

such the soft loan proposed to the IIRM is within the ambit of IRDA power and that IRDA could disburse the loan in tranches as would be needed by IIRM.

Item No: 7 Status of Change in the Shareholding Pattern by Non-life Insurers

Noted

Item No: 8 Status of Public Disclosures by Non-life Insurers for the half year ended September 2013

One of the Members suggested that whenever there is an issue of non-compliance, action should be taken against the concerned entity. In this regard, Member (NL) informed that GIC Re being a Reinsurer, certain information cannot be uploaded unless and until there is a flow of information from insurers. On this, it was decided that there is a case for stipulation of different dates for GIC vis-a-vis other Insurers as far as public disclosures are concerned. The Authority also observed that the agenda should also contain the action taken in case of non-compliance. It further noted that for any delay in publishing public disclosures, prior approval of the Authority is required.

Item No: 9 Status of pending applications for change in shareholding pattern of Life Insurers & Applications for change in shareholding pattern approved

Noted

Item No: 10 Status of progress on Delhi and Mumbai office of IRDA

Joint Director (Building) informed that regarding Delhi office of the Authority, it is almost completed and officers can be posted. Regarding Mumbai office of the Authority, he informed that the rental valuation was done by SUUTI an undertaking of UTI Infrastructure as decided by a Committee headed by Member (F&I). JD

(Building) informed that National Insurance Company officials are likely to visit IRDA shortly to discuss the modalities of agreement etc.

In this context, it was also opined that the IRDA could consider having its own building at Mumbai and for this it may approach the Government of Maharashtra for land at a suitable location. While noting that the Authority's main office is in Hyderabad and there would be only a limited number of staff at Mumbai, it was nevertheless decided that an application could be made to the Government of Maharashtra accordingly.

Item No: 11 Status of progress of the construction work of IRDA's building at Gachibowli

The Authority perused the status of progress made in handing over the construction of the balance portion of the IRDA building to CPWD. It was informed by JD (Building) that a letter has been received from CPWD agreeing to do the work @ 4.5% of the cost. While on this, it was also agreed that the handing over from the APIIC should be smooth and it should be ensured that there are no encumbrances.

It was also decided that the issues relating to problems with previous contractor have to be resolved in close coordination with APIIC. While on this, it was informed that the services of APIIC would still be required for various issues such as logistic support at Gachibowli in terms of water-supply etc. It was noted that there would be a need for an amicable exit on the contractual issues not only with APIIC but also with the previous contractor. All materials if any of the previous contractor will have to be cleared and the place made clear from all encumbrances. It was also decided to construct a compound-wall at an early date so that the place is well protected.

JD (Building) also drew the attention of the Members of the need to engage the present architect for the sake of continuity. Similarly, he informed that a part time consultant has been engaged to assist the Authority in the management of construction work.

Item No: 12 - Service Tax Applicability

The authority has agreed to the proposal of making the payment of Service Tax based on the inclusive method which is working out to Rs.17,09,65,448 (approx.) excluding interest and penalty. Further, it agreed that the Service Tax amount payable from 1st July, 2012 to 31st December, 2013 may be borne by the Authority as it would be difficult and cumbersome to recover from such a large number of entities. For the subsequent period i.e. from 1st January, 2014 onwards, it will have to be paid by the service receiver.

Further, the authority also suggested to examine the possibility of paying the amount immediately under Voluntary Compliance Encouragement Scheme (VCES) on 31st December, 2013, in case the same falls within this scheme.

The authority also recommended that a circular be issued to the effect that all service receivers such as Insurance Companies, Brokers, Agents, TPAs, Surveyors etc. should pay Service Tax to the authority from 1st January, 2014 on all services provided by the Authority.

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Item No: 15 Status of Public Disclosures by Life Insurers – for the quarter ended September 2013

Noted

**Item No: 16 Financial Sector Legislative Reforms Commission (FSLRC) –
Implementation of the Non-Legislative Recommendations**

The issues was discussed and perused in length by the Members of the Authority and it was noted that the Authority had taken several steps for implementing the Non-Legislative recommendations of FSLRC. However, in some other cases, it needs to be examined whether any further changes should be brought in. After due deliberation it was decided that there would be a need for a high level review of the work done by the respective department and the Chairman may take necessary steps to ensure such review and the matter may then be placed to the Authority. In this regard, it was decided to inform FSDC through an interim reply that the matter has been considered by the Authority and it would take atleast six months to come out with a clear view on the matter.

Any other Item with permission of the Chair:

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(T.S. Vijayan)
(Chairman)

