

**ANNUAL STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH,
2011**

**Draft Separate Audit Report of the Comptroller & Auditor General of India on the
Accounts of Insurance Regulatory and Development Authority (IRDA) for the year
ended 31st March 2011.**

We have audited the attached Balance Sheet of Insurance Regulatory and Development Authority (Authority) as on 31 March 2011 and Income & Expenditure Account/Receipts & Payments Account for the year ended on that day under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 17(2) of the Insurance Regulatory and Development Authority Act, 1999. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practice, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Report /CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. The Balance Sheet and Income & Expenditure Account/Receipts & Payments Account dealt with by this report have not been drawn up in the common format of accounts prescribed by Ministry of Finance.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Insurance Regulatory and Development authority as required under Section 17(1) of Insurance Regulatory and Development authority Act, 1999 in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet

A.1. Liabilities

A.1.1 IRDA Fund

Section 16 of the Insurance Regulatory and Development Authority Act, 1999 provides that all Government grants, fees and charges received by the Authority be credited to the Insurance Regulatory and Development Authority (IRDA) Fund. The Fund shall be applied for meeting the salaries and other expenses of the Authority. The Authority credited Rs. 8.93 lakh to the IRDA Fund, which represented the value of assets transferred by the Interim Regulatory Authority during the year 2000-01. In the Balance Sheet, the Authority showed surplus accumulated balances of Rs. 664.84 crore under the head "Surplus and Funds" instead of "IRDA Fund". This resulted in understatement of IRDA Fund to the extent of Rs. 664.84 crore and overstatement of Surplus and Funds.

IRDA did not comply with the provision contained in Section 16 of the IRDA Act by putting surplus accumulation in Reserve & Surplus. Hence, IRDA Fund surplus accumulation is not in consonance with Section 16 and the IRDA Fund had not been exhibited and operated in the manner laid down.

Ministry of Finance had directed the Authority since July, 2002 (latest being in February 2008) that the moneys collected by it should be deposited in the Public Account of India in a non-interest bearing account and the Authority would be allowed to withdraw specified amounts in the beginning of each year from the Public Account for meeting its expenditure.

Despite this being pointed out by audit in the previous Audit Reports, the Authority had not taken any action in this regard.

A.2 Assets

A.2.1 Capital work in progress

Software HRMS - Rs. - Nil

M/s. Satyam Computer Services Ltd. supplied SAP Licences costing Rs.15,12,428.79 (inclusive of taxes) and hardware costing Rs.47,45,926.20 on 31 March 2011 for the activities of Human Resource Management Accounting, Payroll Administration and Self Service Portal. Suitable provision should have been created in the accounts for the total amount of Rs.62,58,354 for the year as it is a known liability as on 31.3.2011 and this amount should have been booked under Capital-work- in-Progress. This has resulted into understatement of Capital work-in-progress software as well as current liabilities by the same amount.

A.2.2 Current Assets, Loans & Advances

Cash & Bank Balances

Bank Balances – Rs.8,46,49,627

The bank balance available as on 31st March 2011 at Bank of India (Account No.1938- Receipt Account)) includes cheques (9 Nos.) dated after 01.04.2011 (postdated cheques) received in March 2011 which were not cleared as on 31st March 2011. This has resulted in overstatement of bank balance by Rs.9,25,200 and understatement of the dues receivable to the same extent for the year.

A.2.2.1 Similarly, the Receipt account of Bank of India (Account No.1938) includes time barred cheques (3 Nos.) amounting Rs.61,912 which were issued during 2008-09). This has resulted in overstatement of bank balance and understatement of receivables to the same extent.

B Income and Expenditure

B.1 Expenditure

B.1.1 Rent – Rs.58,74,204

The Authority had not made any provision for rent dues for the months of February 2011 and March 2011 amounting to Rs.3,14,686 paid in April 2011 to United India Insurance Co. Ltd for the portion of the building occupied by the IRDA. This has resulted

in understatement of expenditure and overstatement of income over expenditure by the same amount.

B.1.2 Establishment Expenses- Electricity & Water Expenses – Rs.24,28,629

The Authority had not made any provision for dues of electricity bill amounting to Rs. 1,49,135 for the month of March 2010 paid in April 2010. This should have been booked under prior period expenditure. This has resulted in overstatement of Electricity expenses and understatement of prior period expenditure by the same amount.

Further, the Authority had not made any provision for dues of electricity bill amounting to the above does not include the electricity bill for the month March 2011 amounting to Rs.1,76,546. This has resulted in understatement of expenditure and current liabilities to that extent Rs.1,76,546 as well as overstatement of income over the expenditure.

C General

C.1 Irregularity in investment management

C.1.1 As per the investment policy of IRDA at least 50% of the funds shall be invested in the Government securities as defined in the Insurance Act, 1938 and the funds may be invested in the banks. The maximum investment with one bank will be restricted to 10% of the funds or 10% of the paid capital of the bank. Audit observed that out of total investment of Rs. 705.86 crore, in two cases, the Authority had made investments in Fixed Deposits of Rs. 145.62 crore in excess of maximum limit of 10% for each bank provided in the investment policy resulting in violation of the investment policy of IRDA.

C.1.2 The Authority had invested Rs. 705.86 crore in fixed deposit with scheduled bank and accounted the same under the head Investment. This resulted in overstatement of Investment and understatement of current assets by Rs. 705.86 crore.

For and on behalf of the C&AG of India

Place: New Delhi
Date:


Director General of Audit
Central Expenditure

Annexure to audit report

1. Adequacy of Internal Audit System

- No internal audit department has been set up in the organization nor audit is being conducted by the Ministry. IRDA has outsourced the work of internal audit to a private firm of Chartered Accountants and the internal audit for the year 2010-11 has been carried out.

2. Adequacy of Internal Control System

- The management is not responsive to audit observation as 28 paras for the period 1996-97 to 2009-10 are outstanding.

3. System of physical verification of assets

- The physical verification of assets had been conducted for the year 2010-11.

4. System of physical verification of inventory

- Physical verification of books and publication and stationery and consumable items had been conducted for the year 2010-11.

5. Regularity in payment of statutory dues

- As per accounts, no payment over six months in respect of statutory dues is pending as on 31.3.2011.

FORM - X
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
Balance Sheet as at 31st March 2011

FIGURES AS AT 31st Mar 2010 (Rs.)	LIABILITIES	FIGURES AS AT 31st Mar 2011 (Rs.)	FIGURES AS AT 31st Mar 2010 (Rs.)	ASSETS	FIGURES AS AT 31st Mar 2011 (Rs.)
	GENERAL FUND				
893,244	i) IRDA Fund [See Note 4] -At beginning of the year -Receipts in the year -Balance at end of the year	893,244	48,003,241 32,022,254 15,980,987	FIXED ASSETS [See Note 1] as per Annexure I Gross Block of Assets Less: Depreciation Net Block of Assets	53,555,721 35,450,702 18,105,023
893,244		893,244	20,000,000	Work-in-Progress - IRDA Building Software - Agents Licensing Portal Work-in-Progress Software - IGMS - Work in Progress Software - Sun Gard (Actuarial) Work in Progress	175,192,455 1,930,250 561,427 5,650,007
	ii) Capital Fund -Capital Grants -Balance at the beginning of the year Add: Value of Fixed Assets received as grants during the year			INVESTMENTS [See Note 2] (Method of Valuation - at Cost)	
4,127,331,218	iii) Surplus and Funds -Balance as per last Balance Sheet Add: Excess of Income over expenditure as per Income and Expenditure Account - Annexed Less: Excess of Expenditure Over Income as per Income and Expenditure Account - Annexed - Balance at the end of the year	5,505,736,762	6,222,900,000	i) Securities of Central and State Government ii) Units iii) Fixed Deposits with scheduled Bank iv) Others	7,058,601,000
1,378,405,544		1,142,660,917		CURRENT ASSETS, LOANS AND ADVANCES [See Note 3]	
5,505,736,762		6,648,397,679	1,433,599 63,739,259	i) Deposits with agencies ii) Loans and Advances to Staff iii) Amount Due from Insurance Companies & Others	1,431,247 212,076,069
	iv) Gift and Donations		143,384,308	iv) Other Current Assets	
	v) Other Balances		52,622	v) Cash & Bank Balances a) Cash in Hand (including cheques in hand and cash in transit)	295,197,745 67,300
	LOANS		34,724,536	b) Bank Balances	84,649,627
	i) Secured (stating the security offered for the purpose) ii) Unsecured iii) Loan from Government of India iv) Other Loans				
	CURRENT LIABILITIES AND PROVISIONS [See Note 5]				
	i) SUNDRY CREDITORS: -for Capital Items -for Other Items				
18,929,261		78,676,070			

Al

FIGURES AS AT 31st Mar 2010 (Rs.)	LIABILITIES	FIGURES AS AT 31st Mar 2011 (Rs.)	FIGURES AS AT 31st Mar 2010 (Rs.)	ASSETS	FIGURES AS AT 31st Mar 2011 (Rs.)
6,960,174	ii) PROVISIONS: -Provision for doubtful debts and advances -Provision for depletion in value of investment -Provision for expenses	50,940,097			
1,392,984	iii) OTHER LIABILITIES: 1. Unspent Grants 2. Interest payable to Government/Other Loans 3. Provident, Retirement & Other Welfare Funds: (a) Provident Fund (b) Other Welfare Funds (c) Retirement Benefit Fund and Staff Benefit Fund:	1,593,281			
19,895,090	4. Others (Specify) -other Liabilities (Tax deducted at source) -Registration Renewal fee received in Advance -Soft Furnishing Recovery	24,443,110			
1,426,458		2,141,789			
946,856,096		1,046,376,881			
125,242					
6,502,215,311		7,853,462,151	6,502,215,311		7,853,462,151

Significant Accounting Policies and Notes Forming Part of Accounts - Annexure IX

Notes :

- 1 The information relating to Fixed Assets is given in Annexure I.
- 2 The information relating to Investments is given in Annexure II.
- 3 The information relating to Current Assets, Loans and Advances is given in Annexure III.
- 4 Details of IRDA Fund is given in Annexure IV (Fund includes grants received from Central Government, other organisations and bodies in terms of Section 16 of the Act).
- 5 Details of Contingent Liabilities is given in Annexure V.
- 6 All information relating to significant accounting policies and notes forming part of accounts is given in Annexure IX.
- 7 All annexures to Statement of Affairs and notes/information relating to accounting policy forming part of Accounts.


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member


(J. Hari Narayan)
Chairman

Form - B
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

FIGURES FOR THE PREVIOUS YEAR (2009-10) (Rs.)	EXPENDITURE	FIGURES FOR THE CURRENT YEAR (2010-11) (Rs.)	FIGURES FOR THE PREVIOUS YEAR (2009-10) (Rs.)	INCOME	FIGURES FOR THE CURRENT YEAR (2010-11) (Rs.)
20,956,816	Payment to Chairperson and Members	18,262,874		Grants In Aid	
98,667,761	Payment to and Provision for members of Staff [See Note 1]	181,303,673	-	Received	-
61,492,673	Establishment Expenses [See Note 2]	98,139,607	-	Receivable	-
5,951,759	Rent	5,874,204	-	Less: Transferred to Capital Fund	-
11,412,683	Research & Consultation Fees	29,983,395		Fees:	
5,308,705	Seminars, Conference, Publications, etc.	2,850,700		Registration Fees	
	- Interest [See Note 3]	-	2,687,211	Surveyors Fees	2,010,030
6,334,453	Depreciation	6,368,915	100,000	Registration Fees- Insurer	100,000
	- Capital Assets Written Off	-	-	Registration Fees - Agents	-
	- Loss on Write Off of Asset	-	20,000	Registration Fees - Broker	-
	- Provision for doubtful debts and advances	-	-	Registration Fees - TPA	20,000
	- Development Expenditure	-	-	Registration Fees - Referral Entity Fees	1,500,000
7,473,608	Promotional Expenditure	167,673,183		Renewal Fees	
183,769	Other Expenses	801,267		Renewal of Licences - Insurer	837,668,870
			730,009,077	Renewal of License - Agents	314,703,450
1,378,405,544	Excess of Income Over Expenditure for the year carried down	1,142,660,917	382,132,300	Renewal of Licence-Brokers	26,592,821
			28,694,833	Renewal of Licence - TPA	500,000
			60,100	Others	
			6,500,000	Penalties, Fines etc.	10,050,000
				Seminar, Conferences and Publications etc.	-
				Income from investments - Interest on deposits with	
				- Scheduled Banks	-
			442,157,515	Interest on Deposits	457,725,941
				Interest on advances	
			2,777,571	i) granted to members of staff for housing purposes	2,684,687
				ii) Others	
			1,049,164	Miscellaneous Income	362,936
1,596,187,771		1,653,918,735	1,596,187,771		1,653,918,735

Significant Accounting Policies and Notes Forming Part of Accounts - Annexure IX

Notes

- 1 The information relating to payment to and provision for employees is given in Annexure VI.
- 2 The information relating to establishment expenses is given in Annexure VII.
- 3 The information relating to interest amount is given in Annexure VIII.
- 4 All Annexures to Income and Expenditure Account and Notes/Information relating to Significant Accounting Policies form part of accounts.


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member


(J. Hariharan)
Chairman


FO 1 - C
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Sl.No.	RECEIPTS	Amount	Sl.No.	PAYMENTS	Amount
1	To Balance brought forward		1	By Research and Consultation Fees	
	Cash at Bank		2	By Seminars, Conference, Publications etc.	29,564,543
	Cash in hand	34,724,536	3	By Rent Payments	19,840,142
	Cheques on hand	52,622	4	By Development Expenditure	5,946,751
	Cash / Cheques in transit		5	By Promotional Expenditure	
2	To Registration Fees		6	By Payment to Chairperson and Members	149,005,725
	Insurance Companies		(i) Pay and Allowances	15,676,333	
	Third Party Administrators	100,000	(ii) Other Benefits	3,122,980	
	Insurance Brokers	20,000	(iii) Travelling Expenses	8,192,487	
	Insurance Agents		7	By Establishment Expenses	
	Insurance Surveyor		(i) Pay and Allowances	119,285,807	
	Referral Entity Fees		(ii) Other Benefits	31,819,126	
	Others	1,500,000	(iii) Travelling Expenses	2,710,578	
			(iv) Retirement Benefits	13,015,481	
3	To Registration Renewal Fees		8	By Office Expenses	28,105,421
	Insurance Companies	952,186,055	9	By Interest on	
	Third Party Administrators	500,000	(i) Government Loans		
	Insurance Surveyors	2,010,030	(ii) Other Loans		
	Insurance Agents	299,707,050	10	By Purchase of Assets	4,541,234
	Insurance Brokers	26,592,821	11	By Capital Work-in-Progress	162,941,684
	Others		12	By Advances to staff and others including travel advance	165,449,228
4	To Penalties, Fines from Insurers and intermediaries	10,050,000	13	By Investments	6,458,600,000
5	To Seminar, Conferences etc.		14	By Repayment of Government Loans/ fees	
6	To Income from Investments		15	By Repayment of Other Loans	
7	To Sale of Investments	5,572,900,000	16	By Other Expenses	2,987,795
8	To Grants		17	By Fringe Benefit Tax	
	i) Central Government / State Govt/ Others		18	By Security deposit paid	
	ii) Gift and Donations		19	By Balance carried forward	
9	To Loans		(i) Cash at Bank		
10	To Sales of Publication etc.		(a) Bank of India, Basheerbagh Br, A/C -119	57,956,367	
11	To Sale of Assets	12,600	(b) Bank of India, Basheerbagh Br, A/C -1938	26,201,054	
12	To interest received on		(c) ICICI Bank, Himayatnagar Br	22,762	
	Deposits	353,740,767	(d) IOB, New Delhi	14,046	
	Advances		(e) State Bank of India, Parisrama Bhavan Br	455,397	
	Others		(ii) Cash in hand		
13	To Recoveries from Employees		IRDA Hyderabad	35,000	
	(a) Loans and Advances	51,081,383	Delhi Office	22,300	
	(b) Interest on Loans and Advances		Delhi Guest House	10,000	
	(c) Misc. Recoveries		(iii) Cheques in hand		
14	To Other Receipts		(iv) Cash/ Cheques in Transit		
	(a) Miscellaneous Income	342,828			
	(b) Security deposit from Contractors				
	(c) Security deposit received back				
	(d) Interest on Bank Account	1,550			
		7,305,522,242			7,305,522,242


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member



(R.K. Nair)
Member


(J Hari Narayan)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Schedule of Fixed Assets annexured to and forming part of Balance Sheet as on 31st March 2011

Particulars	Gross block				Depreciation			Net block		
	Cos: as on	Additions	Sold/Disposed	Total as on	As on	For the	Adjustments	As on	As on	As on
	01.04.2010	During the	Off During the	31.03.2011	01.04.2010	Year		31.03.2011	31.03.2011	31.03.2010
	Year	Year								
Office Premises										
(a) Land	10,000	-	-	10,000	-	-	-	-	10,000	10,000
(b) Building	-	-	-	-	-	-	-	-	-	-
Residential Flats										
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Building	-	-	-	-	-	-	-	-	-	-
Vehicles	1,097,544	738,952	577,254	1,259,242	669,458	264,396	523,812	410,042	849,200	428,086
Equipments	6,978,686	379,472	-	7,358,158	4,158,222	584,692	-	4,742,914	2,615,244	2,820,464
Furniture and Fixtures	12,173,164	3,592,525	2,521,421	13,244,268	6,225,879	1,967,824	2,416,656	5,777,047	7,467,221	5,947,285
Computers	26,240,057	3,624,992	-	29,865,049	19,464,906	3,236,786	-	22,701,692	7,163,357	6,775,151
Books	1,503,790	315,218	-	1,819,008	1,503,790	315,218	-	1,819,008	-	-
Total	48,003,241	8,651,159	3,098,675	53,555,725	32,022,254	6,368,915	2,940,468	35,450,702	18,105,023	15,980,987


 (Raj Kumar Sharma)
 CAO


 (G. Prabhakara)
 Member


 (M. Ramaprasad)
 Member


 (R.K. Nair)
 Member


 (Har Narayan)
 Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
Interest accrued but not due on Fixed Deposits as on 31-3-2011

Deposited with	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Int Accd till 31-3-2011
Allahabad Bank	14-Oct-10	50038861330	20000000	7.50%	15-Oct-11	21547144	714392
Andhra Bank	15-Apr-10	50520100020384	4000000	6.50%	17-Apr-11	4267926	256245
Andhra Bank	15-Apr-10	35020100007213	7500000	6.50%	15-Apr-11	7999512	480353
Andhra Bank	15-Apr-10	35020100007198	7500000	6.50%	15-Apr-11	7999512	480353
Andhra Bank	15-Apr-10	35020100007222	7500000	6.50%	15-Apr-11	7999512	480353
Andhra Bank	15-Apr-10	35020100007231	7500000	6.50%	15-Apr-11	7999512	480353
Andhra Bank	15-Apr-10	50520100020375	8000000	6.50%	16-Apr-11	8534332	512433
Andhra Bank	15-Apr-10	50520100020366	8000000	6.50%	15-Apr-11	8532813	512376
Andhra Bank	14-May-10	50520100021435	9000000	6.50%	17-May-11	9604543	528975
Andhra Bank	14-May-10	50520100021426	9000000	6.50%	16-May-11	9602833	528916
Andhra Bank	14-May-10	50520100021417	9000000	6.50%	15-May-11	9601124	528858
Andhra Bank	14-May-10	50520100021408	9000000	6.50%	14-May-11	9599414	528798
Andhra Bank	03-Jun-10	128220100017399	9500000	6.50%	03-Jun-11	10132715	523507
Andhra Bank	23-Jun-10	35120100018918	9000000	6.75%	25-Jun-11	9626610	481482
Andhra Bank	23-Jun-10	35120100018909	9000000	6.75%	24-Jun-11	9624831	481427
Andhra Bank	14-Jul-10	50520100023974	27000000	6.50%	14-Jul-11	28798243	1285867
Andhra Bank	09-Sep-10	134020100027280	10000000	7.50%	09-Sep-11	10771359	431116
Andhra Bank	09-Sep-10	52220100076410	30000000	7.50%	09-Sep-11	32314076	1293347
Andhra Bank	24-Sep-10	50520100027590	20000000	7.70%	24-Sep-11	21585041	820747
Andhra Bank	14-Oct-10	107020100013922	20000000	7.50%	14-Oct-11	21542717	714299
Andhra Bank	19-Nov-10	134020100030734	10000000	8.30%	19-Nov-11	10856193	311983
Andhra Bank	19-Nov-10	52220100082755	30000000	8.30%	19-Nov-11	32568579	935948
Andhra Bank	24-Nov-10	107020100014569	30000000	8.00%	24-Dec-11	32472965	801366
Andhra Bank	04-Dec-10	50520100031830	60000000	8.75%	04-Dec-11	65424792	1753768
Andhra Bank	21-Dec-10	52220100088625	100000000	9.40%	21-Dec-11	109736572	2694230
Andhra Bank	30-Dec-10	50520100034581	20000000	9.75%	30-Dec-11	22022463	509771
Andhra Bank	30-Dec-10	14620100036914	40000000	9.75%	30-Dec-11	44044925	1019543
Andhra Bank	30-Dec-10	14620100036899	40000000	9.75%	30-Dec-11	44044925	1019543
Andhra Bank	30-Dec-10	52220100090912	100000000	9.75%	30-Dec-11	110112313	2548857
Andhra Bank	31-Dec-10	123120100005598	20000000	9.75%	31-Dec-11	21648643	411032
Andhra Bank	31-Dec-10	41120100012747	20000000	9.75%	31-Dec-11	22022463	504231
Andhra Bank	31-Dec-10	29320100029482	30000000	9.75%	31-Dec-11	33033694	756346
Andhra Bank	31-Dec-10	134020100033847	40000000	9.75%	31-Dec-11	44044925	1008461
Andhra Bank	31-Dec-10	50520100034563	110000000	9.75%	31-Dec-11	121123544	2773267
Andhra Bank	31-Dec-10	52220100091285	130000000	9.75%	31-Dec-11	143146006	3277497
Andhra Bank	06-Jan-11	50520100034916	100000000	9.60%	06-Jan-12	108243216	1919653
Andhra Bank	09-Feb-11	50520100039106	20000000	9.50%	09-Feb-12	21968766	275088
Andhra Bank	31-Mar-11	52220100119846	100000000	10.20%	10-Apr-12	110905890	29005
Bank of Baroda	7-Oct-10	574940	30000000	8.00%	7-Oct-11	32472965	1192443
Bank of India, Basheerbagh	31-Mar-10	860156110000110	300000000	6.75%	31-May-11	324386900	20894879
Bank of India, Basheerbagh	09-Apr-10	860145110001211	45000000	6.75%	09-Apr-11	48115255	3046976
Bank of India, Basheerbagh	13-Apr-10	860145110001214	80000000	6.75%	13-Apr-11	85538232	5356153
Bank of India, Basheerbagh	22-Apr-10	860145110001228	9000000	6.75%	22-Apr-11	9623051	587204
Bank of India, Basheerbagh	22-Apr-10	860145110001227	9000000	6.75%	22-Apr-11	9623051	587204
Bank of India, Basheerbagh	03-Jun-10	860145110001267	9500000	6.50%	03-Jun-11	10132715	523507
Bank of India, Basheerbagh	25-Jun-10	860156110000111	9000000	6.50%	02-Jul-11	9611381	460179
Bank of India, Basheerbagh	25-Jun-10	860145110001289	9000000	6.50%	25-Jun-11	9599414	459825
Bank of India, Basheerbagh	03-Jul-10	860156110000112	9000000	6.50%	09-Jul-11	9611381	448236
Bank of India, Basheerbagh	03-Jul-10	860156110000113	9000000	6.50%	12-Jul-11	9616509	448370
Bank of India, Basheerbagh	03-Jul-10	860145110001293	9000000	6.50%	02-Jul-11	9599414	447914
Bank of India, Basheerbagh	21-Dec-10	860150410000001	100000000	9.40%	21-Dec-11	109736572	2694229
Bank of India, Basheerbagh	23-Dec-10	860150410000002	300000000	9.60%	23-Dec-11	329853488	8097248
Bank of India, Basheerbagh	28-Dec-10	860150410000003	100000000	9.60%	28-Dec-11	109951163	2562765
Bank of India, Basheerbagh	30-Dec-10	1135332	5000000	9.80%	30-Dec-11	55083034	1281203
Bank of India, Basheerbagh	30-Dec-10	860150410000004	250000000	9.80%	30-Dec-11	275415171	6406016
Bank of India, Basheerbagh	31-Dec-10	1141847	5000000	9.65%	31-Dec-11	55002430	1247181
Bank of India, Basheerbagh	31-Dec-10	860150410000005	200000000	9.65%	31-Dec-11	220009719	4988725
Bank of India, Basheerbagh	31-Mar-11	860150410000007	100000000	10.26%	31-Mar-12	110661547	29130
Canara Bank	15-Apr-10	3003401000154/3	20000000	6.00%	15-Apr-11	21227272	1180199
Canara Bank	14-May-10	1787401002245/33	9000000	6.50%	15-May-11	9601124	528858
Canara Bank	14-May-10	1787401002245/34	9000000	6.50%	16-May-11	9602834	528917
Canara Bank	14-May-10	1787401002245/35	9000000	6.50%	17-May-11	9604543	528975
Canara Bank	14-May-10	1787401002245/36	9000000	6.50%	18-May-11	9606253	529034
Canara Bank	14-May-10	1787401002245/37	9000000	6.50%	14-May-11	9599415	528799
Canara Bank	07-Dec-10	3003401000237/1	40000000	8.00%	07-Dec-11	43297286	1038871
Canara Bank	15-Dec-10	3003401000240/1	100000000	9.40%	15-Dec-11	109736572	2854283
Canara Bank	23-Dec-10	0616401002005/1	100000000	9.60%	23-Dec-11	109951162	2699082
Canara Bank	23-Dec-10	1787401002245/39	100000000	9.60%	23-Dec-11	109951162	2699082
Canara Bank	24-Dec-10	3003401000242/1	100000000	9.60%	24-Dec-11	109939083	2668576
Canara Bank	31-Mar-11	50539	50000000	10.00%	31-Mar-12	55190640	14182
Canara Bank	31-Mar-11	321360	50000000	10.00%	31-Mar-12	55190640	14182
Central bank of India	15-Apr-10	80528	20000000	6.00%	15-Apr-11	21227271	1180198
Corporation Bank	31-Dec-10	440,785	100000000	9.60%	31-Dec-11	109951200	2480984


Deposited with	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Int Accd till 31-3-2011
Corporation Bank	31-Mar-11	443,329	50000000	10.10%	31-Mar-12	55244500	14329
Corporation Bank	31-Mar-11	626,428	50000000	10.10%	31-Mar-12	55244500	14329
Federal Bank	01-Jan-11	13950300051464	10000000	9.50%	01-Jan-12	10984383	242729
Federal Bank	01-Jan-11	14730300008253	40000000	9.50%	01-Jan-12	43937531	970898
Federal Bank	31-Mar-11	886282	15000000	10.20%	31-Mar-12	16589524	4343
Federal Bank	31-Mar-11	607422	10000000	10.20%	31-Mar-12	11059682	2895
Federal Bank	31-Mar-11	895569	15000000	10.20%	31-Mar-12	16589524	4343
Federal Bank	31-Mar-11	14107	10000000	10.20%	31-Mar-12	11059682	2895
Federal Bank	31-Mar-11	82739	10000000	10.20%	31-Mar-12	11059682	2895
Federal Bank	31-Mar-11	632798	20000000	10.20%	31-Mar-12	22119365	5791
IDBI Bank	31-Mar-10	133106400005005	10000000	6.75%	31-Jul-11	10935043	700802
IDBI Bank	31-Mar-10	133106400004992	10000000	6.75%	31-Jul-11	10935043	700802
IDBI Bank	31-Mar-10	133106400004985	10000000	6.75%	31-Jul-11	10935043	700802
IDBI Bank	31-Mar-10	133106400004978	10000000	6.75%	31-Jul-11	10935043	700802
IDBI Bank	31-Mar-10	133106400004961	10000000	6.75%	30-Jun-11	10872711	698552
IDBI Bank	31-Mar-10	133106400004954	10000000	6.75%	30-Jun-11	10872711	698552
IDBI Bank	31-Mar-10	133106400004947	10000000	6.75%	30-Jun-11	10872711	698552
IDBI Bank	31-Mar-10	133106400004930	10000000	6.75%	31-May-11	10812897	696496
IDBI Bank	31-Mar-10	133106400004923	10000000	6.75%	31-May-11	10812897	696496
IDBI Bank	31-Mar-10	133106400004916	10000000	6.75%	2-May-11	10755554	694653
IDBI Bank	31-Mar-10	133106400004909	10000000	6.75%	2-May-11	10755554	694653
IDBI Bank	31-Mar-10	133106400004893	10000000	6.75%	2-May-11	10755554	694653
IDBI Bank	31-Mar-10	133106400004886	10000000	6.75%	2-May-11	10755554	694653
IDBI Bank	31-Mar-10	133106400004879	10000000	6.75%	4-Apr-11	10700188	692598
IDBI Bank	31-Mar-10	133106400004862	10000000	6.75%	4-Apr-11	10700188	692598
IDBI Bank	22-Apr-10	133106400005050	9000000	6.75%	25-Apr-11	9628390	587408
IDBI Bank	22-Apr-10	133106400005067	9000000	6.75%	25-Apr-11	9628390	587408
IDBI Bank	01-Jan-11	133106400007405	100000000	9.71%	01-Jan-12	110069322	2482847
Indian Bank	31-Mar-10	348780	5000000	6.75%	15-May-11	5320630	285439
Indian Bank	31-Mar-10	348779	9000000	6.75%	30-Apr-11	9676439	625064
Indian Bank	31-Mar-10	348775	9000000	6.75%	10-Apr-11	9640847	623758
Indian Bank	31-Mar-10	348776	9000000	6.75%	15-Apr-11	9649745	624097
Indian Bank	31-Mar-10	348777	9000000	6.75%	20-Apr-11	9658643	624428
Indian Bank	31-Mar-10	348778	9000000	6.75%	25-Apr-11	9667541	624750
Indian Bank	22-Apr-10	314571	9000000	6.75%	22-Apr-11	9623051	587204
Indian Bank	23-Apr-10	314572	9000000	6.75%	25-Apr-11	9626610	585633
Indian Bank	03-Jun-10	971429	9500000	6.50%	03-Jun-11	10132715	523507
Indian Bank	25-Jun-10	971839	9000000	6.50%	25-Jun-11	9599414	459824
Indian Bank	26-Jun-10	971922	8500000	6.50%	26-Jun-11	9066114	432728
Indian Bank	03-Jul-10	895437439	7000000	6.50%	03-Jul-11	7466211	347423
Indian Bank	03-Jul-10	895237587	9500000	6.50%	03-Jul-11	10132715	471503
Indian Bank	03-Jul-10	895197417	9500000	6.50%	03-Jul-11	10132715	471503
Indian Bank	03-Jul-10	894904257	9500000	6.50%	03-Jul-11	10132715	471503
Indian Bank	03-Jul-10	894854294	9500000	6.50%	03-Jul-11	10132715	471503
Indian Bank	14-Jul-10	896588057	8500000	7.00%	14-Jul-11	9110802	436765
Indian Bank	14-Jul-10	896556182	9500000	7.00%	14-Jul-11	10182661	488149
Indian Bank	22-Jul-10	898211770	20000000	7.00%	22-Jul-11	21437181	996183
Indian Bank	22-Jul-10	898015811	20000000	7.00%	22-Jul-11	21437181	996183
Indian Bank	22-Jul-10	897909944	40000000	7.00%	22-Jul-11	42874361	1992365
Indian Bank	27-Jul-10	898632958	30000000	7.00%	27-Jul-11	32155771	1464743
Indian Bank	09-Nov-10	917232103	25000000	7.75%	09-Nov-11	26994539	781422
Indian Bank	14-Dec-10	344681	20000000	8.50%	14-Dec-11	21754959	519276
Indian Bank	14-Dec-10	344680	30000000	8.50%	14-Dec-11	32632439	778913
Indian Overseas Bank	06-Oct-10	107104511001394	50000000	7.75%	06-Oct-11	53989079	1934430
Indian Overseas Bank	30-Dec-10	676933	100000000	9.50%	30-Dec-11	109843828	2481184
Indian Overseas Bank	09-Feb-11	083377	30000000	9.50%	09-Feb-12	32953149	412632
Indian Overseas Bank	09-Mar-11	551285	50000000	10.10%	09-Mar-12	55244509	329573
Karur Vysya Bank, RP Road	31-Mar-10	1410557000000048/1	100000000	7.35%	30-Apr-11	108204822	7581671
Karur Vysya Bank, RP Road	15-Apr-10	1410501000073622/3	50000000	7.00%	15-Apr-11	53592949	3455137
Karur Vysya Bank, RP Road	22-Apr-10	1410501000073622/4	50000000	7.15%	22-Apr-11	53671999	3460734
Karur Vysya Bank, RP Road	27-Jul-10	1410557000000048/2	20000000	7.30%	27-Jul-11	21500455	1019487
Karur Vysya Bank, RP Road	24-Dec-10	1410557000000069/1	100000000	9.65%	24-Dec-11	110004850	2686234
Karur Vysya Bank, RP Road	30-Dec-10	1410557000000069/2	100000000	9.75%	30-Dec-11	110112302	2548854
Karur Vysya Bank, RP Road	31-Mar-11	1410557000000069/5	120000000	10.50%	31-Mar-12	133142174	35908
Oriental Bank of Commerce	24-Dec-10	598852	50000000	9.42%	24-Dec-11	54879008	1309980
Oriental Bank of Commerce	24-Dec-10	598851	50000000	9.42%	24-Dec-11	54879008	1309980
Oriental Bank of Commerce	31-Mar-11	172674	100000000	10.30%	31-Mar-12	110704711	29248
Punjab National Bank	14-Jul-10	214900GR00000061	36000000	6.50%	14-Jul-11	38397658	1714490
Punjab National Bank	7-Dec-10	042100GR000000101	40000000	8.00%	7-Dec-11	43297286	1038871
Punjab National Bank	28-Dec-10	214900LR000000029	100001000	9.70%	28-Dec-11	110059677	2590454
Punjab National Bank	01-Jan-11	042100LR000000029	100100000	9.50%	01-Jan-12	109953672	2429673
State Bank of Hyderabad	31-Mar-10	62128041872	100000000	7.00%	31-May-11	108439831	7231311
State Bank of Hyderabad	11-Aug-10	62145343033	25000000	7.30%	11-Aug-11	26875570	1197282
State Bank of Hyderabad	20-Aug-10	62148013590	25000000	7.30%	20-Aug-11	26875570	1151035

Deposited with	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Int Accd till 31-3-2011
State Bank of Hyderabad	3-Sep-10	62152449938	50000000	7.50%	3-Sep-11	53856793	2218977
State Bank of Hyderabad	24-Dec-10	62174539281	100000000	9.25%	24-Dec-11	109575835	2571046
State Bank of India - PB	4-Oct-10	31453275469	30000000	7.75%	4-Oct-11	32393447	1173773
State Bank of India - PB	6-Oct-10	31458089159	50000000	7.75%	6-Oct-11	53989079	1934430
Syndicate Bank	18-Dec-10	30044580000010/3	100000000	9.50%	18-Dec-11	109843828	2804817
Syndicate Bank	30-Dec-10	386,224	50000000	9.50%	30-Dec-11	54921914	1240592
Uco Bank	07-Feb-11	167976	200000000	10.00%	07-Feb-12	220654909	2999206
Union Bank of India	25-Jun-10	921643	9000000	6.50%	25-Jun-11	9599414	459824
Union Bank of India	24-Dec-10	562727	100000000	9.60%	24-Dec-11	109951163	2671819
Union Bank of India	28-Dec-10	921717	100000000	9.70%	28-Dec-11	110058576	2590428
Union Bank of India	01-Jan-11	562768	50000000	9.70%	01-Jan-12	55029288	1240098
Union Bank of India	01-Jan-11	921718	50000000	9.70%	31-Dec-11	55029288	1243505
Union Bank of India	29-Mar-11	1304642	50000000	10.31%	29-Mar-12	55357752	43916
Union Bank of India	31-Mar-11	193354	100000000	10.36%	31-Mar-12	110769481	29425
Union Bank of India	31-Mar-11	921762	100000000	10.36%	31-Mar-12	110769481	29425
Yes Bank	4-Oct-10	6400006922	30000000	8.12	04-Oct-11	32511183	1231512
TOTAL			7,058,601,000			7,717,173,115	218,818,261


P. Kumar Sharma
CAO


G. Prabhakara
Member


M. Ramaprasad
Member

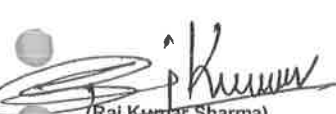

R.K. Nair
Member

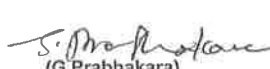

Han Narayan
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
Attached to and forming part of Balance Sheet as at 31st March 2011

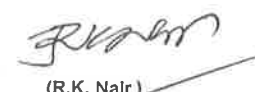
CURRENT ASSETS, LOANS AND ADVANCES

PARTICULARS	Figures as at 31st March 2011	Figures as at 31st March 2010
	Rs	Rs
DEPOSITS		
Security Deposits - Telephone	64,322	66,674
Security Deposits - Electricity	350,375	350,375
Security Deposits - Fuel	7,650	7,650
Security Deposits - Rent	1,008,900	1,008,900
TOTAL	1,431,247	1,433,599
LOANS & ADVANCES TO STAFF		
Housing Loan to Staff	41,576,621	42,561,444
Loans to Staffs for other purposes	8,321,998	9,108,965
Other - Advances - Festival	463,687	557,568
Interest Recoverable	9,606,396	7,642,795
Advance Others [Includes Rs. 13,03,79,000/- paid to Tariff Advisory Committee (TAC) towards advance for purchase of flats - (Previous Year = Nil)]	152,107,367	3,636,387
Advance - Soft Furnishing	-	232,100
TOTAL	212,076,069	63,739,259
AMOUNTS DUE FROM INSURANCE COMPANIES & OTHERS		
Insurance Companies-[Indicates the amount due from State Insurance Companies]	-	-
Agents - [Indicates the amount of expired cheques in hand received from agents earlier]	-	-
TOTAL	-	-
Other Current Assets		
Prepaid Expenses	-	-
Interest Accrued but not due - Bank Deposits	218,818,261	117,902,040
Amount recoverable- others	53,218,712	657,738
Advances on Capital Account - [For software development]	204,120	204,120
Advance to Institute of Insurance and Risk Management	22,541,680	24,215,293
Other -Advance for Travel	414,972	405,117
TOTAL	295,197,745	143,384,308
CASH AND BANK BALANCES		
Cash in hand	67,300	52,622
Cheques in hand		
Cash/ Cheque in transit		
Balances with Scheduled Banks		
(a) In Current Account	84,626,865	34,702,549
(b) In Deposit Account		
(c) In Savings Bank Account	22,762	21,987
TOTAL	84,649,627	34,724,536
Balance with Non Scheduled Bank		
(a) In Current Account	-	-
(b) In Deposit Account	-	-
TOTAL	-	-


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member


(J. Mani Narayan)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Attached to and forming part of Balance Sheet as on 31st March 2011

PARTICULARS	Figures as at 31st March 2011 Rs	Figures as at 31st March 2010 Rs
Grant from Government of India	-	-
Total	-	-


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member


(J. Hanu Murthy)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
Attached to and forming part of balance-sheet as on 31st March 2011

CONTINGENT LIABILITIES

PARTICULARS	Figures as at 31st March 2011 Rs	Figures as at 31st March 2010 Rs


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member



(J. Hari Narayan)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

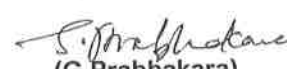
Attached to and forming part of Income and Expenditure Account for the year ended 31st March 2011

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES


Particulars	Figures for the Current Year (2010-11) Rs.	Figures for the Previous Year (2009-10) Rs.
i) Salaries, Allowances, Wages and Bonus	141,438,791	76,043,374
ii) Contribution to Provident Fund, etc [including contribution to superannuation fund]	12,596,930	7,546,796
iii) Gratuity	991,398	1,727,637
iv) Staff Welfare Expenses	916,463	1,030,305
v) Others		
-Book Grant	71,797	54,010
-Leave Travel Concession	2,195,954	1,734,115
-Insurance	-	-
-Canteen Expenses	-	-
-Monetary Award - Studies	-	-
-Contribution to Group Insurance Scheme	2,441,032	176,552
-Reimbursement of expenses incurred by Staff	13,631,201	6,700,487
-Leave Salary	7,020,107	3,654,485
TOTAL	181,303,673	98,667,761




(Raj Kumar Sharma)
CAO




(G. Prabhakara)
Member



(M. Ramaprasad)
Member



(R.K. Nair)
Member




(J. Narayana)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

Attached to and forming part of Income and Expenditure Account for the year ended 31st March
2011

ESTABLISHMENT EXPENSES

Particulars	Figures for the Current Year (2010-11) Rs.	Figures for the Previous Year (2009-10) Rs.
Repairs & Maintenance of Buildings & Premises	1,543,666	1,397,111
House Keeping - Office Maintenance	3,970,502	2,779,731
Repairs & Maintenance of Equipments	1,583,647	918,621
Repairs and Maintenance - Others		
Electricity & water Exp	2,428,629	2,030,700
Insurance exp	160,547	184,280
Rates and Taxes		
Printing and Stationery	1,818,908	2,049,629
Books/Journals etc.	64,399	57,878
Postage, Telegraphs, Telephones, etc.	10,238,746	6,633,694
Travelling and Conveyance Inland	30,807,701	19,344,859
Travel - Foreign	18,984,259	11,694,304
Legal and Professional charges		
Education/Training/R&D/Grievances Redressal Expenses	6,806,675	7,959,351
Audit Fees	443,430	248,532
Software		
Publicity & Advertisement		
Recruitment	1,196,543	186,399
Expenses of Meetings of Authority & Advisory Committee & Others meeting expenses including daily allowances paid to the members of the Committee	4,265,231	0
Membership and Subscription	6,657,540	1,154,875
Security Services	1,680,849	689,838
Web Portal Development Expenses		
Canteen Exp	4,051,137	3,528,475
Car Repair and Maintenance Expenses	125,726	150,364
Other Expenses	1,311,472	484,032
TOTAL	98,139,607	61,492,673


(Raj Kumar Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R.K. Nair)
Member


(J Hari Narayan)
Chairman


Annexure VIII

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
 Attached to and forming part of Income and Expenditure Account for the year ended
 31st March 2011

INTEREST

PARTICULARS	Figures for the Current Year Rs	Figures for the Previous Year Rs
Government	-	-
Banks	-	-
Others	-	-
Total	-	-


 (Raj Kumar Sharma)
 CAO


 (G. Prabhakara)
 Member


 (M. Ramaprasad)
 Member


 (R.K. Nair)
 Member


 (J Hari Narayan)
 Chairman

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

NOTES TO THE ANNUAL STATEMENT OF ACCOUNTS for the year 20010-11

[Unless otherwise specified, all amounts are in Rupees]

1. BACKGROUND

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (The Authority) was established by an Act of Parliament – Insurance Regulatory & Development Authority Act, 1999 [Act] - and was constituted on April 19, 2000 by a notification issued in the Gazette of India. The Authority was established with a view to protecting the interests of the holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto, issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel registration, and levy fees and other charges for carrying out the purposes of the Act. The Authority, in terms of section 13 of the Act has been vested with the assets and liabilities of the Interim Insurance Regulatory Authority as are available on the appointed day i.e. April 19, 2000. In terms of section 16 of the Act a fund shall be constituted namely 'The Insurance Regulatory and Development Authority Fund' [Fund]. The Fund shall constitute of all Government grants, fees and charges received by the Authority, all sums received by the Authority from such other source as may be decided upon by the Central Government and the percentage of prescribed premium income received from the insurer. The Fund shall be applied for meeting the salaries, allowances and other remuneration of the members, officers and other employees of the Authority and the other expenses of the Authority in connection with discharge of its functions and for the purposes of the Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting save for revenue recognition on cash basis as explained hereunder, and in accordance with the applicable standards on accounting issued by the Institute of Chartered Accountants of India. The significant accounting policies are as follows:

(a) **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided pro-rata to the period of use on reducing balance method using rates determined based on the rates specified in Schedule XIV to the Companies Act, 1956. Assets costing less than 5,000 have been depreciated 100% in the year of purchase unless the assets constitutes more than 10% of the respective block, in which case the asset is depreciated at the rates specified in the said Schedule XIV.

(b) **Investments**

Investments in the nature of fixed deposits with banks are stated at cost.

(c) **Revenues**

(i) **Registration Fee**

- (a) Received from insurer seeking for the first time, registration for carrying on any class of insurance business in India is treated as income of the year of receipt.
- (b) Received from Insurance Intermediaries to seek registration to act as insurance intermediaries is treated as income of the year of receipt.



(c) Received in advance from insurers for renewal of registration is treated as income of the year to which it relates.

(ii) **License Fee**

License fee received from insurance agents, surveyors, brokers and other insurance intermediaries is treated as income of the year of receipt. Licences issued to insurance agents, surveyors, brokers and other insurance intermediaries are current for those years from date of issue and subject to renewal at the end of their currency. It is not practicable to distribute the Licence fee over the years to which they relate.

(iii) **Grant from Ministry of Finance, Government of India**

Initial Grant received has been treated as income of the year in which it is received.

(d) **Foreign currency transactions**

Non-monetary foreign currency transactions are recorded at rates of exchange prevailing on the dates of the transactions. Monetary foreign currency assets and liabilities are translated into rupees at the rates of exchange prevailing on the balance sheet date. The differences in translation of foreign currency liabilities related to the acquisition of fixed assets are adjusted in the carrying value of fixed assets. Other translation differences are reflected in the Income and Expenditure Account.

(e) **Retirement benefits**

Retirement benefits to employees comprise contribution to provident fund, gratuity fund, Superannuation fund and provision of leave encashment, which are provided in accordance with the Regulations made under the Act.

The Authority contributes to IRDA Employees Provident Fund and IRDA Superannuation Fund trust.

The liability for gratuity is determined based on actuarial valuation, in accordance with gratuity scheme framed by the Authority.

(f) **Non-interest bearing loan/advance to IIRM**

The Authority had given interest free Loan / advance to Institute of Insurance and Risk Management (IIRM). The outstanding balance of the loan as on 31.3.2011 is Rs. 225.41 Lakh.

(g) **Advance to APIIC for construction of the building**

APIIC has been awarded the execution work of the building of the Authority in financial district at Nanakramguda Village, Serilingampally Mandal, RR District, Hyderabad, for construction of the Head Quarters of the Authority. Authority has paid Rs.17.52 Crores (Previous Year – Rs.2 Crores) to Andhra Pradesh Industrial Infrastructure Corporation (APIIC) as advance for construction of its office building. The remaining capital commitment for the said work is Rs.110 Crores (approx).



- (h) Authority has paid a sum of Rs.13,03,79,000/- to Tariff Advisory Committee (TAC) as advance for purchase of the flats at Mumbai, Delhi, Chennai, Bangalore and Ahmedabad. The registration of the title deed will be done in favour of IRDA during the year 2011-12.

3. INCOME-TAX

No income tax provision has been made in view of income of the Authority being exempt under section 10 (23BBE) of the Income-tax Act, 1961.

4. DEPOSIT OF FUNDS OF THE AUTHORITY INTO PUBLIC ACCOUNT OF INDIA

The Authority, in the previous years received a letter from Ministry of Finance, Department of Economic Affairs dated July 17, 2002, July 9, 2005, July 18 & September 13, 2006 and 28 February 2008 directing the Authority to deposit the moneys so far collected by the Authority in the Public Account of India as non-interest bearing account and allowing the Authority to withdraw a specified amount in the beginning of each year from the said Public Account for meeting its expenditure. The Authority based on a legal opinion obtained has requested for review of the direction received, in its view the funds raised by it from the insurers and the intermediaries do not have the character of Government Revenue and cannot form part of the Public Fund of India. The issue is still under correspondence.

5. HEADQUARTERS OF THE AUTHORITY

The Authority, in pursuance of the decision taken by the Government of India in November 2001 to shift the Headquarters of the Authority from New Delhi to Hyderabad, shifted the actuarial department in April 2002, other departments in August 2002 and the Surveyors Department in October 2005. The office of the Authority is located in Parisrama Bhavan where third floor and a portion of fifth floor have been given to it on rent by Andhra Pradesh Industrial Development Corporation Limited [APIDC]

The Government of Andhra Pradesh through A. P. Industrial Infrastructure Corporation Limited [APIIC] had allotted a plot of five acres land at a nominal amount of Rs.10000 in the financial district at Nanakramguda Village, Serilingampally Mandal, RR District, Hyderabad, for construction of the Head Quarters of the Authority. The title of the said land was transferred in the month of October, 2008.

6. OPERATING LEASES

There are no non-cancelable lease arrangements. The lease payments in respect of premises are recognized in the income and expenditure account.

7. PRIOR YEAR COMPARATIVES

Current year figures have been regrouped as advised by CAG in the previous year audit and wherever considered necessary to make them comparable with the previous year's figures.


(R. K. Sharma)
CAO


(G. Prabhakara)
Member


(M. Ramaprasad)
Member


(R. K. Nair)
Member


(J. Hari Narayan)
Chairman