Item No. 15

Sub: Repayment of Loan to IRDAI by IIRM

(A) Loan I of Rs. 1.67 crore; (B) Loan II of Rs. 1.25 crore

Authority has granted the following loans to IIRM:

(A) <u>Loan I for Rs. 1,67,36,133/-</u>

Authority in its 44th meeting held on 23.03.2006 approved the above loan as an interest free long term loan, repayable in 10 annual installments, from 2007-2008.

IIRM has not paid the 8th, 9th and 10th installments for FY 2014-15, 2015-16 and 2016-17 respectively.

Presently, Rs. 50, 20, 839.90 is outstanding from this loan amount.

(B) <u>Loan II for Rs 1,25,00,000/-</u>

Authority in its 48th meeting held on 05.03.2007 approved a long term interest free loan of Rs. 2 crores for setting up School of Actuarial Science and Distance Learning Centre. The loan is repayable over a period of 10 years with a moratorium of 5 years. Out of Rs. 2 crores approved, Rs. 1. 25 crores was paid to IIRM.

IIRM has paid only the 1st and 2nd installments and have not paid the 3rd, 4th and 5th installments for FY 2014-15, 2015-16 and 2016-17 respectively.

Presently, Rs. 1 crore is outstanding from this loan amount

Authority has received a letter dated 21.06.2016 from IIRM mentioning that there is an urgent need for liquidity to run the organization and has requested IRDAI to give more time to repay the loan installments relating Loan I and Loan II. Subsequently, vide letter dated 14.10.2016, IIRM informed that it would start repaying the balance amount from 2019-20 onwards.

The total income of IIRM was Rs. 473.01 lakhs for FY 2015-16 and total expenditure was Rs. 472.71 lakhs.

It is therefore proposed that IIRM be granted more time till 2019-20 to repay the installments for Loan I and Loan II.

The matter is placed before the Authority for its consideration.