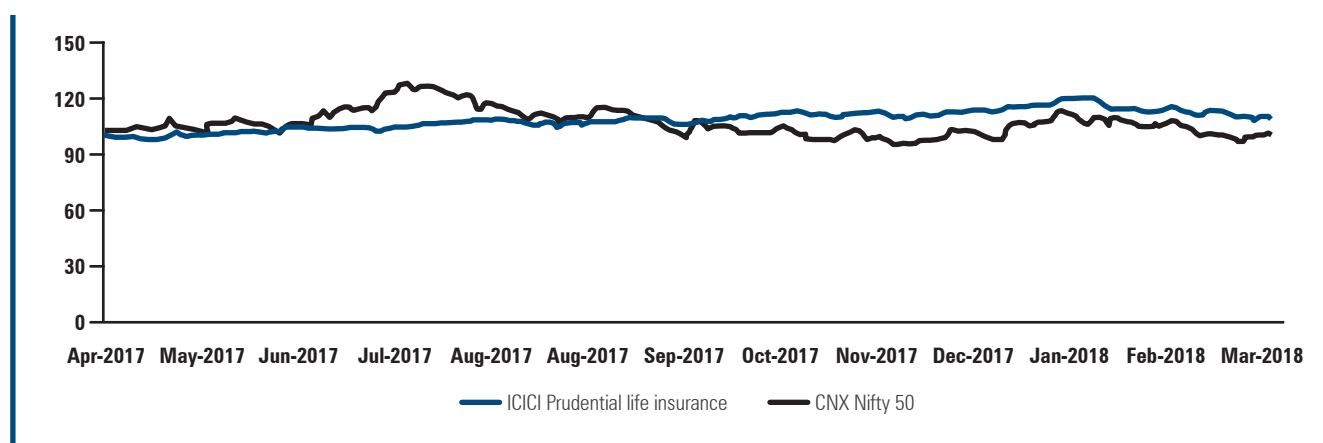
The Company has paid the annual listing fees for the relevant periods to BSE and NSE where its equity shares are listed.

Market price Information

The reported high and low closing prices and volume of equity shares of the Company traded during Fiscal 2018 on BSE and NSE are set out in the following table:

Month	BSE			NSE			Total volume of BSE and NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
April 2017	418.70	385.05	2,136,003	419.90	385.35	13,845,619	15,981,622
May 2017	417.10	392.60	1,724,591	417.50	391.95	11,871,357	13,595,948
June 2017	473.60	401.55	3,013,908	473.65	400.95	15,927,863	18,941,771
July 2017	495.20	438.10	3,359,699	494.45	439.05	26,807,080	30,166,779
August 2017	443.80	412.75	1,556,992	443.95	413.80	16,530,572	18,087,564
September 2017	446.00	382.45	2,065,123	446.20	381.35	27,427,927	29,493,050
October 2017	413.05	387.20	2,383,247	413.20	387.55	25,421,189	27,804,436
November 2017	402.15	371.75	1,866,911	401.80	372.05	29,541,005	31,407,916
December 2017	395.20	366.90	1,723,109	395.40	367.30	17,755,419	19,478,528
January 2018	438.35	374.80	3,034,164	438.75	375.20	44,742,440	47,776,604
February 2018	424.90	401.90	2,202,203	424.90	400.80	21,001,810	23,204,013
March 2018	408.10	371.20	1,061,048	407.40	371.50	19,493,234	20,554,282
Fiscal 2018	495.20	366.90	26,126,998	494.45	367.30	270,365,515	296,492,513

SHARE PERFORMANCE



* Share price/index are rebased to 100 for closing value on March 31, 2017.

Share Transfer System

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

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad – 500 032
 Email ID: einward.ris@karvy.com
 Tel No.: +91-40-67162222
 Fax No.: +91-40-23420814

Information on shareholding

Shareholding pattern of the Company as on March 31, 2018

Sr. No.	Category/Name of the Shareholder	Number of shares on March 31, 2018 (in million)	% Total
1	ICICI Bank Limited (Promoter)	787.82	54.9%
2	Prudential Corporation Holdings Limited (Promoter)	370.78	25.8%
3	Foreign Institutional Investors/Foreign Portfolio Investors/Foreign Bodies	122.27	8.5%
4	Domestic Mutual Funds	41.33	2.9%
5	Domestic Institutions, Trust & NBFC	50.80	3.5%
6	Domestic Body corporates including Insurance Company	15.37	1.1%
7	Domestic Banks	0.76	0.1%
8	Retail Investors & Others	46.36	3.2%
	Total	1,435.50	100.0%

Shareholders of the Company with more than 1% holding as on March 31, 2018 (other than promoters of the Company)

Sr. No.	Name	No. of shares	% of total number of shares
1.	M/s. Apex Trust *	47,328,548	3.30
2.	Compassvale Investments Pte. Ltd.	28,717,748	2.00

* 37,435,497 equity shares held by M/s Apex Trust jointly with Mr. Rishad Azim Premji and 9,893,051 equity shares held by M/s Apex Trust together for M/s Hasham Traders

Distribution of shareholding of the Company as on March 31, 2018

Distribution Schedule As On March 31, 2018 (Total)					
Sr.No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	349,712	97.93	255,673,070	1.78
2	5001- 10000	3,854	1.08	29,688,010	0.21
3	10001- 20000	1,648	0.46	24,424,070	0.17
4	20001- 30000	506	0.14	12,950,000	0.09
5	30001- 40000	243	0.07	8,636,370	0.06
6	40001- 50000	203	0.06	9,629,510	0.07
7	50001- 100000	357	0.10	26,096,120	0.18
8	100001& Above	594	0.17	13,987,889,950	97.44
	Total	357,117	100.00	14,354,987,100	100.00

The Company's equity shares are traded mainly in dematerialised form. During the year, 173,075 equity shares of face value ₹ 10/- each involving 27 certificates were dematerialised. At March 31, 2018, 99.99% of paid-up equity share capital are held in dematerialised form.

Fit and Proper criteria for investors and continuous monitoring requirement

The IRDAI guidelines for Listed Indian Insurance Companies prescribe the following:

- Self-certification of 'fit and proper person' criteria by a person holding/intending to acquire equity shares of 1% or more of paid-up equity share capital.
- Prior permission of IRDAI for holding shares beyond 5% of the paid-up equity share capital.

Further information on detailed procedure and format for self-certification is hosted on the Company's website https://www.iciciprulife.com/content/dam/icicipru/about-us/investor-awareness/Fit_And_Proper_Criteria.pdf

Queries related to the operational and financial performance of the Company may be addressed to:

Mr. Satyan Jambunathan/Mr. Vikas Gupta
Investor Relations
ICICI Prudential Life Insurance Co. Ltd.
1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email ID: ir@iciciprulife.com

ADDITIONAL INFORMATION

Conservation of Energy and Technology absorption

The Company has undertaken various initiatives for energy conservation at its premises and has used information technology extensively in its operations; further details are given in the Business Responsibility Report.

Business Responsibility Reporting

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations forms part of the Annual Report and has been hosted on the website of the Company and can be viewed at <https://www.icicprulife.com/content/dam/icicpru/about-us/business-responsibility-report/BRR2018.pdf>

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo required under Section 134(3)(m) of the CA2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are as under:

Particulars	₹ billion	
	FY2017	FY2018
Foreign exchange earnings and outgo		
- Earnings	0.10	0.15
- Outgo	0.39	0.32

Commodity price risk or foreign exchange risk and hedging activities

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

Plant Locations

The branches of the Company are highlighted in this report earlier, however, there are no plants as the Company is not a manufacturing entity.

Address for Correspondence

Ms. Vyoma Manek
Company Secretary
ICICI Prudential Life Insurance Company Limited
1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email ID: investor@icicprulife.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has annexed to this report (Annexure E), a certificate obtained from the statutory auditors, B S R & Co. LLP, Chartered Accountants and Walker Chandiosk & Co LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in the Listing Regulations.

Details of unclaimed suspense account as provided by our RTA i.e. Karvy Computershare Private Limited pursuant to Regulation 39 read with Part F of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Description	No. of Shareholders	No. of Shares
1.	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2017	1	61
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	61
3.	Number of shareholders to whom shares were transferred from suspense account during the year	1	61
4.	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2018	0	0

Events after Balance Sheet date

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of this report.

Disclosures

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.
- In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.

Adoption of Mandatory and Non-mandatory requirements

The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation 2 of Regulation 46 and some of the non-mandatory requirements pertaining to Corporate Governance stipulated under the Listing Regulations.

The Company has adopted following non-mandatory requirements:

- Separate posts of chairperson and chief executive officer.
The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer
- Reporting of internal auditor
The internal auditor may report directly to the audit committee.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of Annual General Meeting and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India) Limited. The CA2013 and the underlying rules as well as Regulation 36 of the Listing Obligations, permit the dissemination of financial statements and annual report in electronic mode to the Members. Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the Green Initiative.

In order to support the cause, we have been regularly requesting members to register/update their email ids with their Depository Participants so as to enable the Company to send various communication through electronic mode. We believe and endorse the 'Green Initiative' as it would not only rationalise the use of paper but also ensure prompt communication, avoid loss in transit and have reference value of the communication.

DIGITISATION

In furtherance of the Green Initiative, the Company has digitised its policy issuance and servicing processes. More than 96% of all our applications are logged digitally. The Company has also offered its customers the facility of opening e-insurance accounts, an electronic repository of the policies to enable it to electronically store and administer a policy.

To the extent permitted the Company also communicates with its customers via sms and emails to reduce the use of paper. The digital platform is extended to employees, advisors and partners too. Due to these initiatives the Company's paper usage has dropped drastically over the years. The above initiatives and digital processes have not only provided speed and convenience to customers and distributors, but has also had a positive impact on environment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the CA2013 and the Corporate Governance Guidelines, the Board of Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the annual accounts on a going concern basis;
- (e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) 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.

ACKNOWLEDGEMENTS

The Company is grateful to the Insurance Regulatory & Development Authority of India, Securities Exchange Board of India, Reserve Bank of India and Government of India for their continued co-operation, support and advice.

The Board of Directors and the Company would also like to take this opportunity to express sincere thanks to our valued customers for their continued patronage and the investors for reposing confidence in the Company.

The Directors express their gratitude for the valuable advice and guidance received from time to time, from the auditors and the statutory authorities. The Directors express their deep sense of appreciation to all employees and distributors, who continue to display outstanding professionalism and commitment, enabling the organisation to deliver and extend quality services. The Directors also wish to express their gratitude to ICICI Bank Limited and Prudential Corporation Holdings Limited for their continued trust and support.

For and on behalf of the Board

Chanda Kochhar

Chairperson

DIN: 00043617

May 4, 2018
Mumbai