

# **The Insurance Regulatory And Development Authority (Investment) Regulations, 2000**

UNION OF INDIA

India

## **The Insurance Regulatory And Development Authority (Investment) Regulations, 2000**

### **Rule**

### **THE-INSURANCE-REGULATORY-AND-DEVELOPMENT-AUTHORITY-INV of 2000**

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The Insurance Regulatory And Development Authority (Investment) Regulations, 2000Published vide Notification No. IRDA/Reg/8/2000, dated 14.8.2000, published in the Gazette of India, Extraordinary, Part III, Section 4, dated 16.8.2000.

### **14.**

/666[14th August, 2000]In exercise of the powers conferred by sections 27-A, 27-B, 27-D and 114-A of the Insurance Act, 1938 (4 of 1938), the Authority in consultation with the Insurance Advisory Committee hereby makes the following regulations, namely:-

#### **1. Short title and commencement .-(1) These regulations may be called The Insurance Regulatory and Development Authority (Investment) Regulations, 2000.**

(2)They shall come into force on the date of their publication in the Official Gazette.

#### **2. Definitions .-In these regulations, unless the context otherwise requires,-**

(a)"Act" means the Insurance Act, 1938 (4 of 1938);(b)"accretion of funds" means investment income, gains on sale/redemption of existing investment and operating surplus;(ba)[ "Investment Assets" mean all investments made out of:(i)in the case of a Life Insurer-(a)share-holders funds representing solvency margin, non-unit reserves of unit linked insurance business, participating and

non-participating funds of policy-holders;(b)policy-holders funds of pension and general annuity fund at their carrying value; and(c)policy-holders unit reserves of unit linked insurance business at their market value; and(ii)in the case of a General Insurer-(a)share-holder funds representing solvency margin and policy-holders funds at their carrying value as shown in its balance sheet drawn as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2000, but excluding items under the head "Miscellaneous Expenditure";]((c) "Authority" means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);(ca)"Group" means,-(i)two or more individuals, association of individuals, firms, trusts, trustees or bodies corporate or any combination thereof, which exercises, or is established to be in a position to exercise, control, directly or indirectly, over any body corporate, firm or trust, or(ii)Associated persons, as may be stipulated by the Authority, from time to time, by issuance of guidelines under these regulations;](cb)[ "Financial Derivatives" means a derivative as defined under clause (aa) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and includes a contract which derives its value from interest rates of underlying debt securities and such other derivative contracts as may be stipulated by the Authority, from time to time;] [Added by Notification No. IRDA/Reg./1/2004, dated 1.1.2004 (w.e.f. 5.1.2004). ] [Added by Notification No. IRDA/Reg./1/2004, dated 1.1.2004 (w.e.f. 5.1.2004). ](cc)[ Money Market Instruments .-Money Market Instruments shall comprise of short term funds with maturity not more than one year comprising of the following instruments:(1)Certificate of deposit rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.(2)Commercial paper rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.(3)Repo, Reverse Repo.(4)Treasury Bills.(5)Call, Notice, Term Money.(6)CBLO as per Schedule I and II of these regulations.(7)Any other instruments as may be prescribed by the Authority;](d)"Principal Officer" means any person connected with the management of an insurer or any other person upon whom the Authority has served notice of its intention of treating him as the principal officer thereof;(e)all words and expressions used herein and not defined but defined in the Insurance Act, 1938 (4 of 1938), or in the Insurance Regulatory and Development Act, 1999 (41 of 1999), or in any rules or regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or rules or regulations.

### 3. [

(1)Life Business .-In terms of the Explanation to section 27-A of the Act, the Authority has determined that assets relating to pension business, Annuity business and all categories of Unit Linked business shall not form part of the Controlled Fund for the purpose of that section.Without prejudice to section 27 or 27-A of the Act, every insurer carrying on the business of Life Insurance, shall invest and at all times keep invested his Investment Assets (other than funds relating to pension and general annuity business and all categories of Unit Linked business) in the following manner:

No. Type of Investment	Percentage
(i) Government Securities	Not less than 25% of the fund

(ii) Government Securities Other Approved Securities	Not less than 50% of the fund [incl(i)above]
Investments as specified in section 27-A of Insurance Act,1938 and (iii) Schedule I of the these regulations, subject to Exposure/Prudential Norms specified in regulations 5:	
(a)Approved Investments and other Investments (Out of "(iii)(a)""Other investment" specified under (sic section )27-A(2) of the Act, shall not exceed 15% of the fund)	Not exceeding 35% of the fund
(b)Investment in housing and infrastructure by way of subscription or purchase of:	
1. Bonds/debentures of HUDCO and National Housing Bank	
2. Bonds/debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than "AA" by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999	Not less than 15%of the fund[(iii (b)and(c)taken together]
3. Asset Backed Securities with underlying housing loans, satisfying the norms specified in the guidelines issued under these regulations.	
(c)Investment in Infrastructure:	
(Explanation: Subscription or purchase of Bonds/Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.	
"Infrastructure facility" shall have the meaning as given in clause(h)of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations,2008).	
(2)Pension and General Annuity Business "> (2) Pension and General Annuity Business "> (2) Pension and General Annuity Business "> (2) Pension and General Annuity Business .-Every insurer shall invest and at all times keep invested funds belonging to his Pension and General Annuity Business in the following manner:-	
No. Type of Investment	Percentage
(i) Government Securities	Not less than 20% of the fund
(ii) Government Securities or other Approved Securities	Not less than 40% of the fund (incl(i)above)
(iii) Balance to be invested in Approved Investments, as specified in Schedule I, subject to Exposure/Prudential norms specified in regulation 5.	Not exceeding 60% of the fund

Note .-For the purposes of this sub-regulation no investment falling under "Other Investments" as specified under (sic section) 27-A (2) of Insurance Act, 1938 shall be made. However, funds pertaining to Group Insurance Business, except One Year Renewable pure Group Term Assurance

Business (OYRGTA) shall form part of Pension and General Annuity Fund. OYRGTA funds shall follow the pattern of Investment of Life Business.(3)Unit Linked Insurance Business.-Every insurer shall invest and at all times keep invested his segregated fund of Unit linked business as per pattern of investment offered to and approved by the policy-holders where the units are linked to categories of assets which are both marketable and easily realizable. However, the total investment in Other Investments, as specified under (sic section) 27-A(2) of Insurance Act, 1938, category shall at no time exceed 25% of such fund(s).] [ Added by Notification No. IRDA/Reg/5/47/2008, dated 30.7.2008 (w.e.f. 11.8.2008).]

#### 4. [

(1)General Insurance Business.-Without prejudice to section 27-B of the Act, every insurer carrying on the business of general Insurance shall invest and at all times keep invested his investment assets in the manner set out below:

No. Type of Investment	Percentage
(i) Government Securities	Not less than 20% of Investment Assets
(ii) Government Securities Other Approved Securities	Not less than 30% of Investment Assets [incl(i)above]

Investments as specified in section 27-B of Insurance Act,1938 and  
(iii) Schedule II subject to Exposure/Prudential Norms specified in Regulation 5:

(a)Approved Investments and Other Investments (Out of "(iii)(a)""Other investment" specified under (sic section )27-B(3) of the Act, shall not exceed 25% of Investment Assets) Not exceeding 55%

(b)Housing and loans to State Government for housing and fire fighting equipment, by way of subscription or purchase of: Not less than 5%

1. Bonds/debentures of HUDCO and National Housing Bank

2. Bonds/debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than"AA" by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999

3. Asset Backed Securities with underlying housing loans, satisfying the norms specified in the guidelines issued under these regulations.

(c)Investment in Infrastructure: Not less than 10%

(Explanation.-Subscription or purchase of Bonds/Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.

"Infrastructure facility" shall have the meaning as given in clause(h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008).

(2) Reinsurance Business - Every re-insurer carrying on re-insurance business in India shall invest and at all times keep invested his investment assets in the same manner as set out in sub-regulation (1), until such time, separate regulations in this behalf are formed by the Authority. Note .- For the purpose of regulations 3 and 4:

- 1. All investment in assets or instruments, which are capable of being rated as per market practice, shall be made on the basis of credit rating of such assets or instruments. No investment shall be made in instruments, if such instruments are capable of being rated, but are not rated.**
- 2. The rating should be done by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.**
- 3. Corporate bonds or debentures rated not less than AA or its equivalent and P1 or equivalent ratings for short term bonds, debentures, certificates of deposit and commercial paper, by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999 would be considered as "Approved Investments".**
- 4. The rating of a debt instrument issued by All India Financial Institutions recognised as such by RBI shall be of "AA" or equivalent rating. In case investments of this grade are not available to meet the requirements of the investing insurance company, and Investment Committee of the investing insurance company is fully satisfied about the same, then, for the reasons to be recorded in the Investment Committee's minutes, the Investment Committee may approve investments in instruments carrying current rating of not less than "A+" or equivalent as rated by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999, would be considered as "Approved Investments".**
- 5. Approved Investments under points 3 and 4 above, which are downgraded below the minimum rating prescribed should be automatically re-classified under "Other Investments" category for the purpose of pattern of investment.**

**6. Investments in equity shares listed on a registered stock exchange should be made in actively traded and liquid instruments, viz., equity shares other than those defined as thinly traded as per SEBI regulations and guidelines governing mutual funds issued by SEBI from time to time.**

**7. Not less than 75% of debt instruments excluding Government and Other approved Securities-fund wise, in the case life insurer and Investment Assets in the case of general insurer shall have a rating of AAA or equivalent rating for long term and P1+ or equivalent for short term instruments. This shall also apply to Unit linked fund(s).**

**8. Notwithstanding the above, it is emphasised that rating should not replace appropriate risk analysis and management on the part of the Insurer. The Insurer should conduct risk analysis commensurate with the complexity of the product(s) and the materiality of their holding, or could also refrain from such investments.]**

## **5. [ Exposure/Prudential Norms**

.-Without prejudice to anything contained in sections 27-A and 27-B of Insurance Act, 1938, every insurer shall limit his investment based on the following exposure norms. Exposure norms for Life (including Unit Linked business), General Insurance (including re-insurance) business for both Approved Investments as per Insurance Act, 1938, Schedule I and II of these regulations, and other Investments as permitted under (sic section) 27-A(2) and 27-B(3) of the Insurance Act, 1938:

Type of Investment	Limit for "investee" company	Limit for the entire "group" of the investee company	Limit for industry sector to which investee company belongs
(1)	(2)	(3)	(4)
(a) Investment in "equity" preference shares, convertible debentures	10% of outstanding equity shares (face value) or 10% of the respective fund in the case of life insurer/investment assets in the case of general insurer (including re-insurer) whichever is lower.	Not more than 10% of the respective fund in the case of life insurer/investment assets in the case of general insurer (including re-insurer).  The above percentage shall stand at 25% in the	Investment by the insurer in any industrial sector shall not exceed 10% of its total investment exposure to the industry sector as a whole.  The above percentage shall stand at 25% in

	case of Unit linked funds.	the case of Unit linked funds
(b) Investment in debt/loans and any other permitted investments as per Act/regulation, other than item 'a' above.	10% of the paid-up share capital, free reserves and debenture/bonds of the investee company or 10% of respective fund in the case of life insurer/investment assets in the case of general insurer (including re-insurer) whichever is lower.	on the lines of classification by National Industrial Classification Code for Extra Territorial Organizations and Bodies in India(NIC) or any other system which adopts NIC classification).

Note .-1. Investments in equity including preference shares and convertible part of debentures shall not exceed 50% of above exposure norms as mentioned in the above table.

**2. Investment in immovable property covered under section 27-A (1)(n) of Insurance Act, 1938 shall not exceed, at the time of investment, 5% of (a) Investment Assets in the case of general insurer and (b) 5% of Investment Assets of funds relating to life funds, pension and general annuity funds in the case of life insurer.**

**3. Subject to exposure limits mentioned in the table above, an insurer shall not have investments of more than:**

(i)5% in aggregate of its total investments in companies belonging to the promoters' groups, if invested out of Life, Pension and General Annuity funds or General insurance funds and;(ii)12.5% in aggregate of its total investments in companies belonging to the promoters' groups, if invested out of Unit linked funds, for the purpose of these regulations "Group" shall have the same meaning as defined under these regulations.

**4. In the case of Life, Pension and General Annuity business the percentage and General insurance business the 10% of group and industry sector exposure shall be raised upto 15% with the prior approval of Investment Committee. The Investment Committee should exercise due care keeping in view the possible concentration and other related risks, in the interest of the policy-holders. Exposure norms applicable for investments, for which specific circulars/ guidelines are issued, shall be guided by such circulars/guidelines.**

**5. The exposure limit for financial and banking sector shall stand at 25% investment assets for all insurers.**

**6. Investment in fixed deposit, term deposit and certificate of deposit of a Scheduled Bank shall be made in terms of the provisions of section 27-A(9) and section 27-B(10) of the Insurance Act, 1938. Such investments would not be deemed as exposure to banking sector. However, investments in such fixed deposit, term deposit and certificate of deposit in a bank falling under the promoter group of the insurer, shall continue to be subject to promoter group exposure norms as per point 3 of Note to this regulation.]**

**6. [**

Every insurer shall submit to the Authority the following returns within such time, at such intervals and verified/certified in such manner as indicated there against.

No.	Form	Description	Periodicity of Return	Time limit for submission	Verified/Certified by
1	Form 1	Statement of Investment and Income on Investment	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
2	Form 2	Statement of Downgraded Investments	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
3	Form 3-A (Part A,B,C)	Statement of Investments (Life Insurers)- Compliance Report	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
4	Form 3-B	Statement of Investments (General Insurer)-Compliance Report	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
5	Form 4	Exposure and other norms-quarterly compliance certificate.	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments and Chief of Finance
6	Form 4-A (Part A,B,C)	Statement of Investment Subject to Exposure Norms-Investee Company	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
7	Form 5	Statement of Investment Reconciliation	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
8			Quarterly		



	Form 5-A	Statement of Mutual Fund Investment		Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
9	Form 6	Certificate under sections 28(2-A) 28(2-B) and 28-B(3) of the Insurance Act, 1938	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
10	Form 7	Confirmation of Investment Portfolio Details	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments
11	Form 7-A	Statement of Non-Performing Assets	Quarterly	Within 45 days of the end of the Quarter	Chief Executive Officer/Chief of Investments

Note .-All returns for the quarter ending March shall be filed within the period stipulated above based on provisional figures and later re-submitted with Audited figures within 15 days of adoption of accounts by the Board of Directors.]

**7. Power to call for additional information .-The Authority may, by general or special order, require from the insurers such other information in such manner, intervals and time limit as may be specified therein.**

## **8. [ Duty to report extraordinary events affecting the investment portfolio**

.-Every insurer shall report to the Authority forthwith, the effect or the probable effect of any event coming to his knowledge, which could have material adverse impact on the investment portfolio and consequently on the security of policy-holder benefits or expectations.]

## **9. [ Organisational structure for Investment management**

-1. Every insurer shall constitute an Investment Committee which shall consist of a minimum of two non-executive directors of the Insurer, the Chief Executive Officer, Chief of Finance, Chief of Investment division, and wherever an appointed actuary is employed, the Appointed Actuary. The decisions taken by the Investment Committee shall be recorded and be open to inspection by the officers of the Authority.

**2. Every Insurer shall draw up, annually an Investment Policy (fundwise investment policy in the case of unit linked insurance business) and place the same before its Board of Directors for its approval. While framing such policy, the Board shall ensure compliance with the following:-**

(i)issues relating to liquidity, prudential norms, exposure limits, stop loss limits including securities trading, management of all investment risks, management of assets liabilities, scope of internal or concurrent audit of investments and investment statistics and all other internal controls of

investment operations, the provisions of the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000, guidelines and circulars made thereunder.(ii)Ensuring adequate return on policy-holders and share-holders funds consistent with the protection, safety and liquidity of such fund(s).(iii)The funds of the insurer shall be invested and continued to be invested in equity shares, equity related instruments and debt instruments rated as per Note below regulations 3 and 4 by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999. The Board shall lay down clear norms for investing in "Other Investments" as specified under sections 27-A(2) and 27-B(3) of the Insurance Act, 1938 by the investment committee, taking into account the safety and liquidity of the policy-holders' funds and protection of their interest.

**3. The investment policy as approved by the Board shall be implemented by the investment committee, which shall keep the Board informed on a quarterly basis about its activities and fund(s) performance.**

**4. The Board shall review the investment policy and its implementation on a half-yearly basis or at such short intervals as it may decide and make such modification to the investment policy as is necessary to bring it in line with the investment provisions laid down in the Act and regulations made thereunder, keeping in mind protection of policy-holders' interest and pattern of investment laid down in these regulations or in terms of the agreement entered into with the policy-holders in the case of unit linked insurance business.**

**5. The details of the IP or its review as periodically decided by the Board shall be made available to the internal or concurrent auditor. The auditor shall comment on such review and its impact on the investment operations, systems and processes in their report to be placed before the Board Audit Committee.**

**6. In order to ensure proper internal control of investment functions and operations the insurer shall clearly segregate the functions and operations of front, mid and back office.**

**7. The Authority may call for further information from time to time from the insurer as it deems necessary and in the interest of policy-holders and issue such directions to the insurers as it thinks fit.]**

## 10. [ Miscellaneous

.- (1) Valuation of Assets and Accounting of Investments shall be as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations, 2000). (2) The Authority may, by any general or special order, modify or change the application of regulations 3, 4, 5 and 6 to any insurer either on its own or on an application made to it.]

## 11.

(1) Every insurer carrying on the business of life insurance or general insurance may deal in financial derivatives only to the extent permitted and in accordance with the guidelines issued by the Authority in this regard from time to time. (2) [ Any margin or unamortized premium paid by any insurer in connection with the financial derivatives to the extent they are reflected as asset position in the balance sheet of the insurer in accordance with the guidelines issued by the Authority, shall be treated as "Approved Investment" under Schedule I and Schedule II to these regulations, only to the extent the derivative position constitutes a hedge for the underlying investment or portfolio which itself is treated as an approved investment under these regulations. All other margins or unamortized premium paid, to the extent reflected in the balance sheet of the insurer in accordance with the guidelines issued by the Authority in this regard from time to time, shall be treated as "Other Investments". ] [SCHEDULE I] [Substituted by Noti. No. IRDA/Reg/5/47/2008, dated 30-7-2008 (w.e.f. 11-8-2008).] (See regulation 3) LIST OF APPROVED INVESTMENTS FOR LIFE BUSINESS "Approved Investments" for the purposes of section 27-A of the Act shall consist of the following :- (a) all investments specified in section 27-A of the Act except - (i) clause (b) of sub-section (1) of section 27-A of the Act; (ii) first mortgages on immovable property situated in another country as stated in clause (m) of sub-section (1) of section 27-A of the Act; (iii) immovable property situated in another country as stated in clause (n) of sub-section (1) of section 27-A of the Act. (b) In addition the following investments shall be deemed as approved investments by the Authority under the powers vested in it vide clause (s) of sub-section (1) of section 27-A of the Act - (i) All loans secured as required under Insurance Act, 1938, secured debentures, secured bonds and other debt instruments rated as per Note appended to regulations 3 and 4. Equity shares and preference shares and debt instruments issued by All India Financial Institutions recognised as such by Reserve Bank of India - investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer. (ii) Bonds or debentures issued by companies rated not less than AA or its equivalent and P1 or equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999 would be considered as "Approved Investments". (iii) Subject to norms and limits approved by the Board of Directors of the insurers deposits (including fixed deposits as per section 27-A(9) of Insurance Act, 1938) with banks (e.g., in current account, call deposits, notice deposits, certificate of deposits, etc.) included for the time being in the Second Schedule to Reserve Bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognised by Reserve bank of India as such. (iv) Collateralized Borrowing and Lending Obligations (CBLO) created by the Clearing Corporation of India Ltd. and recognized by the Reserve bank of India and exposure to Gilt, G Sec and liquid mutual fund forming part of Approved

Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument/investment.(v)Asset Backed Securities with underlying Housing loans or having infrastructure assets as underlying as defined under "infrastructure facility" in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008.(vi)Commercial papers issued by a company or All India Financial Institution recognized as such by Reserve Bank of India having a credit rating by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.Explanation. - 1. All conditions mentioned in the "note" appended to regulations 3 and 4 shall be complied with.[SCHEDULE II] [ Substituted by Noti. No. IRDA/Reg/5/47/2008, dated 30-7-2008 (w.e.f. 11-8-2008).](See regulation 4)LIST OF APPROVED INVESTMENTS FOR GENERAL BUSINESS"Approved Investments" for the purpose of section 27-B of the Act shall consist of the following :-(A)All investments specified in section 27-B of the Act except -(i)clause (b) of sub-section (1) of section 27-A of the Act;(ii)immovable property situated in another country as stated in clause (n) of sub-section (1) of section 27-A of the Act;(iii)first mortgages on immovable property situated in another country as stated in clause (i) of sub-section (1) of section 27-B of the Act.(B)In addition the following investments shall be deemed as approved investments by the Authority under the powers vested in it vide clause (j) of sub-section (1) of section 27-B of the Act:(i)All loans secured as per Insurance Act, 1938, secured-debentures, secured bonds and other debt instruments rated as per Note appended to regulations 3 and 4. Equity shares, preference shares and debt instruments issued by All India Financial Institutions recognized as such by Reserve Bank of India-investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer.(ii)Bonds or debentures issued by companies rated not less than AA or its equivalent and P1 or equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999 would be considered as "Approved Investments".(iii)Subject to norms and limits approved by the Board of Directors of the insurers deposits (including fixed deposits as per section 27-B(10) of Insurance Act, 1938) with banks (e.g., in current account, call deposits, notice deposits, certificate of deposits, etc.) included for the time being in the Second Schedule to Reserve bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognised by Reserve Bank of India as such.(iv)Collateralized Borrowing and Lending Obligations (CBLO) created by the Clearing Corporation of India Ltd. and recognised by the Reserve Bank of India and exposure to Gilt, G Sec and liquid mutual fund forming part of Approved Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument/investment.(v)Asset Backed Securities with underlying Housing loans or having infrastructure assets as underlying as defined under "infrastructure facility" in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008.(vi)Commercial papers issued by a company or All India Financial Institution recognized as such by Reserve Bank of India having a credit rating by a credit rating agency registered under SERI (Credit Rating Agencies) Regulations, 1999.(vii)Money Market instruments as defined in regulation 2(cc) of this regulations.Explanation. - 1. All conditions mentioned in the "note" appended to regulations 3 and 4 shall be complied with.[\*\*\*] [ Sch. III omitted by Noti. No. IRDA/Reg/5/2001, dated 31-5-2001 (w.e.f. 31-5-2001).][FORM 1] [ Substituted by IRDA/Reg./5/47/2008, dated 30-7-2008 (w.e.f. 11-8-2008).]Company Name and Code:Statement as on:Name of the Fund.....Statement of Investment and Income on

Investment Periodicity of Submission: Quarterly Rs. lakhs

No.	Category of Investment	Category Code	CurentQuarter Investment (Rs.)	Year to Date	Previous Year		Investment (Rs.)	Income on Investment (Rs.)	Gross Yield (%)	Net Yield (%)
				Income on Investment (Rs.)	Gross yield (%)	Net Yield (%)				

Certification Certified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed. Date..... Signature..... Full Name & Designation..... Note. - Category of Investment (COI) shall be as per Guidelines.

**1. To be calculated based on Monthly or lesser frequency "Weighted Average" of Investments.**

**2. Yield netted for Tax.**

**3. Form 1 shall be prepared in respect of each fund.**

FORM 2 Company Name and Code: Statement as on: Name of Fund..... Statement of Down Graded Investments Periodicity of Submission: Quarterly Rs. Lakhs

No.	Name of the Security	COI Amount	Date of Purchase	Rating Agency	Original Grade	Current Grade	Date of Downgrade	Remarks
A.	During the Quarter							

B. As on Date

Certification Certified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or

suppressed.Date.....Signature.....Full Name & Designation.....Note. - 1. Provided details of Down Graded Investments during the Quarter.

**2. Investments currently upgraded, listed as Down Graded during earlier Quarter shall be deleted from the Cumulative listing.**

**3. Form 2 shall be prepared in respect of each fund.**

**4. Category of Investment (COI) shall be as per Investment/GLN/001/2003-04.**

FORM - 3A

## Part A

Company Name and Code:

Statement as on:

Statement of Investment Assets (Life Insurers)

(Business within India)

Periodicity of Submission: Quarterly

Rs.  
Lakhs

Total Application as per Balance Sheet (A)

o Reconciliation of Investment Assets

Add (B)

Total Investment Assets (as per Balance Sheet)

o

Provisions

Sch-14

Balance Sheet Value of:

Current Liabilities

Sch-13

A.Life Fund

o B.Pension& Gen. Annuity Fund

C.Unit Linked Funds

Less (C)

o

Debit Balance in P & L A/c

Loans

Sch-09

Adv. & Other Assets

Sch-12

Cash & Bank Balance

Sch-11

Fixed Assets

Sch-10

Misc Exp. Not Written Off

Sch-15

Funds available for Investments

o

NON-LINKED BUSINESS

SH

PH

Total Fund

	% as per Reg.		Book Value (SH+PH)	Actual FVC %	FVC Amount	Market Value
A. LIFE FUND	Balance	FRSM+ (a)	UL-Non Unit Res (b)	AR (c)	ON PAR (d)	(e) F=[a+b+c+e]
1. G. Sec.	Not less than 50%					
2. G. Sec. or Other Approved Securities [Incl. (i) above]	Not less than 50%					
3. Investment subject to Exposure Norms						
(a)Housing & Infrastructure	Not less than 15%					
(b)(i) Approved Investments	Not exceeding 35%					
(ii) "Other Investments" not to exceed 15%	Not exceeding 35%					
TOTAL LIFE FUND	100%					
B. PENSION AND GENERAL ANNUITY FUND	% as per Reg.	PH	Book Value	Actual %	FVC Amount	Total Fund Market Value
PAR		NON PAR				
1. G. Sec.	Not less than 20%					
2. G. Sec. or Other Approved Securities [incl. (i) above]	Not less 40%					
3. Balance in Approved investment	Not exceeding 60%					
TOTAL PENSION, GENERALANNUITY FUND	100%					
BUSINESS						
C. LINKED FUNDS	% as per Reg.	PH	TOTAL FUND	ACTUAL %		
PAR	NON PAR					

Fund 1 Fund 2 Fund 'n' Total of All Funds

Less: Outflow during the Quarter

.....Signature.....Full Name.....Designation.....Note. - (+)

## Part B

Fund 1 Fund 2 Fund 'n' Total of All Funds

Less: Outflow during the Quarter

(MKTVALUE)

Fund 1	Fund 2	Fund'n'	Total of All Funds
--------	--------	---------	--------------------

Actual	%	Actual	%	Actual	%	Actual	%
Inv.	Actual	Inv.	% Actual	Inv.	Actual	Inv.	Actual

## Deposit with Banks



## Sub Total (A)

## Current Assets:

Accrued Interest

Dividend Receivable

Bank Balance

Receivable for Sale of Investments

Other Current Assets (for Investments)

Less: Current Liabilities

Payable for Investments

Fund Mgmt Charges Payable

Other Current Liabilities(for Investments)

## Sub Total (C)

(A+B+C)

Carried Forward (as per LB 2)

- 1. The aggregate of all the above segregated Unit-Funds should tally with item C of Form 3-A (Part A), for both Par & Non Par Business.

**2. Details of Item 12 of Form LB 2 of IRDA (Actuarial Report) Regulations, 2000 shall be reconciled with Form 3-A (Part B).**

**3. Other Investments are as permitted under sections 27-A(2) and 27-B(3).**

FORM 3-A

## Part C

Company Name and Code:Statement for the period : Link to Form 3-A (Part B)Periodicity of Submission : Quarterly

No.	Name of the Scheme	Assets Held on the above date	NAV as on the above date	NAV as per LB2	Previous Qtr NAV	2nd Previous Qtr NAV	3rd Previous Qtr NAV	Annualised Return/Yield	3 Year Rolling CAGR
-----	--------------------	-------------------------------	--------------------------	----------------	------------------	----------------------	----------------------	-------------------------	---------------------

1.  
Fund  
1

2.  
Fund

2

3.  
Fund

n

Total \_\_\_\_\_ Certification Certified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed. Date..... Signature..... Full Name and Designation..... FORM 3-B Company Name and Code: Statement as on: Statement of Investment Assets (General Insurer, Re-insurers) (Business within India) Periodicity of Submission: Quarterly Rs. In Lakhs

NO.	PARTICULARS	SCH AMOUNT
1.	Investments	8
2.	Loans	9
3.	Fixed Assets	10
4.	Current Assets	
	(a) Cash and Bank Balance	11
	(b) Advances and Other Assets	12
5.	Current Liabilities	
	(a) Current Liabilities	13
	(b) Provisions	14
	(c) Misc. Exp. not Written Off	15
	(d) Debit Balance of P and LA/c	

Application of Funds As per Balance Sheet  
(A)o

	Less: Other Assets	SCH AMOUNT
1.	Loans (if any)	9
2.	Fixed Assets (if any)	10
3.	Cash and Bank Balance (if any)	11
4.	Advances and Other Assets (if any)	12
5.	Current Liabilities	13
6.	Provisions	14
7.	Misc. Exp. not Written Off	15
8.	Debit Balance of P and LA/c	

TOTAL (B) \_\_\_\_\_ "Investment Assets" As per Form 3-B(A-B)

SH

No	"Investment" represented as	Reg. %	Balance FRSM*	PH Value (SH+PH)	% Actual	FVC Amount	Total	Market Value
			(a)	(b)	(c) d=(b+c)	(e)	(d+e)	
1	G. Sec.	Not less than 20%						
2	G. Sec or Other Approved Sec. [incl.(1)above]	Not less than 30%						
3	Investment subject to Exposure Norms							
	1. Housing and Loans to SG for 15% Housing than and FFE, infrastructure Investments	Not less						
	2. Approved Investments	Not exceeding 55%						
	3. Other Investments (not exceeding 25%)	Not exceeding 55%						

CertificationCertified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed.Date.....Signature.....Full

Name.....Designation.....Note.-(+) FRMS refers Funds representing Solvency Margin.(\* ) Pattern of investment will apply only to SH funds repressing FRMS.(A)Book Value shall not include funds beyond solvency Margin.Other Investments are as permitted under Section 27-A(2) and 27(B)(3).

Norms applicable for	No. Exposure/Other Norms as per Regulation	Are the required Norms complied? (Yes /No)	Remarks
Investee Company Exposure	I (a) Investment in equity, preference shares, convertible debenture:-1. Exposure at any point of time not exceeded 10% of outstanding equity shares (face value) or 10% of the respective fund in the case of life insurer/investment assets in the case of general insurer (including re-insurer) which ever is lower.(b) Investment in debt/loans and any other permitted Investments as per Act/regulation, other than item (a) above:-1. Exposure at any point of time not		

<p>Group of the Investee Company (Ref. Reg. 2(ca) of IRDA (Investment) Reg., 2000)</p>	<p>exceeded 10% of the paid-up share capital, free reserves and debenture/bonds of the investee company or 10% of respective fund in the case of life insurer/ investment assets in the case of general insurer (including re-insurer) whichever is lower.2. Subject to exposure limits as per Insurance Act, 1938, investment in equity and debt taken together had not exceeded 10% of the respective fund size in the case of life insurer or investment assets in the case of general insurer (including re-insurer).</p> <p>(a) Exposure at any point of time not exceeded 10% of the respective fund in the case of life insurer/investment assets in the case of general insurer (including re-insurer)and 25% in the case of Unit linked business.1. Whether any additional exposure not exceeding 5% of respective fund, other than Unit linked funds, in the case of Life insurer/investment assets in the case of general insurer (including re-insurer) had been taken? If so, has the "prior approval" of Investment Committee had been obtained?(b) Subject to exposure limits mentioned in the regulations, had the Insurer invested more than 5%(12.5% in the case of Unit linked business) "in aggregate" of its total investments in companies belonging to the promoters' groups. (For the purpose of this regulation "Group" shall have the same meaning as defined under these regulations).</p>
<p>Industry sector to which the investee company belongs</p>	<p>(a) Investment by the insurer in any industrial sector had not exceeded 10% of its total investment exposure to industry sector as a whole?(b) Has the insurer, in the case of Unit linked business, had invested in any industrial sector, not exceeded 25% of its total investment exposure to industry sector as a whole?</p>
<p>Others</p>	<p>(c) Is the classification of industrial sectors been done on the lines of classification of industries done by NIC (National Industrial Classification Code for Extra Territorial Organizations and Bodies in India) or any other system which adopts NIC classification, consistently from period to period?(a) Has the Insurer fully complied with regulation 9(6) of IRDA (Investment) (4th Amendment) Regulation, 2008, and point A.1.e. of Annexure III to Circular INV/CIR/008/2008-09?(b) Has the Insurer implemented the requirements of guidelines applicable for dealing employees, as required under point A.2.a of Annexure III to Circular</p>

INV/CIR/008/2008-09?(c) Has any investment been done in contravention of section 27-C of Insurance Act, 1938?(d) Are Money Market Investments classified as per regulation 2(cc) of IRDA (Investment) Regulations, 2000?(e) Do investments of One Year Renewable Group Term Assurance Business (OYRGTA) follow the pattern of Life Business?(f) Has any investment been made in contravention of point 1 of note for the purpose of regulations 3 and 4 of IRDA (Investment) (4th Amendment) Regulation, 2008?(g) Have all investments, downgraded as mentioned under point 5 of note under regulations 3 and 4, have been re-classified under "Other Investments" through the system?(h) Was debt investments under "Approved Investments" based on rating criteria, at any point of time, under any class of business, for both life and general insurer (including re-insurer) fallen below the minimum percentage as required under point 7 of note under regulations 3 and 4.(i) Has the Insurer complied with the requirements under regulation 8 of IRDA (Investment) Regulations, 2000.(j) Has the insurer's Investment Policy (fund wise in the case of Unit linked business) has been approved by the Insurer's Board and has addressed all issues required under IRDA (Investment) Regulations, 2000?Also, has the investment policy been periodically reviewed?(k) Has the of investments . [including Unit linked fund(s)] been placed before the Board on a quarterly basis?(l) In the case of a life insurer, each individual fund, both under share-holder/policy-holder funds, falling under any class of business, have identified "scrips", representing the assets of each fund, to comply with the provisions of section 11(1-B) of Insurance Act,1938?(m) Have the purchase and sale of Investments, under any class of business, in the case of Life Insurer, in respect of each fund,[including Unit linked fund (s)] been made out of the respective fund?(n) has inter fund transfer, in the case of a life insurer, been done as per circular IRDA-FA-02-10-2003-04?(o) Have the Assets been identified, for each segregated fund of Unit linked business, as per file and use procedure approved by IRDA?(p) Has the insurer, in the case of Unit linked business, invested the assets, fund wise, as per pattern of investment approved by IRDA?(q) Has the insurer, under shareholders funds, clearly split funds representing

solvency margin (FRSM) in Form 3-A (Part A)/Form 3-B?(r) Has shareholders funds, beyond solvency margin, have a separate custodian account and identified scrips for both life and general(including re-insurance) companies and reconciled with Form 3-A (Part A) and Form 3-B?(s) Has the insurer conducted internal or concurrent audit for the reporting quarter and have implemented the board audit committee recommendations of the previous quarter as required under Point E.a of Annexure III to Circular-INV/CIR/008/2008-09?(t) Has the Insurer complied fully with the directions of circular: IRDA/CIR/INV/062/JAN/05, dated 17th January 2005?(u) Has the insurer, having not less than Rs. 500 Cr assets under management (AUM) complied with Points 11 and 12 of Annexure II to Circular-INV/CIR/008/2008-09 with respect to outsourcing of investment advice, NAV calculations?(v) Has the insurer, in the case of life business, reconciled investment accounts, fund-wise, with bank and custodian records on "day-to-day basis" for all types of products?(w) Has the Insurer, in respect of Unit linked products, reconciled the units with "policy admin systems", on a day-to-day basis?(x) Has the insurer, in the case of general (including re-insurance) business, reconciled investment accounts with Bank and Custodian records on a day-to-day basis?(y) Has the Insurer's investment in mutual fund complied with guidelines INV/GLN/004/2003-04 at all times during the quarter?

Certified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed. Signature: .....

Signature:..... Signature:.....Chief Executive Officer Chief Investment Officer Chief Financial OfficerDate .....FORM 4-A(PART A)Company Name and CodeStatement as on:Investee Company Exposure NormsPeriodicity of Submission: QuarterlyRs.In Lakhs

No.	Investee company	Whether Equity/Debt?	10% of Outstanding Sh(FV)/10% of (Sh. Cap + FR + Deb/Bonds) of Investee Company	10% of Fund Size/Total Investments	Least of Col. (d)of(e)	Actual Investment	Deviation = Col. (f) - Col.(g)	Investee company (Eq+Debt)	Devia = Col. - Col.
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)

Note: - 1. Fund Size shall be as per Form 3-A (Part A) Form 3-B.

## 2. Above table shall be prepared individually for all ULIP Funds.

## 3. Only (-ve) deviations are to be reported.

Signature.....Full name.....Designation.....Certification  
 Certified that the information given herein are correct and complete to the best of my knowledge and belief  
 and nothing has been concealed or suppressed.Date.....FORM 4-A(PART B)Company Name  
 and CodeRs. In LakhsStatement as on:Group Company Exposure StatementPeriodicity of  
 Submission: QuarterlyFund Size.....

NO.	Name of the Group	Promoter/Non-Promoter Group	Total Investments Subject to Exposure Norms	% of Total Investments
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Note. - 1. Total investments as per Form 3-A (Part A)/Form  
 3-B.\_\_\_\_\_o\_\_\_\_\_Certification  
 Certified that the information given  
 herein are correct and complete to the best of my knowledge and belief and nothing has been  
 concealed or suppressed.Signature.....Full Name and  
 Designation.....Date.....FORM 4-A(PART C)Company Name and CodeRs. In  
 LakhsStatement as on:Industry Sector Exposure StatementPeriodicity of Submission:  
 QuarterlyFund Size .....

No	Industry Sector (as per Regulations)	Total Investments subject to Exposure Norms	% of Total Investments
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\_\_\_\_\_.Note.- Total Investment as per Form 3-A/3-B  
 \_\_\_\_\_o\_\_\_\_\_Certification  
 Certified that the information given herein are correct and complete to the best of my knowledge  
 and belief and nothing has been concealed or suppressed.Signature.....Full Name  
 and Designation.....Date.....FORM 5Company Name and Code:Statement as  
 on:Statement of Investment Reconciliation(Business within India) Name of the Fund..... Rs.

24



Total  
[3(d)]

Total  
[3(a+b+c+d)]

TOTAL

Total(1+2+3)

FORM 5-A Company Name and Code: Statement as on : Name of the Fund ..... Statement of  
Mutual Fund Investments.....Rs. In Lakhs Periodicity of Submission : Quarterly

PARTICULARS	COI	Op. Balance	Purchase for the Qtr.	Sales for the Qtr.	Cl. Balance					
Units	Amount	Units	Amount	Unit	Cost of Sales	Units	Book Value	Market Value	% to Total Inv.	
Approved Investments										
MF-Gilt/G.Sec./Liquid Schemes	EGMF									
			o		o		o	Total (A)	o	c
MF-(under Insurer's Promoter Group)	EMPG									
			o		o		o	Total (B)		
								Total (A+B)		
Other Investments										
MF-Debt/Income/Serial/Liquid Funds	OMGS									

**3. "Other Investments" are as permitted under sections 27-A(2) and 27-B(3)**

FORM 6 Company Name and Code: Name of the Fund .....Statement as on:Rs. In  
LakhsCertificate under section 28(2-A)/28(2-B)/28-B(3) of the Insurance Act, 1938Periodicity of  
Submission : Quarterly

No.	Investment Particulars	Under the Custody of							
		Bank(Rs.)		Self(Rs.)		Other(Rs.)		Total (Rs.)	
		Share-Holders	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-h		
1	G. Sec.								
2	G. Sec. or Other Approved Securities								
3	Investment subject to								

Exposure

Norms

(a) Housing  
and Loans to  
State Govt. for  
Housing &  
FFE

(b)  
Infrastructure  
Investments

(c) Approved  
Investments

(d) Other  
Investments

TOTAL

We certify that the above mentioned securities are held free of any encumbrance, charge, hypothecation, or lien as on the above date. Chairman..... Chief Executive Officer.....  
Director..... Note. - 1. Custodian should certify that he is not disqualified under SEBI (Mutual Fund) Regulations, 1996 as amended from time to time.

## **2. Value of the Securities shall be as per Guidelines**

## **3. In the case of Life Insurance Business, Form 6 shall be prepared in respect of each fund.**

## **4. The values under Certificate should be adjusted for Purchase/Sale of investments purchased and awaiting settlement.**

A reconciliation to this effect should be attached to the Certificate. FORM 7 Company Name and Code: Statement as on: Confirmation on investment Portfolio Periodicity of Submission : Quarterly

No.	Particular	Confirmation (Yes/No)
1.	Details of Approved Investments / Other investments which have matured for payment and maturity amount is outstanding along with particulars of defaulted amount and period for which said default has continued:	
2.	Any Investment as at (1), which subsequent to maturity have been rolled over: In respect of Investments where periodic income have fallen due, details of	
3.	interest payment in default, along with period for which such default have persisted:	
4.		

Details of steps taken to recover the defaulted amounts, and the provisioning done/proposed in the accounts against such defaults:

CertificationCertified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or

suppressed.Date.....Signature.....Full Name and

Designation.....Note. - If any of the confirmation is in the affirmative, details be

provided.FORM 7-ACompany Name and Code :Statement as on :Name of the

Fund.....Details of Investment PortfolioPeriodicity of Submission: Quarterly

COI	Company Name	Instrument Type	Interest Rate	Total O/s (Book Value)	Default Principal (Value)	Default Interest (Value)	Principal from Book	Interest Due from	Deferred Principal	Deferred Interest	Ha bee Pri Wa
%	Has there been revision?	Rolled Over ?	Amount	Board Approval Ref.							

CertificationCertified that the information given herein are correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed.Date.....Signature

.....Full Name and Designation .....Note. - A. Category of

Investment (COI) shall be as per INV/GLN/001/2003-04.B. Form 7-A shall be submitted in respect of each "fund".C. Classification shall be as per F & A- Circulars-169-Jan-07, dated 24-1-2007.]