

Item No. 17

Budget for the Financial Year 2021-22

1. The budget for the Authority for the financial year 2021-22 is needed to be considered for approval. The draft revised budget estimate of IRDAI for the financial year 2020-21 is placed at Annexure – A-1. The draft budget of IRDAI for the financial year 2021-22 has been prepared and is placed at Annexure – A-2. The details of the 2021-22 budget under major heads are as follows:

(i) Receipts:

The total receipts for the year is estimated at Rs. 273.56 crore, out of which Rs.194.53 crore is estimated to be the fee to be received from the insurers and insurance intermediaries for registration and renewal of the registration.

(ii) Expenditure:

(a) Revenue expenditure:

- Rs. 115.00 crore is estimated towards Staff Salary and Allowances.
- Expenditure for 'Advertisement/Awareness Campaign' is budgeted at Rs. 40.00 crore.
- Rs. 13 crore is budgeted for release to support IIB.
- Rs. 9.09 crore is proposed to be incurred towards IT Maintenance.

(b) Capital expenditure:

- An amount of Rs. 30.22 crore is budgeted for additions and replacement of IT infrastructure.
- Rs. 10 crore is budgeted for IIRM for construction 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 estimated at Rs. 272.84 crore.

2. The estimated receipts show a reduction from Rs. 292.28 crore in 2020-21 to Rs. 273.56 crore in 2021-22 mainly due to reduction in rate of interest for fixed deposits.
3. The total estimated expenditure is assessed to increase from Rs. 243.45 crore in 2020-21 to Rs. 272.84 crore in 2021-22, mainly due to higher requirement of salary,

requirement for new version of B.A.P. and the need for consultancy for Risk Based Capital (RBC) and Risk Based Supervision (RBS).

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 2021-22 is estimated to have a net surplus of Rs. 0.72 crore (Revenue surplus of Rs. 55.63 crore and capital deficit of Rs. 54.91 crore).

The following are placed for approval of the Authority:

- i) Revised budget estimate for expenditure for the year 2020-21 for Rs. 243.45 crore as given in **Annexure A-1**.
- ii) Budget for the financial year 2021-22 as per **Annexure A-2**.