

Item No. 8

Budget for the F.Y. 2020-21

The budget of IRDAI for the financial year 2020-21 is prepared and placed as Annexure –

A. The budget under major heads is as follows:

(i) Receipts:

(a) Rs. 187.24 crore is proposed to be received by way of fee from Insurers and Insurance Intermediaries towards registration/renewal of registration.

(b) Interest income is estimated at Rs. 89.66 crore at an average rate of interest of 6.16 % p.a.

(c) The total receipts for the year is budgeted at Rs. 282.86 crore.

(ii) Expenditure:

(a) Revenue expenditure:

- Rs. 110.28 crore is estimated towards Staff Salary and Allowances.
- Expenditure for 'Advertisement/Awareness Campaign' is budgeted at Rs. 50 crore.
- Rs. 14 crore is budgeted for IIB.
- Rs. 6.41 crore is proposed to be incurred towards IT Maintenance.

(b) Capital Expenditure:

- An amount of Rs. 27.54 crore is budgeted for replacement/improvement of IT infrastructure.
- Rs. 10 crore is budgeted for IIRM for completion of Phase II of the campus.
- An amount of Rs. 20 crore is budgeted under loans and advances to employees.

(c) The total expenditure for the year is budgeted at Rs. 273.08 crore.

2. The estimated receipts show a reduction from Rs. 291.07 crore in 2019-20 to Rs. 282.86 crore in 2020-21 which is mainly due to receipt of one-time amalgamation fee of Rs. 7.19 crore and penalty of Rs. 6.48 crore in the year 2019-20.

3. The total estimated expenditure is assessed to increase from Rs. 198.27 crore in 2019-20 to Rs. 273.08 crore in 2020-21, mainly due to increase in capital expenses for IT infrastructure, loan to IIRM and loans and advances to staff.

4. It is submitted that due to the allocation proposed under major heads as above and considering the total receipts and total expenditure, the budget for the year 2020-21 results in a net surplus of Rs. 9.78 crore (revenue surplus of Rs. 63.24 crore and capital deficit of Rs. 53.46 crore).

5. As per the practice, the budget for every year is placed before the Authority in its Meeting for approval. Currently, in view of the outbreak of Covid-19 and the lockdown, Authority Meeting that was convened in March, 2020 had to be postponed.

The following are submitted for approval of the Authority:

- i) Revised budget estimate for expenditure for the year 2019-20 from Rs. 295.72 crore to Rs. 198.27 crore with revision under certain heads of expenses as given in Annexure A.1.
- ii) Budget for the financial year 2020-21 as per Annexure A.2.