



INDEX

CORPORATE OVERVIEW

| | |
|--|----|
| Basis and Adoption of Integrated Reporting | 04 |
| India's Leading Private General Insurer | 06 |
| Our Organisational Structure And Solutions | 07 |
| Our Key Differentiators For FY2022 | 08 |
| Our Financial Performance | 09 |
| Awards and Accolades | 10 |
| Our Performance | 14 |
| Message from the Chairperson | 17 |
| Message from the Managing Director | 19 |
| Board of Directors | 22 |
| Leadership Team | 24 |
| Corporate Information | 25 |
| Delivering Value to our Stakeholders | 26 |
| Business Model (Inputs) | 28 |
| Business Model (Outcomes) | 29 |
| Our Business Model | 30 |
| The Operating Environment in FY2022 | 31 |
| Our Strategy in Action | 34 |
| Stakeholder Perspectives | 38 |
| Addressing Material Issues | 40 |
| Enterprise Risk Management - Framework & Approach | 44 |
| Risk Management Assessment on COVID-19 | 48 |
| Reserving Disclosures | 50 |
| Business Segment Review | 57 |
| Government and Rural Business Groups | 60 |
| Retail Group | 62 |
| Shared Services | 64 |
| Human Capital: An Important Pillar To Achieve Organisational Goals | 70 |
| Corporate Social Responsibility | 77 |
| Our Approach to ESG | 81 |

STATUTORY REPORT

| | |
|---|-----|
| Directors' Report | 85 |
| Corporate Government Report | 94 |
| Secretarial Auditor's Report | 131 |
| Management Discussion & Analysis Report | 152 |

FINANCIAL STATEMENTS

| | |
|-----------------------------------|-----|
| Management Report | 169 |
| Independent Auditor's Report | 178 |
| Independent Auditor's Certificate | 187 |
| Balance Sheet | 189 |
| Profit and Loss Account | 190 |
| Revenue Account | 192 |
| Schedules | 194 |
| Receipts and Payment Account | 254 |
| Glossary | 256 |





Income from investments (Profit and Loss Account) stood at ₹ 7.03 billion for fiscal 2022 from ₹ 5.04 billion for fiscal 2021. The gross interest, dividend and rent (Profit and Loss Account) stood at ₹ 5.40 billion for fiscal 2022 from ₹ 4.36 billion for fiscal 2021 was primarily due to an increase in total investment assets attributable to the shareholder account.

Other income (Profit and Loss Account)

Other income (Profit and Loss Account) consists of interest income on tax refund, profit on sale/discard of fixed assets and recovery of bad debts written off.

| (₹ billion) | | |
|---|--------------|-------------|
| Particulars | Fiscal 2021* | Fiscal 2022 |
| Interest income on tax refund | 0.12 | 0.00 |
| Profit on sale/discard of fixed assets | 0.00 | 0.03 |
| Recovery of bad debts written off | - | - |
| Other income (Profit and Loss Account) | 0.12 | 0.03 |

Other income (Profit and Loss Account) stood at ₹ 0.03 billion for fiscal 2022 from ₹ 0.12 billion for fiscal 2021. Also, interest income on tax refund was NIL for fiscal 2022 as against ₹ 0.12 billion for fiscal 2021.

Provisions (other than taxation)

Provisions (other than taxation) consists of provisions for diminution in the value of investments, doubtful debts, future recoverable under reinsurance contracts and other provisions.

| (₹ billion) | | |
|--|---------------|---------------|
| Particulars | Fiscal 2021* | Fiscal 2022 |
| For diminution in the value of investments | (0.67) | (0.43) |
| For doubtful debts | 0.11 | (0.05) |
| For future recoverable under reinsurance contracts | - | - |
| Others | - | - |
| Provision other than taxation (Profit and Loss Account) | (0.56) | (0.48) |

Provisions (other than taxation) stood at ₹ (0.48) billion for fiscal 2022 from ₹ (0.56) billion for fiscal 2021 is mainly on account of net of reversal of impairment of investment assets of ₹ 0.44 billion pursuant to sale of the underlying securities/receipt against the securities during fiscal 2022.

Other expenses (Profit and Loss Account)

Other expenses consist of expenses other than those related to insurance business, which include certain employees' remuneration and other expenses, managerial remuneration, directors' fees and CSR expenditure, charges on issuance of the Debentures, expenses related to investment property and Contribution to Policyholders Funds towards Excess Expenses of Management. Other expenses also covers, bad debts written off, loss on sale/discard of fixed assets and penalty.

Other expenses stood at ₹ 8.64 billion for fiscal 2022 from ₹ 5.74 billion for fiscal 2021. Other expenses for fiscal 2022 includes CSR expenditure, loss on sale of fixed assets and penalty. Other expenses in fiscal 2022 included ₹ 7.70 billion debited in Profit and Loss Account being excess of IRDAI prescribed segmental limits pertaining to the Health Retail segment, Motor and Miscellaneous Retail segments that are required to be borne by shareholders in accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016.

Profit

As a result of the above, profit before tax stood at ₹ 16.84 billion for fiscal 2022 from ₹ 19.54 billion for fiscal 2021.

Provision for taxation stood at ₹ 4.13 billion for fiscal 2022 from ₹ 4.81 billion for fiscal 2021.

Profit after tax stood at ₹ 12.71 billion for fiscal 2022 from ₹ 14.73 billion for fiscal 2021.

ii. Financial Position: Balance Sheet

The following table sets forth, at the dates indicated, our summary balance sheet, which is based on our financial statements.

* Numbers are related to standalone financial results, hence not comparable with numbers pursuant to the Scheme of Arrangement for Fiscal 2022



INDEPENDENT AUDITORS' REPORT



ON FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2022 OF ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

To the Members of ICICI Lombard General Insurance Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue Accounts'), the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed there to, a summary of the significant accounting policies and other explanatory notes thereon.

In our opinion and to the best of our information and according to the explanations given to us, we report that the aforesaid financial statements, prepared in accordance with the requirements of Accounting Standards as specified under Section 133 of the Companies Act, 2013 (the 'Act'), including relevant provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority of India Act, 1999 (the "IRDAI Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of these financial statements and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/"Authority"), to the extent applicable, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2022;
- b. in the case of Revenue Accounts, of the operating profit in so far as it relates to the Fire and Miscellaneous business and operating loss in so far as it relates to the Marine business for year ended on that date;

- c. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- d. in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that is relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2022 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves and the PDR contained in the financial statements of the Company.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated 21 April, 2022 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statement Regulations.
2. As required by the paragraph 2 of Schedule C to the IRDAI Financial Statement Regulations and Section 143(3) of the Act, in our opinion and according to the information and explanations give to us, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) As the Company's accounts are centralised and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
 - c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account.
 - e) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
 - f) Investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/directions issued by IRDAI in this regard.
 - g) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



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

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

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

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

Capital work-in-progress

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

Intangibles Assets

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

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

Impairment of Assets

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

4.10 Operating Lease

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating lease.

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

4.11 Employee benefits

Short term employee benefits

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

Long term employee benefits

Provident fund and other contributions

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