

Item No. 10

Supplementary Budget for the Financial Year 2019-20

The budget for the F.Y. 2019-20 was approved by the Authority in its 104th meeting held on 28th March, 2019. The total expenditure approved was Rs. 285.72 crore including Rs. 1 crore towards 'Loans and Advances - Staff' and Rs. 5 crore under 'Contingency Expenditure - unforeseen items, etc.'

2. In respect of budget provision under '**Loans and Advances - Staff**', the following are submitted:

- i. The Department had processed a proposal to entrust the employee housing loan portfolio to banks/housing finance companies and called for offers.
- ii. Upon review of the offers received, the cost of EMI inflows and pay-outs, such externalisation is observed to be expensive to the IRDAI in view of the long term repayment structure of the housing loans.
- iii. To meet instalment releases in respect of loans already sanctioned and fresh applications which have increased due to eligibility for availing housing loans by new batch of officers recruited in 2017 and 2018, the budget of Rs. 1 crore under 'Loans and Advances - Staff' and with the approval of Chairman, Rs. 5 crore under 'Contingency Expenditure - unforeseen items, etc.' totalling to Rs. 6 crore are being utilised.
- iv. However, the total budget under 'Loans and Advances - Staff' for the year 2019-20 is assessed at about Rs. 11 crore as against Rs. 1 crore approved. In view of this, an additional budget of **Rs. 10 crore** is required to meet loan requests of employees.

3. In view of the above, the Authority is requested to consider the agenda and approve a supplementary budget of Rs. 10 crore towards loans and advances to employees. With this, the utilisation under 'Contingency Expenditure - unforeseen items, etc.' head would

be replenished. The revised figures under total expenditure, overall surplus/ (deficit) and closing balance for FY 2019-20 would be as under:

(Rs. in crore)

	Budget Estimates FY 2019-20	Revised Budget Estimates FY 2019-20
Total Expenditure	285.72	295.72
Overall Surplus / (Deficit)	1.79	(8.21)
Closing Balance (Cash in hand and at bank + FDs)	1,300.06	1290.05

Submitted for approval.