

Reporting on discharge of stewardship responsibility

Insurance Regulatory and Development Authority of India (IRDAI) through circular IRDA/F&A/GDL/CMP/059/03/2017 has given guidelines to insurance companies on discharge of stewardship responsibility. Principle 7 of the guidelines requires insurers to report to their ultimate beneficiaries (policyholders) on how they have discharged their responsibilities, in a format which is easy to understand, as a part of public disclosures.

The subsequent paragraphs details manner in which compliance of the stewardship code have been discharged by the Company.

The Board in its meeting dated July 25, 2017 has approved Policy on discharge of stewardship responsibilities which details procedures to be followed by the Company to comply with its Stewardship responsibilities. The Policy defines the stewardship responsibilities to be undertaken by the Company and processes that the Company intends to follow in order to safeguard the interests of its Policyholders.

The status of Compliance with the Stewardship code is stated below:

- **Principle 1**

Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it.

Complied.

Policy on discharge of stewardship responsibility (Policy) is approved by Board on July 25, 2017. The Policy is disclosed on the website of the Company.

- **Principle 2**

Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Complied.

Policy has prescribed procedures to be followed by the Company for identifying and managing conflict of interest. The Company has reviewed all investments where Company is likely to have Conflict of interests based on guidance provided in the Policy for identifying Conflicts of interest.

- **Principle 3**

Insurers should monitor their investee companies.

Complied.

The Company engages with the investee companies as part of the research process that leads to an investment in an investee company, which include meetings with management. The Company has reviewed monitoring and engagement activities being carried out by the Investment team on an annual basis.

- **Principle 4**

Insurers should have a clear policy on intervention in their investee companies.

Complied.

The Policy covers when to intervene, if any intervention required in any investee company. The Company has reviewed the intervention in the investee companies during the year.

- **Principle 5**

Insurers should have a clear policy for collaboration with other institutional investors, Complied where required, to preserve the interests of the policyholders (ultimate investors), which should be disclosed.

Complied.

The policy covers for collaboration with other institutional investors where it is required in the interest of policyholders and situation warrants the same.

- **Principle 6**

Insurers should have a clear policy on voting and disclosure of voting activity.

Complied.

The Policy covers voting policy. An annual voting disclosure is published on the website of the Company.

- **Principle 7**

Insurers should report periodically on their stewardship activities.

Complied.

The Company has publicly disclose its voting MIS and stewardship activities annually after it is approved by the Board. The Company would also report annually its compliance status with the Stewardship principles to IRDAI.