

**ANNUAL STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,  
2012**

**SEPARATE AUDIT REPORT OF COMPTROLLER AND AUDITOR GENERAL OF  
INDIA ON THE ACCOUNTS OF INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY (IRDA), FOR THE YEAR ENDED 31 MARCH 2012**

We have audited the attached Balance Sheet of the Insurance Regulatory and Development Authority (IRDA) as at 31 March 2012 and Income and Expenditure Account/Receipts & Payments Account for the year ended on that date 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 (IRDA) Act, 1999. These financial statements are the responsibility of the Insurance Regulatory and Development Authority's (IRDA) 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 & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, 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 Reports /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 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 the Insurance Regulatory Development Authority Act, 1999 in so far as it appears from our examination of such books.

iv. We further report that:

**COMMENTS ON ACCOUNTS**

<b>A.</b>	<b>BALANCE SHEET:</b>																
<b>1.</b>	<b>Assets -</b>																
<b>1.1</b>	<p><b>Fixed Assets –Net Block Rs. 99988593</b>  <b>Work-in-Progress - Others Rs. 6,11,60,921-</b></p> <p>This does not include an amount of Rs. 12,06,866 being the Annual Technical support charges for SAP Software Licenses payable to L&amp;T InfoTech for the period January to March 2012 resulting in understatement of capital work in progress with consequent short provision of current liabilities .</p>																
<b>1.2</b>	<p><b>Current Assets Loans and Advances – Other Current Assets Rs. 313019550 -</b>  <b>Interest accrued but not due – Bank deposits – Rs. 284,002,397.</b></p> <p>This has been overstated by Rs. 12,67,048 due to erroneous calculation of interest accrued in respect of FDR No. 824092 dated 20<sup>th</sup> Sep 2011 on the deposited amount of Rs.3 crore kept with State Bank of Hyderabad. The deposit was initially made for 21 months but was reduced to 12 months as shown below–</p> <table border="1" data-bbox="427 907 1353 1160"> <thead> <tr> <th>Deposit Amount (Rs.)</th> <th>Period of deposit (Month)</th> <th>Maturity amount (Rs.)</th> <th>Interest accrued upto 31-03-12 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>3,00,00,000</td> <td>21</td> <td>35296869</td> <td>2815322</td> </tr> <tr> <td>3,00,00,000</td> <td>12</td> <td>32920971</td> <td>1548274</td> </tr> <tr> <td colspan="3">Excess Interest income taken into Account.</td> <td>1267048</td> </tr> </tbody> </table> <p>This has resulted in overstatement of interest income as well as excess of income over expenditure by Rs. 12,67,048.</p>	Deposit Amount (Rs.)	Period of deposit (Month)	Maturity amount (Rs.)	Interest accrued upto 31-03-12 (Rs.)	3,00,00,000	21	35296869	2815322	3,00,00,000	12	32920971	1548274	Excess Interest income taken into Account.			1267048
Deposit Amount (Rs.)	Period of deposit (Month)	Maturity amount (Rs.)	Interest accrued upto 31-03-12 (Rs.)														
3,00,00,000	21	35296869	2815322														
3,00,00,000	12	32920971	1548274														
Excess Interest income taken into Account.			1267048														
<b>B</b>	<b>Income and Expenditure Account -</b>																
<b>2</b>	<b>Expenditure –</b>																
<b>2.1</b>	<p><b>Other expenses – Rs. 7,41,877 –</b></p> <p>This does not include an amount of Rs. 5.20 lakh being the legal charges pertaining to the <b>current</b> year as claimed by the company's lawyers in connection with the IRDA v/s Heritage insurance brokers Pvt. Ltd. &amp; Ors. Cases. This has resulted in understatement of Current liabilities and Provisions to the extent of Rs.5.20 lakh and overstatement of Excess of Income over expenditure to the same extent.</p>																
<b>2.2</b>	<p><b>Depreciation – Rs.101,47,560</b></p> <p>(a) This does not include amount of Rs. 2,51,480 being the depreciation chargeable on flat B-55 which was purchased during the year. Non provision of depreciation for Rs. 2,51,480 has resulted in overstatement of Net fixed assets as well as overstatement of excess of income over expenditure to the same extent.</p> <p>(b) As addition to residential buildings are purchase of second hand flats (3 nos) from TAC, depreciation on the used assets, should have been provided based on the existing life of the assets, where as 5% on pro rata basis was provided in the accounts.</p>																

2.3	<p><b>Seminars, Conference, Publications, etc. – Rs. 17,15,067 –</b></p> <p>This does not include an amount of Rs. 104457 being the Expenditure reimbursable to the UCO bank in connection with a study visit.</p> <p>As a result, outstanding liabilities towards expenses have been understated with consequent overstatement of income over expenditure.</p>
(C)	<p><b>General -</b></p>
3.1	<p><b>Contribution to IRDA Employee Provident Fund -</b></p> <p>The Authority contributes to IRDA Employee Provident fund trust and IRDA Superannuation fund trust whose management is vested with the trustees. The out of pocket expenses of the trustees and all other necessary expenses of the Management would be borne by the Authority.</p> <p>It is seen that the trust accounts of both the entities for the year 2011-12 are yet to be audited by Chartered Accountants. Any liability in the form of Interest grant from IRDA has to be borne by the Authority. In the absence of Audited Accounts of the trusts, the extent of interest grant payable is not quantifiable in Audit.</p>
3.4	<p><b>Discrepancy in Figures –</b></p> <p>There are typographical errors in Annexure III under previous figures as at 31-03-2011 as shown below-</p> <p>(a) Security Deposits -- Telephone – the correct figure is Rs.64322 and not Rs.66322. Similarly, total for this sub head requires to be corrected as Rs.1431247 instead of Rs. 1433599.</p> <p>(b) In respect of Cash in hand, the correct figure should be Rs. 67300 and not Rs.52622.</p>
D	<p><b>Grant-in-Aid</b></p> <p>No grant-in-aid was received by the Authority from the Government of India during the year 2011-12. The Authority's income during 2011-12 was mainly from fees received from various insurance companies/agents on account of registration, renewal charges and income from investment etc.</p>
E.	<p><b>Effect of Audit</b></p> <p>The net impact of the comments given in preceding paras was that Liability stands understated by Rs.18.31 lakh, Assets understated by Rs.3.11 lakh and Excess of income over expenditure overstated to the extent of Rs.21.42 lakh.</p>
F.	<p><b>Management Letter</b></p> <p>Deficiencies which have not been included in the Audit Report have been brought to the notice of the Chairman, through a Management letter issued separately for remedial/corrective action.</p>

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account/Receipts & Payments Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in **Annexure** to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
- a. In so far as it relates to the Balance Sheet, of the state of affairs of the Insurance Regulatory and Development Authority as at 31 March 2012 and
- b. In so far as it relates to Income and Expenditure Account of the surplus for the year ended on that date.

For and on behalf of the CAG of India



(K. SRINIVASAN)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT,  
& EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

4/7

CHENNAI  
14.11.2012

ANNEXURE

1. **Non completion of Internal Audit-** Internal Audit for the year 2011-12 is yet to be completed. In the absence of Internal Audit Report, the efficacy of the internal control mechanism, compliance procedure, timely remittance of statutory dues etc. could not be verified in Audit
2. **System of Physical verification of assets** - The physical verification of assets had been conducted for the year 2011-12.
3. **System of Physical verification of inventory** - The physical verification of books and publications and stationary and consumable items had been conducted for the year 2011-12.
4. **Regularity in payment of statutory dues** - as per accounts, no payment over six months in respect of statutory dues is pending as on 31.3.2012.

  
DEPUTY DIRECTOR.

FORM - A  
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY  
Balance Sheet as at 31st March 2012

FIGURES AS AT 31st Mar 2011  (Rs.)	LIABILITIES	FIGURES AS AT 31st Mar 2012  (Rs.)	FIGURES AS AT 31st Mar 2011  (Rs.)	ASSETS	FIGURES AS AT 31st Mar 2012  (Rs.)
	<b>GENERAL FUND</b>			<b>FIXED ASSETS [See Note 1] as per Annexure I</b>	
	i) IRDA Fund [See Note 4]		53,555,725	Gross Block of Assets	154,685,435
893,244	-At beginning of the year	893,244	35,450,702	Less: Depreciation	45,109,165
	-Receipts in the year		18,105,023	Net Block of Assets	109,576,270
893,244	-Balance at end of the year	893,244	175,192,455	Work-in-Progress - IRDA Building	422,923,065
			8,141,684	Work-in-Progress - Others	61,160,925
	ii) Capital Fund				
	-Capital Grants				
	-Balance at the beginning of the year				
	Add: Value of Fixed Assets received as grants during the year				
	iii) Surplus and Funds			<b>INVESTMENTS [See Note 2]</b>	
5,505,736,762	-Balance as per last Balance Sheet	6,648,397,679		(Method of Valuation - at Cost)	
	Add: Excess of Income over expenditure as per Income and Expenditure Account - Annexed	1,431,440,817		i) Securities of Central and State Government	
1,142,660,917	Less: Excess of Expenditure Over Income as per Income and Expenditure Account - Annexed			ii) Units	
	- Balance at the end of the year	8,079,838,497	7,058,601,000	iii) Fixed Deposits with scheduled Bank	8,140,011,000
6,648,397,679				iv) Others	
	iv) Gift and Donations			<b>CURRENT ASSETS, LOANS AND ADVANCES [See Note 3]</b>	
	v) Other Balances		1,431,247	i) Deposits with agencies	2,226,351
	<b>LOANS</b>		212,076,069	ii) Loans and Advances to Staff	157,685,175
	i) Secured (stating the security offered for the purpose)			iii) Amount Due from Insurance Companies & Others	
	ii) Unsecured		67,300	iv) Other Current Assets	313,019,555
	iii) Loan from Government of India			v) Cash & Bank Balances	
	iv) Other Loans		84,649,627	a) Cash in Hand (including cheques in hand and cash in transit)	70,000
	<b>CURRENT LIABILITIES AND PROVISIONS</b>			b) Bank Balances	134,291,055
	[See Note 5]				
	i) SUNDRY CREDITORS:				
	-for Capital Items				
78,676,070	-for Other Items	47,660,518			

*Handwritten signature/initials*

FIGURES AS AT 31st Mar 2011 (Rs.)	LIABILITIES	FIGURES AS AT 31st Mar 2012 (Rs.)	FIGURES AS AT 31st Mar 2011 (Rs.)	ASSETS	FIGURES AS AT 31st Mar 2012 (Rs.)
50,940,097	ii) PROVISIONS: -Provision for doubtful debts and advances -Provision for depletion in value of investment -Provision for expenses	33,619,850			
1,593,281	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:	3,071,613			
24,443,110	4. Others (Specify) -other Liabilities (Tax deducted at source) -Registration Renewal fee received in Advance	48,748,907			
2,141,789		5,248,358			
1,046,376,881		1,121,882,404			
7,853,462,151		9,340,963,391	7,853,462,151		9,340,963,391

**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

  
(S. Roy Chowdhury)  
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 2012**


FIGURES FOR THE PREVIOUS YEAR (2010-11) (Rs.)	EXPENDITURE	FIGURES FOR THE CURRENT YEAR (2011-12) (Rs.)	FIGURES FOR THE PREVIOUS YEAR (2010-11) (Rs.)	INCOME	FIGURES FOR THE CURRENT YEAR (2011-12) (Rs.)
18,262,874	Payment to Chairperson and Members	15,663,830		<b>Grants in Aid</b>	
181,303,673	Payment to and Provision for members of Staff [See Note 1]	250,089,241		Received	-
98,139,607	Establishment Expenses [See Note 2]	112,629,345		Receivable	-
5,874,204	Rent	8,886,080		Less: Transferred to Capital Fund	-
29,983,395	Research & Consultation Fees	83,481,257		<b>Fees:</b>	
2,850,700	Seminars, Conference, Publications, etc.	1,715,067		<b>Registration Fees</b>	
	- Interest [See Note 3]	-	2,010,030	Surveyors Fees	1,910,180
6,368,915	Depreciation	10,147,560	100,000	Registration Fees- Insurer	-
	- Capital Assets Written Off	-		Registration Fees - Agents	-
	- Loss on Write Off of Asset	-		Registration Fees - Broker	-
	- Provision for doubtful debts and advances	-	20,000	Registration Fees - TPA	20,000
	- Development Expenditure	-	1,500,000	Registration Fees - Referral Entity Fees	570,000
167,673,183	Promotional Expenditure	159,115,728		Registration Of Insurance Repository	50,000
801,267	Other Expenses	741,877		Registration Of Web Aggregator	60,000
1,142,660,917	<b>Excess of Income Over Expenditure for the year carried down</b>	1,431,440,817		<b>Renewal Fees</b>	
			837,668,870	Renewal of Licences - Insurer	957,385,950
			314,703,450	Renewal of License - Agents	348,296,750
			26,592,821	Renewal of Licence-Brokers	26,205,379
			500,000	Renewal of Licence - TPA	840,750
			10,050,000	<b>Others</b>	
				Penalties, Fines etc.	18,158,101
				- Seminar, Conferences and Publications etc.	-
				Income from investments - Interest on deposits with	-
				- Scheduled Banks	-
			457,725,941	Interest on Deposits	713,638,329
				Interest on advances	-
			2,684,687	i) granted to members of staff for housing purposes	5,922,067
				ii) Others	-
			362,936	Miscellaneous Income	853,297
1,653,918,735		2,073,910,803	1,653,918,735		2,073,910,803
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.

All Annexures to Income and Expenditure Account and Notes/Information relating to Significant Accounting Policies form part of accounts.

  
(Raj Kumar Sharma)  
CAO

  
(S. Roy Chowdhury)  
Member

  
(M. Ramaprasad)  
Member

  
(R.K. Nair)  
Member

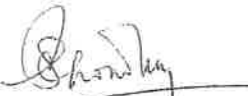
  
(J Hari Narayan)  
Chairman

6

**FORM - C**  
**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**  
**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

Sl.No.	RECEIPTS	Amount	Sl.No.	PAYMENTS	Amount
1	To Balance brought forward		1	By Research and Consultation Fees	82,211,247
	Cash at Bank	84,649,627	2	By Seminars, Conference, Publications etc.	1,715,067
	Cash in hand	67,300	3	By Rent Payments	8,813,119
	Cheques on hand		4	By Development Expenditure	
	Cash / Cheques in transit		5	By Promotional Expenditure	146,268,853
2	To Registration Fees		6	By Payment to Chairperson and Members	
	Insurance Companies	-		(i) Pay and Allowances	12,503,494
	Third Party Administrators	20,000		(ii) Other Benefits	3,306,707
	Insurance Brokers			(iii) Travelling Expenses	12,207,578
	Insurance Agents		7	By Establishment Expenses	
	Insurance Surveyor			(i) Pay and Allowances	194,267,655
	Referral Entity Fees	480,000		(ii) Other Benefits	47,484,230
	Others			(iii) Travelling Expenses	23,560,701
3	To Registration Renewal Fees			(iv) Retirement Benefits	44,987,778
	Insurance Companies	1,047,102,093	8	By Office Expenses	59,993,554
	Third Party Administrators	840,750	9	By Interest on	
	Insurance Surveyors	1,435,500		(i) Government Loans	
	Insurance Agents	334,086,130		(ii) Other Loans	
	Insurance Brokers	24,970,948	10	By Purchase of Assets	17,928,832
	Others		11	By Capital Work-in-Progress	273,288,108
4	To Penalties, Fines from insurers and intermediaries	13,123,089	12	By Advances to staff and others including travel advance	47,132,000
5	To Seminar, Conferences and Publications etc.		13	By Investments	8,140,611,000
6	To Income from Investments		14	By Repayment of Government Loans/ fees	
7	To Sale of Investments	7,108,601,000	15	By Repayment of Other Loans	
8	To Grants		16	By Other Expenses	
	i) Central Government / State Govt/ Others		17	By Fringe Benefit Tax	
	ii) Gift and Donations		18	By Security deposit paid	30,848,151
9	To Loans		19		
10	To Sales of Publication etc.		20	By Balance carried forward	
11	To Sale of Assets	31,905		(i) Cash at Bank	
12	To interest received on			(a) Bank of India, Basheerbagh Br, A/C -119	21866701
	Deposits	651,522,371		(b) Bank of India, Basheerbagh Br, A/C -1938	111,469,279
	Advances			(c) ICICI Bank, Himayatnagar Br	23,664
	Others			(d) IOB, New Delhi	736,831
13	To Recoveries from Employees			(e) State Bank of India, Parisrama Bhavan Br	194583
	(a) Loans and Advances	10,578,292		(ii) Cash in hand	
	(b) Interest on Loans and Advances	934,608		IRDA Hyderabad	35,000
	(c) Misc. Recoveries	1,673,613		Delhi Office	25,000
14	To Other Receipts			Delhi Guest House	10,000
	(a) Miscellaneous Income	748,956		(iii) Cheques in hand	
	(b) Security deposit from Contractors			(iv) Cash/ Cheques in Transit	
	(c) Security deposit received back	2,048			
	(d) Interest on Bank Account	902			
		<b>9,280,869,132</b>			<b>9,280,869,132</b>

  
 (Raj Kumar Sharma)  
 CAO

  
 (S. Roy Chowdhury)  
 Member

  
 (M. Ramaprasad)  
 Member

  
 (R.K. Nair)  
 Member

  
 (J. Hari Narayan)  
 Chairman

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD**  
**Schedule of Fixed Assets annexed to and forming part of Balance Sheet as on 31st March 2012**

Particulars	Gross block				Depreciation				Net block	
	Cost as on	Additions	Sold/Disposed	Total as on	As on	For the	Adjustments	As on	As on	As on
	01.04.2011	During the	Or During the	31.03.2012	01.04.2011	Year		31.03.2012	31.03.2012	31.03.2011
		Year	Year							
Office Premises										
Land	10,000	-	-	10,000	-	-	-	-	10,000	10,000
Building	-	-	-	-	-	-	-	-	-	-
Residential Flats		23,155,752		23,155,752		464,660		464,660	22,691,092	
Land	-									
Building-office premisses(GUEST HOUSE)	-	65,729,030		65,729,030		837,370		837,370	64,891,660	
Vehicles	1,259,242			1,259,242	410,042	219,858		629,900	629,342	849,200
Equipments	7,358,158	570,650	126,743	7,802,065	4,742,914	581,978	84,929	5,239,962	2,562,103	2,615,244
Furniture and Fixtures	13,244,268	1,269,354		14,513,622	5,777,047	1,552,630		7,329,677	7,183,945	7,467,221
Computers	29,865,049	11,015,251	507,055	40,373,245	22,701,692	6,467,589	404,166	28,765,114	11,608,131	7,163,357
Books	1,819,008	23,475		1,842,483	1,819,008	23,475		1,842,483	-	-
<b>Total</b>	<b>53,555,725</b>	<b>101,763,512</b>	<b>633,798</b>	<b>154,685,439</b>	<b>35,450,702</b>	<b>10,147,560</b>	<b>489,095</b>	<b>45,109,166</b>	<b>109,576,273</b>	<b>18,105,023</b>

  
 (Raj Kumar Sharma)  
 CAO

  
 (S. Roy Chowdhury)  
 MEMBER

  
 (M. Ramaprasad)  
 MEMBER

  
 (R.K. Nair)  
 MEMBER

  
 (J Hari Narayan)  
 CHAIRMAN

## ANNEXURE-II

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**  
Interest accrued but not due on fixed deposit as on 31-03-2012

Deposited with Bank	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Interest Accrued till 31/03/2012
Allahabad Bank	27-Mar-12	50100935187	50,000,000	10.80%	27-Mar-13	55,622,663	77023
Allahabad Bank	31-Mar-12	375246	50,000,000	10.80%	31-Mar-13	55,622,663	15405
Allahabad Bank	30-Mar-12	50101430754	50,000,000	10.80%	31-Mar-13	55,622,663	30809
Andhra Bank	31-Mar-11	52220100119846	100000000	10.20%	10-Apr-12	110905890.00	10965648
Andhra Bank	18-Apr-11	50520100046258	60000000	9.50%	18-Apr-12	65906297.00	5647391
Andhra Bank	18-Apr-11	50520100046267	20000000	9.50%	18-Apr-12	21968766.00	1882464
Andhra Bank	18-Apr-11	134020100044791	20000000	9.50%	18-Apr-12	21968766.00	1882464
Andhra Bank	25-Apr-11	50520100046683	25000000	9.50%	25-Apr-12	27460957.00	2305883
Andhra Bank	25-Apr-11	123120100007408	20000000	9.50%	25-Apr-12	21968766.00	1844707
Andhra Bank	25-Apr-11	41120100015188	20000000	9.50%	25-Apr-12	21968766.00	1844707
Andhra Bank	31-May-11	50520100049200	80000000	10.00%	31-May-12	88305031.00	6962574
Andhra Bank	31-May-11	50520100049219	80000000	10.00%	31-May-12	88305031.00	6962574
Andhra Bank	31-May-11	50520100049228	80000000	10.00%	31-May-12	88305031.00	6962574
Andhra Bank	31-May-11	50520100049237	40000000	10.00%	31-May-12	44152516.00	3481287
Andhra Bank	31-May-11	50520100049246	40000000	10.00%	31-May-12	44152516.00	3481287
Andhra Bank	20-Sep-11	29320100048362	50001000	9.70%	20-Sep-12	55030389.00	2673155
Andhra Bank	14-Oct-11	139087	25000000	9.70%	14-Oct-12	27487791.00	1158697
Andhra Bank	14-Oct-11	179442	50000000	9.70%	14-Oct-12	55029288.00	2342408
Andhra Bank	15-Oct-11	142628	25000000	9.70%	15-Oct-12	27487791.00	1151881
Andhra Bank	23-Dec-11	376305	100001000	9.92%	23-Dec-12	110296266.00	2820621
Andhra Bank	24-Dec-11	398855	100001000	9.92%	24-Dec-12	110295163.00	2792115
Andhra Bank	27-Dec-11	109159	150000000	9.92%	27-Dec-12	165442745.00	4061653
Andhra Bank	30-Dec-11	74871	100001000	9.90%	30-Dec-12	110274742.00	2617693
Andhra Bank	30-Dec-11	376367	100001000	9.90%	30-Dec-12	110274742.00	2617693
Andhra Bank	31-Dec-11	408030	100001000	9.90%	31-Dec-12	110274742.00	2589546
Bank of Baroda	27-Dec-11	671759	60000000	9.97%	27-Dec-12	66209392	1633155
Bank of Baroda	27-Dec-11	671758	90000000	9.97%	27-Dec-12	99314087	2449732
Bank of Baroda	27-Dec-11	671757	90000000	9.97%	27-Dec-12	99314087	2449732
Bank of Baroda	27-Dec-11	671756	90000000	9.97%	27-Dec-12	99314087	2449732
Bank of Baroda	27-Dec-11	631413	20000000	9.97%	27-Dec-12	22069797	544385
Bank of Baroda	31-Dec-11	553298	50000000	9.98%	31-Dec-12	55179876	1305613
Bank of Baroda	31-Dec-11	61675	70000000	9.98%	31-Dec-12	77251827	1827858
Bank of Baroda	31-Dec-11	671775	70000000	9.98%	31-Dec-12	77251827	1827858
Bank of Baroda	31-Dec-11	671774	90000000	9.98%	31-Dec-12	99323778	2350103
Bank of Baroda	31-Dec-11	671773	90000000	9.98%	31-Dec-12	99323778	2350103
Bank of Baroda	31-Dec-11	205292	50000000	9.98%	31-Dec-12	55179876	1305613

Deposited with Bank	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Interest Accrued till 31/03/2012
Bank of Baroda	11-Jan-12	017385	20000000	9.85%	11-Jan-13	22043969	453593
Bank of Baroda	11-Jan-12	365828	30000000	9.85%	11-Jan-13	33065953	680390
Bank of Baroda	11-Jan-12	113367	50000000	9.85%	11-Jan-13	55109922	1133983
Bank of India, Basheerbagh	28-Jun-11	860145110001600	30000000	9.50%	28-Jun-12	32953148	2249247
Bank of India, Basheerbagh	2-Aug-11	860145110001612	25000000	9.30%	2-Aug-12	27460957	1638391
Bank of India, Basheerbagh	20-Sep-11	563645110000071	20000000	9.30%	20-Sep-12	21925879	1023618
Bank of India, Basheerbagh	20-Sep-11	860145110001647	50000000	9.30%	20-Sep-12	54814697	2559044
Bank of India, Basheerbagh	23-Dec-11	860145110001711	100000000	9.70%	23-Dec-12	110058576	2755774
Bank of India, Basheerbagh	27-Dec-11	860156110000763	100000000	9.80%	27-Dec-12	110166068	2673815
Bank of India, Basheerbagh	31-Dec-11	563645110000076	50000000	9.81%	31-Dec-12	55088411	1282558
Bank of India, Basheerbagh	31-Dec-11	860145110001720	530000000	9.81%	31-Dec-12	583937157	13595119
Bank of India, Basheerbagh	11-Jan-12	860145110001726	40000000	9.75%	11-Jan-13	44044925	897641
Bank of India, Basheerbagh	21-Feb-12	860145110001752	100001000	10.11%	21-Feb-13	110500900	1150674
Bank of India, Basheerbagh	31-Mar-12	4554815	20000000	10.65%	31-Mar-13	22216587	6073
Bank of India, Basheerbagh	31-Mar-12	860145110001770	330000000	10.65%	31-Mar-13	366573683	100202
Bank of India, Basheerbagh	31-Mar-12	860145110001769	150000000	10.65%	31-Mar-13	166624401	45546
Bank of India, Basheerbagh	31-Mar-12	563645110000089	50000000	10.65%	31-Mar-13	55541467	15182
Canara Bank	28-Jun-11	50648	50000000	9.60%	28-Jun-12	54975581.00	3789621
Canara Bank	1-Aug-11	1787401002245/45	25000000	9.60%	2-Aug-12	27487791.00	1663071
Canara Bank	10-Nov-11	1787401002245/46	25000000	9.25%	10-Nov-12	27393958.00	937907
Canara Bank	23-Dec-11	958513	200000000	9.90%	23-Dec-12	220547279.00	5629392
Canara Bank	27-Dec-11	958517	150000000	9.92%	27-Dec-12	165442745.00	4061653
Canara Bank	31-Dec-11	958525	300000000	9.92%	31-Dec-12	330885465.00	7784830
Canara Bank	11-Jan-12	958546	100000000	9.85%	11-Jan-13	110219844	2267965
Indian Bank	2-Aug-11	345907	50000000	9.25%	2-Aug-12	54787917.00	3187572
Indian Bank	10-Nov-11	346144	25000000	9.25%	10-Nov-12	27393959.00	937907
Indian Bank	17-Mar-12	346515	20000000	9.25%	17-Mar-13	21915167	78705
Indian Overseas Bank	31-Mar-12	950777	50000000	10.65%	9-Mar-13	55541468	15182
Indian Overseas Bank	31-Mar-12	939762	50000000	10.65%	31-Mar-13	55541468	15182
Karur Vysya Bank, RP Road	25-Apr-11	1410557000000048/3	65000000	10.00%	25-Apr-12	71767014.76	6340600
Oriental Bank of Commerce	27-Dec-11	0660513	50000000	9.86%	27-Dec-12	55115301	1345394
Oriental Bank of Commerce	27-Dec-11	0660512	50000000	9.86%	27-Dec-12	55115301	1345394
Oriental Bank of Commerce	31-Dec-11	0660530	50000000	9.88%	31-Dec-12	55126059	1292048
Oriental Bank of Commerce	31-Dec-11	0660529	50000000	9.88%	31-Dec-12	55126059	1292048
Oriental Bank of Commerce	31-Dec-11	0582589	40000000	9.88%	31-Dec-12	44100848	1033638
Oriental Bank of Commerce	31-Dec-11	0582588	30000000	9.88%	31-Dec-12	33075636	775229
Oriental Bank of Commerce	31-Dec-11	0582587	30000000	9.88%	31-Dec-12	33075636	775229
Oriental Bank of Commerce	31-Dec-11	0599820	50000000	9.88%	31-Dec-12	55126059	1292048
Oriental Bank of Commerce	31-Dec-11	0599819	50000000	9.88%	31-Dec-12	55126059	1292048
Oriental Bank of Commerce	11-Jan-12	0660554	50000000	9.81%	11-Jan-13	55088411	1129209

KL

Deposited with Bank	Start Date	FDR No	Amount of Deposit	% of interest	Maturity Date	Maturity Amount	Interest Accrued till 31/03/2012
Punjab National Bank	18-Apr-11	499500LR00000012	110000000	9.40%	18-Apr-12	120710229	10240740
Punjab National Bank	2-Aug-11	042100GR00000110	50000000	9.50%	2-Aug-12	54921914	3276781
Punjab National Bank	14-Oct-11	042100GR00000129	50000000	9.50%	14-Oct-12	54921914	2292398
Punjab National Bank	10-Nov-11	042100GR00000138	40000000	9.50%	10-Nov-12	43937531	1542649
Punjab National Bank	24-Dec-11	042100LR00000047	100001000	9.85%	23-Dec-12	110220946	2771985
Punjab National Bank	28-Dec-11	499500LR00000021	100001000	9.92%	27-Dec-12	110296266	2679590
Punjab National Bank	31-Dec-11	499500LR00000030	100001000	9.85%	31-Dec-12	110220946	2575986
Punjab National Bank	31-Dec-11	042100LR00000056	100001000	9.85%	31-Dec-12	110220946	2575986
State Bank of Hyderabad	31-May-11	62188974614	100000000	10.00%	31-May-12	110381289	8703218
State Bank of Hyderabad	15-Jul-11	62194323960	150000000	10.10%	15-Jul-12	165733526	11250549
State Bank of Hyderabad	20-Sep-11	824092	30000000	9.40%	20-Sep-12	35296869	2815322
State Bank of Hyderabad	11-Nov-11	62224260226	40000000	9.40%	11-Nov-12	43894629	1515171
State bank of India	11-Jan-12	824094	50000000	9.40%	11-Jan-13	54868286	1080359
Syndicate Bank	17-Mar-12	32244479804	10000000	9.25%	17-Mar-13	10957583	39353
Uco Bank	31-Mar-12	294691	100000000	10.65%	31-Mar-13	111082934.00	30364
Union Bank of India	21-Feb-12	J68016	100000000	10.20%	21-Feb-13	110596825	1161296
Union Bank of India	28-Jun-11	921849	50000000	9.80%	28-Jun-12	55083034	3871462
Union Bank of India	1-Aug-11	921889	50000000	9.25%	2-Aug-12	54787917	3200690
Union Bank of India	27-Dec-11	704045	350000000	9.96%	27-Dec-12	386183769	9516827
Union Bank of India	31-Dec-11	704049	200000000	9.96%	31-Dec-12	220676439	5211596
Union Bank of India	31-Dec-11	704050	100000000	9.96%	31-Dec-12	110338220	2605798
Vijaya Bank	28-Jun-11	408053	20000000	9.85%	28-Jun-12	22043969	1556776
Vijaya Bank	14-Oct-11	408127	50000000	9.50%	14-Oct-12	54921914	2292398
Vijaya Bank	23-Dec-11	408192	70000000	9.82%	23-Dec-12	77131303	1953782
Vijaya Bank	27-Dec-11	408193	100000000	9.82%	27-Dec-12	110187576	2679472
Vijaya Bank	31-Dec-11	408198	200000000	9.82%	31-Dec-12	220375153	5135655
Vijaya Bank	11-Jan-12	943004	60000000	9.82%	11-Jan-13	66112546	1356483
Yes Bank	8-Apr-11	640400007891	100000000	9.65%	8-Apr-12	110025650.93	9860846
<b>Grand Total</b>			<b>8140011000</b>				<b>284,002,397</b>

  
(Raj Kumar Sharma)  
CAO

  
(S. Roy Chowdhury)  
MEMBER

  
(M. Ramaprasad)  
MEMBER

  
(R.K. Nair)  
MEMBER

  
(J. Hari Narayan)  
CHAIRMAN

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**  
Attached to and forming part of Balance Sheet as at 31st March 2012


ANNEXURE III

**CURRENT ASSETS, LOANS AND ADVANCES**

PARTICULARS	Figures as at 31st March 2012	Figures as at 31st March 2011
	Rs	Rs
<b>DEPOSITS</b>		
Security Deposits - Telephone	86,274	64,322
Security Deposits - Electricity	350,375	350,375
Security Deposits - Fuel	7,650	7,650
Security Deposits - Rent	1,782,051	1,008,900
<b>TOTAL</b>	<b>2,226,350</b>	<b>1,431,247</b>
<b>LOANS &amp; ADVANCES TO STAFF</b>		
Housing Loan to Staff	70,006,421	41,576,621
Loans to Staffs for other purposes	15,928,731	8,321,998
Other - Advances - Festival	980,862	463,687
Interest Recoverable	14,593,854	9,606,396
Advance Others [Includes Rs. 4,71,50,000/- (Previous year Rs 13,03,79,000) paid to Tariff Advisory Committee (TAC) towards advance for purchase of flats ]	58,175,308	152,107,367
<b>TOTAL</b>	<b>157,685,177</b>	<b>212,076,069</b>
<b>AMOUNTS DUE FROM INSURANCE COMPANIES &amp; OTHERS</b>		
Insurance Companies-[Indicates the amount due from State Insurance Companies]	-	-
Agents - [Indicates the amount of expired cheques in hand received from agents earlier]	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Other Current Assets</b>		
Interest Accrued but not due - Bank Deposits	284,002,397	218,818,261
Amount recoverable- others	7,258,734	53,218,712
Advances on Capital Account - [For software development]	204,120	204,120
Insurance Information Bureau	280,000	-
Advance to Institute of Insurance and Risk Management	20,868,067	22,541,680
Other -Advance for Travel	408,232	414,972
<b>TOTAL</b>	<b>313,019,550</b>	<b>295,197,745</b>
<b>CASH AND BANK BALANCES</b>		
<b>Cash in hand</b>		
Cheques in hand	70,000	67,300
Cash/ Cheque in transit	-	-
<b>Balances with Scheduled Banks</b>		
(a) In Current Account	134,267,393	84,626,865
(b) In Deposit Account	-	-
(c) In Savings Bank Account	23,664	22,762
<b>TOTAL</b>	<b>134,291,058</b>	<b>84,649,627</b>
<b>Balance with Non Scheduled Bank</b>		
(a) In Current Account	-	-
(b) In Deposit Account	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

  
(Raj Kumar Sharma)  
CAO

  
(S.Roy Chowdhury)  
MEMBER

  
(M. Ramaprasad)  
MEMBER

  
(B.K. Nair)  
MEMBER


  
(J. Hariharan)  
CHAIRMAN


Annexure - IV

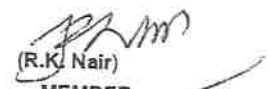
**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD**  
**Attached to and forming part of Balance Sheet as on 31st March 2011**

PARTICULARS	Figures as at 31st March 2012 Rs	Figures as at 31st March 2011 Rs
Grant from Government of India	-	-
<b>Total</b>	-	-

  
 (Raj Kumar Sharma)  
 CAO

  
 (S. Roy Chowdhury)  
 MEMBER

  
 (M. Ramaprasad)  
 MEMBER

  
 (R.K. Nair)  
 MEMBER

  
 (J Hari Narayan)  
 CHAIRMAN



**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**  
Attached to and forming part of balance-sheet as on 31st March 2012

**CONTINGENT LIABILITIES**

PARTICULARS	Figures as at 31st March 2012 Rs	Figures as at 31st March 2011 Rs
	-	-

  
(Raj Kumar Sharma)  
CAO

  
(S. Roychoudhury)  
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 2012

## PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Particulars	Figures for the Current Year (2011-12) Rs.	Figures for the Previous Year (2010-11) Rs.
i) Salaries, Allowances, Wages and Bonus	145,885,034	141,438,791
ii) Contribution to Provident Fund, etc [including contribution to superannuation fund ]	38,272,411	12,596,930
iii) Gratuity	13,175,067	991,398
iv) Staff Welfare Expenses	588,753	916,463
v) Others		
-Book Grant	116,091	71,797
-Leave Travel Concession	2,450,473	2,195,954
-Insurance	-	-
-Canteen Expenses	-	-
-Monetary Award - Studies	-	-
-Contribution to Group Insurance Scheme	4,166,584	2,441,032
-Reimbursement of expenses incurred by Staff	27,935,161	13,631,201
-Leave Salary	17,499,667	7,020,107
<b>TOTAL</b>	<b>250,089,241</b>	<b>181,303,673</b>

  
(Raj Kumar Sharma)  
CAO

  
(S. Roy Chowdhury)  
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 2012


**ESTABLISHMENT EXPENSES**

Particulars	Figures for the Current Year (2011-12) Rs.	Figures for the Previous Year (2010-11) Rs.
Repairs & Maintenance of Buildings & Premises	1,713,530	1,543,666
House Keeping - Office Maintenance	7,645,575	3,970,502
Repairs & Maintenance of Equipments	3,265,908	1,583,647
Repairs and Maintenance - Others		
Electricity & water Exp	3,603,905	2,428,629
Insurance exp	185,863	160,547
Rates and Taxes		
Printing and Stationery		
Books/Journals etc.	2,824,824	1,818,908
Postage, Telegraphs, Telephones, etc.	87,601	64,399
Travelling and Conveyance Inland	17,047,014	10,238,746
Travel - Foreign	24,381,620	30,807,701
Legal and Professional charges	22,911,277	18,984,259
Education/Training/R&D/Grievances Redressal Expenses		
Audit Fees	9,199,311	6,806,675
Software	500,000	443,430
Publicity & Advertisement		
Recruitment Expenses	2,818,757	1,196,543
Expenses of Meetings of Authority & Advisory Committee & Others meeting expenses including daily allowances paid to the members of the Committee	3,709,910	4,265,231
Membership and Subscription	4,313,058	6,657,540
Security Services	1,976,299	1,680,849
Web Portal Development Expenses		
Canteen Exp	4,610,748	4,051,137
Repair and Maintenance Expenses	60,539	125,726
Other Expenses	1,773,607	1,311,472
<b>TOTAL</b>	<b>112,629,346</b>	<b>98,139,607</b>

  
(Raj Kumar Sharma)  
CAO

  
(S. Roy Chowdhury)  
Member

  
(M. Ramaprasad)  
Member

  
(R.K. Nair)  
Member

  
(J Hari Narayan)  
Chairman

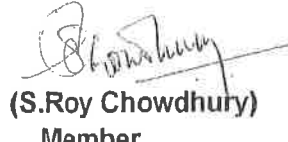
Annexure VIII

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD**  
Attached to and forming part of Income and Expenditure Account for the year ended  
31st March 2012

**INTEREST**

PARTICULARS	Figures for the Current Year Rs	Figures for the Previous Year Rs
Government	-	-
Banks	-	-
Others	-	-
<b>Total</b>	-	-

  
(Raj Kumar Sharma)  
CAO

  
(S. Roy Chowdhury)  
Member

  
(M. Ramaprasad)  
Member

(R.K. Nair)  
Member 

(J Hari Narayan)  
Chairman 

## Annexure-IX

## THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

## NOTES TO THE ANNUAL STATEMENT OF ACCOUNTS for the year 2011-12

[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 to which it relates.
- (b) Received from Insurance Intermediaries to seek registration to act as insurance intermediaries is treated as income of the year of receipt.

*ML*

- (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 31.3.2012 is Rs. 208.68 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.42.29 Crores (Previous Year – Rs.17.52 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.85 Crores (approx).



- 18
- (h) Authority had 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. A sum of Rs.8,32,29,000/- representing the cost of the Delhi Guest and flats at Mumbai has been adjusted during the financial year.
- (i) Business Analytical Project (BAP) Software is under progress. The remaining capital commitment for the said software is Rs.24crores.

### 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 [APIIC]

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.

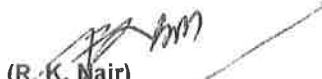
### 7. PRIOR YEAR COMPARATIVES


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

  
(S.Roy Chowdhury)  
Member

  
(M.Ramaprasad)  
Member

  
(R.K. Nair)  
Member

  
(J. Hari Narayan)  
Chairman