

ANNEXURE - XIII

**AUDITED ACCOUNTS OF THE AUTHORITY FOR THE
FINANCIAL YEAR 2001-02**

SEPARATE AUDIT REPORT ON THE ACCOUNTS OF INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FOR 2001-02

1. Introduction

The Insurance Regulatory and Development Authority was established on 19th April, 2000 under Insurance Regulatory and Development Authority Act, 1999 with its headquarter at New Delhi. The Authority has changed its headquarters to Hyderabad in December 2001. The Audit of the accounts of the Authority has been entrusted under Section 19 (2) of the Comptroller & Auditor General (Duties, Power & Conditions of Service) Act, 1971. The Authority was to consist of a Chairman, five full time Members and four Part-time Members. As on date the Authority has one chairman, two full time and four part time members. There is an Insurance Advisory Committee, which helps the Authority in making its Rules and Regulations for proper discharge of its activities. The main powers and functions of the Authority are as under:

- Protect the interest of and secure fair treatment to policyholders;
- Bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy;
- Set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;
- Ensure that insurance customers receive precise, clear and correct information about products and services and make them aware of their responsibilities and duties in this regard;
- Ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery;
- Promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players;
- Take action where such standards are inadequate or ineffectively enforced;
- Bring about optimum amount of self-regulations in day to day working of the industry consistent with the requirements of prudential regulation.

2. Sources of Receipts

During 2001-02, the Authority's receipts were Rs.42.17 crores as against its expenditure of Rs.5.89 crores. The receipts mainly consisted of fees received from various Insurance companies operating in India on account of their Registration and Renewal charges.

3. Funds

The funds of the Authority are being retained by itself despite directions of the Ministry to house the funds in Public Account of India as non-interest bearing funds. As on 31st March 2002, the Authority continues to house its funds amounting to Rs. 57.42 crore in interest bearing deposits of banks and other financial institutions.

4. Comments on Accounts

4.1 Under statement of Current Assets, Loan and Advances Current Assets, Loan and Advances: Rs. 20,031,959.

This does not include a sum of Rs. 20,00,000/- which was paid as advances to M/s Andhra Pradesh Industrial Development Corporation Ltd. (APIDC) vide cheque no. 308126 dt. 08/03/2002 (HDFC A/c -New 435). The amount was given for the renovation work at IRDA office at Hyderabad. Since this amount represented advance in the nature of amount recoverable in cash or kind, the same was required to be shown in the Balance Sheet. The Authority has charged this amount to Income and



Expenditure Account by showing it as Establishment Expenses - Repair and Maintenance of Buildings and Premises. Thus both Income and Current Assets of the Authority have been understated by Rs. 20,00,000/-. The Authority in its reply stated that the sum of Rs. 20 Lakhs was, released as running payments against the renovation work, which is construed as an advance payment. Authority's reply is not acceptable as all notes and correspondence of the Authority clearly stipulate the payment as advance. (Reference to the completion certificate showed that it has been issued by APIDC without recording measurement of the works.)

4.2 Under statement of Current Liabilities & Provisions

Current liabilities and provisions: Rs. 12,92,305.

- (1) This does not include provisions for salary amounting to Rs. 23.6 lakhs which was demanded by the Life Insurance Corporation vide its letters dt. 12/02/2002, 13/09/2002, 23/09/2002 & 5/11/2002 for payment to LIC staff working for IRDA on working arrangement basis. Apparently the amount pertains to the period 2001-2002 for which no provision has been made in the accounts of the Authority. Hence, both Expenditure as well as Liabilities remained understated to that extent.

The Authority in its reply stated that it would make provisions for payment of salary and other benefits from the date of joining if their previous employer make a demand for the period they were with the Authority on working arrangement.

- (2) No provision was made in the accounts for the value of PCs amounting to Rs. 2.93 lakhs purchased by LIC on behalf of IRDA, the payment for which was released to LIC on 25th July 2002. Hence Current Liabilities and provisions remained understated to that extent.

4.3 Incorrect depiction of investment to the tune of Rs. 37.40 lakhs and excess accounting of interest of Rs. 2.25 lakhs on investments.

As on 31st March, 2001, an investment of Rs. 5742.28 Lakhs has been made as fixed deposit with the Indian Overseas Bank and HDFC Bank by Insurance Regulatory and Development Authority. Scrutiny of Certificate of Fixed Deposit and consolidated statement of Investment revealed that the maturity amount of Investment has been taken as Rs. 6644.99 lakhs instead of Rs. 6607.59 lakhs resulting in a difference of Rs. 37.40 lakhs between the two. Similarly interest accrued has been taken into account as Rs. 191.00 lakhs instead of Rs. 188.75 lakhs. Thus, an excess interest of Rs. 2.25 lakhs was depicted in the Balance Sheet resulting in overstatement of income to the extent of Rs. 2.25 lakhs. The details of Investment and Interest is enclosed as 'Annexure I'

The Authority accepted the audit observation and stated that necessary rectification would be carried in the accounts of 2002-2003. Interest accrued/actual on investment may be reconciled and necessary rectification/adjustment be made into account under intimation to audit.

4.4 Difference between Assets Register and Balance Sheet

Scrutiny of Assets Register and Balance Sheet as on 31st March, 2002 revealed that there was a difference of Rs. 1.48 lakhs between the two which was not reconciled.

The Authority in its reply stated that it was presumed that consumable and the perishable items had been taken into account in the dead stock register. The details of such items with regard to their cost will be extracted from the records of the previous years and these items will be removed from the dead stock register to correct the difference.



4.5 Non-verification of Assets

The Authority had fixed assets valued at Rs. 28,33,511.06 as per Balance Sheet as on 31st March, 2002 details of which were shown in Annexure-I. In this connection, the following comments are offered:

1. The progressive totals of value of all assets entered in the Fixed Assets Register were not carried out in accordance with the rule 151 (4)(a) of General Financial Rule.
2. Consumables like buckets, boxes purchased for shifting records, wall clocks, crockery, gas stove etc. were also included in the assets register. The Authority did not maintain inventories of such articles in the prescribed form.

Assets register may be recast in the light of the above observation under intimation to audit.

Place: New Delhi
Date: 18-07-2003

Sd/-
Director General of Audit
Central Revenues



AUDIT CERTIFICATE

I have examined the Receipts and Payments Account, Income and Expenditure Account for the year ended 31st March 2002 and Balance Sheet as on 31st March 2002 of Insurance Regulatory and Development Authority, Hyderabad. I have obtained all the information and explanations that I have required and subject to the observations in the appended Audit Report, I certify as a result of my audit that in my opinion, these accounts and Balance Sheet are properly drawn-up so as to exhibit a true and fair view of Insurance Regulatory and Development Authority, Hyderabad, according to the best of information and explanations given to me and as shown to me by the books of Organisation.

Place: New Delhi
Dated: 18-07-2003

Sd/-
Director General of Audit
Central Revenues



THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, NEW DELHI
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
BALANCE SHEET AS AT MARCH 31, 2002

FORM A

FIGURES FOR THE PREVIOUS YEAR (Rs.)	LIABILITIES	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	ASSETS	FIGURES FOR THE CURRENT YEAR (Rs.)
GENERAL FUND			FIXED ASSETS [See Note 1]		
	i) IRDA Fund [See Note 4]		2,269,754.68	-Gross Block	4,642,112.68
	-At beginning of the year	893,243.68	697,331.62	-Less:Depreciation	1,808,601.62
893,243.68	-Receipts in the year	-	1,572,423.06	-Net Block	2,833,511.06
893,243.68	-Balance at end of the year	893,243.68	-	-Capital Work-in-Progress	-
	ii) Capital Fund			INVESTMENTS [See Note 2]	
-	-Capital Grants	-		(Method of Valuation - at Cost)	
-	-Balance at the beginning of the year	-	- i) Securities of Central and State Government		-
-	Add: Value of Fixed Assets received as grants during the year	-	- ii) Units		-
	iii) Surplus and Funds		- iii) Fixed Deposits with banks		
	-Balance as per last Balance Sheet	12,478,206.44	(Including moneys belonging to the Employees Provident Fund Trust to be formed)		574,227,907.78
	Add: Excess of Income Over Expenditure as per Income and Expenditure Account - Annexed	336,916,567.87	204,766,622.00	iv) Others	-
12,478,206.44	Less: Excess of Expenditure Over Income as per Income and Expenditure Account - Annexed	-		CURRENT ASSETS, LOANS AND ADVANCES	
-	-Balance at the end of the year	349,394,774.31		[See Note 3]	
	iv) Gift and Donations	-	31,500.00	i) Deposits with Agencies	57,840.00
	v) Other Balances	-	266,192.88	ii) Loans & Advances to Staff	2,021,953.88
	LOANS		6,321,977.50	iii) Amount Due from Insurance Companies & Others	573,298.00
	i) Secured (stating the security offered for the purpose)	-	1,335,759.50	iv) Other Current Assets	20,031,959.00
	ii) Unsecured	-		v) Cash & Bank Balances	
	iii) Loan from Government of India	-	15,000.00	a) Cash in Hand	18,998.00
	iv) Other Loans	-	12,190,515.18	b) Bank Balances	5,558,629.27

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THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, NEW DELHI
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
BALANCE SHEET AS AT MARCH 31, 2002

FIGURES FOR THE PREVIOUS YEAR (Rs.)	LIABILITIES	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	ASSETS	FIGURES FOR THE CURRENT YEAR (Rs.)
	CURRENT LIABILITIES AND PROVISIONS [See Note 5]				
	i) SUNDRY CREDITORS:				
-	-for Capital Items	-			
18,962,541.00	-for Other Items-[Includes amount refundable Rs. 89,641,595 for reduction in renewal fees]	98,205,957.00			
	ii) PROVISIONS:				
-	-Provision for doubtful debts and advances	229,485.00			
-	-Provision for depletion in value of investment	-			
	iii) OTHER LIABILITIES:				
-	1. Unspent Grants	-			
-	2. Interest payable to Government/ Other Loans	-			
-	3. Provident, Retirement & Other Welfare Funds:				
91,062.00	(a) Provident Fund	764,552.00			
-	(b) Other Welfare Funds	-			
-	(c) Retirement Benefit Fund and Staff Benefit Fund:	-			
4,987,536.00	4. Others (Specify)	1,292,305.00			
189,087,401.00	-other Liabilities (TDS)	154,543,780.00			
	-Registration Renewal fee received in Advance				
226,499,990.12		605,324,096.99	226,499,990.12		605,324,096.99

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 annexes to Statement of Affairs and notes/information relating to accounting policy forming part of Accounts.

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
H.O. Sonig
Member



THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, NEW DELHI
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2002

FORM B

FIGURES FOR THE PREVIOUS YEAR (Rs.)	EXPENDITURE	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	INCOME	FIGURES FOR THE CURRENT YEAR (Rs.)
1,388,813.00	Payment to Chairperson and Members	2,359,356.00	15,001,000.00	Grants in Aid Received	-
728,402.90	Payment to and Provision for members of Staff [See Note 1]	6,036,219.00		Receivable	-
13,326,883.90	Establishment Expenses [See Note 2]	21,601,397.77		Less: Transferred to Capital Fund	-
24,300,031.60	Rent	8,673,118.00	33,743,663.00	Registration Fees Agents	110,756,681.50
	Research & Consultation Fees	-	-	Surveyors and Insurance intermediaries	-
	Seminars, Conference, Publications, etc. [See Contra]	-	-	TPA	520,000.00
	Interest [See Note 3]	-	650,000.00	Insurance Companies	300,000.00
				Renewal Fees	
697,331.62	Depreciation	1,111,270.00	-	Insurance Companies	234,561,500.00
-	Capital Assets Written Off	-	552,565.00	Surveyors and Insurance intermediaries	717,487.00
-	Loss on Write Off of Asset	-	-	TPA	420,000.00
-	Provision for doubtful debts and advances	229,485.00		Others	-
-	Development Expenditure	-		Penalties, Fines etc.	-
-	Promotional Expenditure	-	2,959,252.00	Seminar, Conferences and Publications etc.	
-	Other Expenses	40,390.00		Income on Investments - Interest on deposits with Scheduled Banks	29,452,612.14
12,478,206.44	Excess of Income Over Expenditure carried to Balance Sheet	336,916,567.87		Interest on Deposits	-
				Interest on advances	
			-	i) granted to members of staff for housing purposes	16,578.00
			-	ii) granted to members of staff for other purposes	2,562.00
			-	iii) Others	-
			13,189.46	Miscellaneous Income	220,383.00
				Excess of Expenditure over income carried to Balance Sheet	
<u>52,919,669.46</u>		<u>376,967,803.64</u>	<u>52,919,669.46</u>		<u>376,967,803.64</u>

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

- Notes:
1. The information relating to payment to and provision for employees is to be given in Annexure VI.
 2. The information relating to establishment expenses is to be given in Annexure VII.
 3. The information relating to interest amount is to be given in Annexure VIII.
 4. All annexures to Income and Expenditure account and notes/information relating to significant accounting policies form part of accounts.

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
H.O. Sonig
Member

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THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, NEW DELHI
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2002

FORM C

S.No.	RECEIPTS	AMOUNT (Rs.)	S.No.	PAYMENTS	AMOUNT (Rs.)
1.	To Balance brought forward		1.	By Research and Consultation Fees	-
	i) Cash at Bank	12,190,515.18	2.	By Seminars, Conference, Publications etc.	-
	ii) Cash in hand	15,000.00	3.	By Rent Payments	27,095,405.00
	iii) Cheques on hand	-	4.	By Development Expenditure	-
	iv) Cash / Cheques in transit	-	5.	By Promotional Expenditure	-
2.	To Registration Fees		6.	By Payment to Chairperson and Members	
	-Insurance Companies	300,000.00	(i) Pay and Allowances	1,817,631.00	
	-Insurance TPA	520,000.00	(ii) Other Benefits	174,299.00	
	-Insurance Surveyors	-	(iii) Travelling Expenses	4,110,687.00	
	-Insurance Agents	120,042,916.90	7.	By Establishment Expenses	
	-Others	-	(i) Pay and Allowances	5,002,762.00	
3.	To Registration Renewal Fees		(ii) Other Benefits	178,012.00	
	-Insurance Companies	287,273,518.00	(iii) Travelling Expenses	5,433,106.00	
	-TPA	420,000.00	(iv) Retirement Benefits	229,853.00	
	-Insurance Surveyors	717,487.00	8.	By Office Expenses	9,866,324.27
	-Insurance Agents	-	9.	By Interest on	
	-Others	-	(i) Government Loans	-	
4.	To Penalties, Fines from insurers and intermediaries	-	(ii) Other Loans	-	
5.	To Seminar, Conferences etc.	-	10.	By Purchase of Assets	2,372,357.68
6.	To Income from Investments	-	11.	By Capital Work-in-Progress	565,800.00
7.	To Sale of Investments	-	12.	By Advances to staff and others including travel advance	1,971,690.00
8.	To Grants		13.	By Investments-[Includes FD made on behalf of PF Trust to be made]	369,461,286.00
	i) Central Government / State Govt/ Others	-	14.	By Repayment of Government Loans	-
	ii) Gift and Donations	-	15.	By Repayment of Other Loans	-
9.	To Loans	579,884.00	16.	By Other Expenses	40,390.00
10.	To Sales of Publication etc.	-	By Balance carried forward		
11.	To Sale of Assets	-	i) Cash at Bank	5,558,629.27	
12.	To Interest received on		ii) Cash in hand	18,998.00	
	-Deposits	11,478,804.14	iii) Cheques in hand	-	
	-Advances	-	iv) Cash/ Cheques in Transit	-	
	-Others	-			
13.	To Recoveries from Employees				
	(a) Loans and Advances	138,722.00			
	(b) Interest on Loans and Advances	-			
	(c) Misc.	-			
14.	To Other Receipts	220,383.00			
		433,897,230.22			433,897,230.22

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
H.O. Sonig
Member

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ANNEXURE - 1

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2002
FIXED ASSETS SCHEDULE

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 1.04.2001	Additions During the Year	Sold/Disposed Off During the Year	As on 31.03.2002	As on 1.04.2001	For the Year	Adjustments	Up to 31.03.2002	As at 31.03.2002	As on 31.03.2001
Office Premises										
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Building	-	-	-	-	-	-	-	-	-	-
Residential Flats										
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Building	-	-	-	-	-	-	-	-	-	-
Vehicles	194,343.68	-	-	194,343.68	50,315.58	37,289.00	-	87,604.58	106,739.10	144,028.10
Equipments	710,081.05	709,212.00	-	1,419,293.05	216,345.59	105,190.84	-	321,536.43	1,097,756.62	493,735.46
Furniture and Fixtures	340,782.95	11,129.00	-	351,911.95	97,439.40	54,324.58	-	151,763.98	200,147.97	243,343.55
Computers	1,024,547.00	1,652,017.00	-	2,676,564.00	333,231.05	914,465.58	-	1,247,696.63	1,428,867.37	691,315.95
Total	2,269,754.68	2,372,358.00	-	4,642,112.68	697,331.62	1,111,270.00	-	1,808,601.62	2,833,511.06	1,572,423.06

ANNEXURE - II

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2002
INVESTMENTS

S.No.	PARTICULARS	Figures for the Current Year Rs.		Figures for the Previous Year Rs.			
1 Fixed Deposits with Scheduled Banks		574,227,907.98		204766622.00			
Name of the Bank	Date	Amount	Rate of Interest	Period	Date of Maturity	Interest Accrued	
Indian Overseas Bank	7-Dec-01	300,000	8.25%	1096	7-Dec-04	8654	
	26-Dec-01	50,000,000	8.50%	1096	26-Dec-04	1243924	
	27-Dec-01	44,000,000	8.50%	1096	27-Dec-04	1083130	
	1-Jan-02	50,000,000	8.50%	1096	1-Jan-05	1165360	
	1-Jan-02	50,000	8.25%	1096	1-Jan-05	1127	
	1-Jan-02	3,968,102	8.25%	1096	1-Jan-05	89450	
	29-Dec-01	42,357,557	8.50%	1096	29-Dec-04	1020514	
	9-Jan-02	326,807	8.25%	1096	9-Jan-05	6705	
	24-Jan-02	325,260	8.25%	1096	24-Jan-05	230654	
		191,327,726				4,849,518	
	3-Oct-01	193,252,278	8.50%	365	3-Oct-02	8316144	
	2-Oct-01	10,100,274	8.50%	365	2-Oct-02	437069	
	2-Oct-01	10,100,274	8.50%	365	2-Oct-02	437069	
	2-Oct-01	10,100,274	8.50%	365	2-Oct-02	437069	
	12-Oct-01	4,485,596	8.00%	365	12-Oct-02	172216	
	28-Dec-01	48,821,875	8.00%	365	28-Dec-02	1025417	
		276,860,571				10,824,984	
	HDFC	1-Mar-02	1,235,347.50	8.00%	185	2-Sep-02	8,206
		2-Nov-01	350,000.00	8.00%	182	3-May-02	11,545
25-Oct-01		11,300,000.00	8.00%	183	26-Apr-02	1,285,469	
7-Nov-01		50,000.00	8.00%	182	8-May-02	1,594	
7-Nov-01		500,000.00	8.00%	183	9-May-02	15,853	
13-Nov-01		5,350,000.00	8.00%	182	14-May-02	163,450	
27-Nov-01		50,000.00	8.00%	182	28-May-02	1,373	
4-Dec-01		800,000.00	8.00%	183	5-Jun-02	20,723	
29-Nov-01		5,000,000.00	8.00%	182	30-May-02	135,061	
14-Dec-01		500,000.00	8.00%	183	15-Jun-02	11,845	
15-Dec-01		5,000,000.00	8.00%	183	16-Jun-02	117,342	
19-Dec-01		300,000.00	8.00%	183	20-Jun-02	6,775	
26-Dec-01		50,000.00	8.00%	183	27-Jun-02	1,052	
12-Jan-02		400,000.00	8.00%	182	13-Jul-02	6,907	
15-Jan-02		500,000.00	8.00%	182	16-Jul-02	8,302	
16-Jan-02		5,000,000.00	8.00%	182	17-Jul-02	81,914	
24-Jan-02		125,000.00	8.00%	182	25-Jul-02	1,826	
30-Jan-01		5,000,000.00	8.00%	182	31-Jul-02	66,416	
6-Feb-02		250,000.00	8.00%	182	7-Aug-02	2,933	
8-Feb-02		300,000.00	8.00%	182	9-Aug-02	3,387	
14-Feb-02	250,000.00	8.00%	182	15-Aug-02	2,491		

S.No.	PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
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Name of the Bank	Date	Amount	Rate of Interest	Period	Date of Maturity	Interest Accrued
	18-Feb-02	5,000,000.00	8.00%	182	19-Aug-02	46,817
	1-Mar-02	5,000,000.00	8.00%	185	2-Sep-02	33,214
	28-Feb-02	200,000.00	8.00%	185	1-Sep-02	1,373
	13-Mar-02	5,000,000.00	8.00%	185	14-Sep-02	19,928
	11-Mar-02	550,000.00	8.00%	185	12-Sep-02	2,436
		63,404,735.05				2,093,373
	19-Nov-01	25,169,680.11	8.00%	395	19-Dec-02	753,212
	1-Nov-01	4,099,210.21	8.00%	395	1-Dec-02	139,398.00
	11-Nov-01	1,537,203.82	8.00%	395	11-Dec-02	48,789.00
	16-Nov-01	1,024,802.54	8.00%	395	16-Dec-02	31,365.00
	30-Nov-01	1,024,802.54	8.00%	396	31-Dec-02	28,115.00
	20-Oct-01	1,012,116.43	8.00%	396	20-Nov-02	37,176.00
	20-Oct-01	1,012,116.43	8.00%	396	20-Nov-02	37,176.00
	30-Oct-01	1,012,116.43	8.00%	396	30-Nov-02	34,881.00
	31-Oct-01	1,012,116.43	8.00%	395	30-Nov-02	34,648.00
	3-Nov-01	1,012,116.43	8.00%	395	3-Dec-02	33,959.00
	5-Nov-01	1,012,116.43	8.00%	395	5-Dec-02	33,500.00
	8-Nov-01	1,012,116.43	8.00%	395	8-Dec-02	32,812.00
	10-Nov-01	1,012,116.43	8.00%	395	10-Dec-02	32,353.00
	22-Nov-01	1,012,116.43	8.00%	395	22-Dec-02	29,600.00
		41,964,747				1,306,984
		573,557,779.14				19,074,859

Fixed Deposit for PF Trust

IOB	6-Dec-00	11,128	7.00%	6 Months	6-Jun-2002	749
IOB	5-Jan-01	16,822	7.00%	6 Months	5-Jul-2002	1022
IOB	5-Feb-01	21,567	7.50%	6 Months	5-Aug-2002	1159
IOB	9-Mar-01	21,984	7.00%	6 Months	9-Sep-2002	1008
IOB	31-Mar-01	21,984	7.00%	3 years	30-Sep-2004	1049
IOB	2-May-01	26,836	7.00%	3.51	2-Nov-2004	2336
IOB	31-May-01	28,144	8.00%	12 Months	31-May-2002	1,932
IOB	7-Jun-01	19,954	8.00%	12 Months	7-Jun-2002	1,343
IOB	19-Jul-01	32,294	8.00%	12 Months	3-Jul-2002	1,977
IOB	31-Jul-01	42,750	8.00%	12 Months	31-Jul-2002	2,346
IOB	12-Sep-01	38,464	8.00%	12 Months	12-Sep-2002	1,738
IOB	11-Oct-01	40,346	8.00%	12 Months	11-Oct-2002	1,558
IOB	5-Nov-01	58,118	8.00%	12 Months	5-Nov-2002	1,916
IOB	28-Nov-01	66,926	8.00%	12 Months	28-Nov-2002	1,859
IOB	1-Jan-02	69,144	7.50%	12 Months	1-Jan-2003	1,768
IOB	29-Jan-02	65,022	7.50%	12 Months	29-Jan-2003	1,264
IOB	27-Feb-02	67,202	7.50%	12 Months	27-Feb-2003	454
IOB	18-Mar-02	21,443	7.50%	12 Months	18-Mar-2003	59
		670,128				25540

2 Others

- (a) Quoted- Cost and Market Value
b) Unquoted

Nil

Nil



ANNEXURE - III

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2002
CURRENT ASSETS, LOANS AND ADVANCES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
DEPOSITS		
- For Premises	22,500.00	-
- With Others- MTNL	35,340.00	31,500.00
	57,840.00	31,500.00
LOANS & ADVANCES TO STAFF		
- Housing Loan to Staff	1,209,600.00	-
- Loans to Staff for other purposes	756,092.88	215,325.88
- Other Advances - Festival	56,261.00	-
- Others - Advance for Travel	-	50,867.00
TOTAL	2,021,953.88	266,192.88
AMOUNTS DUE FROM INSURANCE COMPANIES & OTHERS		
- Insurance Companies'-[Indicates the amount due from State Insurance Companies]	229,485.00	1,061,099.00
- Agents-[Indicates the amount of expired cheques in hand received from agents earlier]	343,813.00	5,260,878.50
TOTAL	573,298.00	6,321,977.50
OTHER CURRENT ASSETS		
- Expense Recoverable	425.00	-
- Prepaid Expenses	346,195.00	233,890.50
- Interest Accrued but not due - Bank deposits (Includes Rs.25,540 on Fixed Deposit held on behalf of PF Trust to be formed)	19,100,399.00	1,101,869.00
- Interest Accrued but not due - Staff Loans	19,140.00	-
- Advances on Capital Account-[For software development]	565,800.00	-
TOTAL	20,031,959.00	1,335,759.50
CASH AND BANK BALANCES		
- Cash in hand	18,998.00	15,000.00
- Cheques in hand	-	-
- Cash/ Cheque in transit	-	-
- Balances with Scheduled Banks		
(a) In Current Account	5,558,629.27	12,190,515.18
(b) on Deposit Account	-	-
TOTAL	5,577,627.27	12,205,515.18
- Balance with Non Scheduled Bank		
(a) In Current Account	-	-
(b) In Deposit Account	-	-
TOTAL		

ANNEXURE - IV

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2002**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
Grant from Government of India	-	893234.68

ANNEXURE - V

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2002
CONTINGENT LIABILITIES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
	-	-

ANNEXURE - VI

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2002
PAYMENT TO AND PROVISION FOR EMPLOYEES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
i) Salaries, Allowances, Wages and Bonus	4,975,533.00	670,489.90
ii) Bonus	-	-
iii) Contribution to Provident Fund, etc.	298,737.00	45,913.00
iv) Gratuity	210,148.00	2,183.00
v) Staff Welfare Expenses	-	-
vi) Others	-	-
-Book Grant	-	3,805.00
-Leave Travel Concession	14,045.00	-
-Insurance	-	1,693.00
-Canteen Expenses	-	3,903.00
-Monetary Award - Studies	-	-
-Contribution to Group Insurance Scheme	21,770.00	-
-Reimbursement of expenses incurred by Staff	169,426.00	-
-Leave Salary	346,560.00	416.00
TOTAL	6,036,219.00	728,402.90



ANNEXURE - VII

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2002
ESTABLISHMENT EXPENSES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
Repairs & Maintenance of Buildings & Premises	2,267,704.00	787,324.00
House Keeping - Office Maintenance	825,542.00	159,179.00
Repairs & Maintenance of Equipments	-	44,425.00
Repairs and Maintenance - Others	23,075.00	1,356,290.00
Electricity (Payable to LIC)	803,258.00	200,000.00
Insurance - Vehicle	15,300.00	6,524.00
Rates and Taxes	-	-
Printing and Stationery	690,481.00	2,050,100.00
Books/Journals etc.	63,628.00	91,186.00
Postage, Telegraphs, Telephones, etc.	1,210,860.27	792,370.00
Travelling and Conveyance Inland (Includes Payable to LIC Rs.711755/-)	4,945,309.00	4,394,750.40
Travel - Foreign	5,367,184.00	147,093.00
Legal and Professional charges	1,440,279.00	285,716.00
Education/Training/R&D/Grievances Redressal Expenses	-	-
Audit Fees	99,520.00	-
Software	-	150,000.00
Publicity & Advertisement	2,062,541.00	572,574.00
Recruitment	-	-
Expenses of Meetings of Authority & Advisory Committee & Other meeting expenses including daily allowances paid to the members of the Committee	-	-
Membership and Subscription	195,685.00	767,758.00
Security Services	415,835.50	244,664.50
Web Portal Development Expenses (Rs.33215 payable to Maruthi IT.Com)	225,879.00	167,369.00
Canteen Expenses	564,300.00	900,000.00
Car Repair and Maintenance Expenses	143,523.00	-
Other Expenses	52,560.00	29,269.00
	188,934.00	180,292.00
TOTAL	21,601,397.77	13,326,883.90

ANNEXURE - VIII

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2002
INTEREST**

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



ANNEXURE - IX

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

[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 protect 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. The Authority, in terms of section 13 of Insurance Regulatory and Development Authority Act, 1999 [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 purpose 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 Rs. 5,000 have been depreciated 100% in the year of purchase.

(b) Investments

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

(c) Revenues

(i) Registration Fees

- (a) Received from insurer seeking for the first time, registration to carrying on any class of insurance business in India, are treated income of the year of receipt.
- (b) Received in advance from existing insurers for renewal of registration already granted are treated as income of the year to which they relate.



(ii) *License Fees*

License fees received from insurance agents, surveyors and other insurance intermediaries are treated as income of the year in which it is received. Licenses issued to insurance agents, surveyors 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 License fees over the years to which they relate.

(iii) *Grant from Ministry of Finance, Govt. 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) **Web Portal Development and Maintenance**

Expenses incurred on Web Portal Development and Maintenance is charged to the Income and Expenditure Account in the year of incurrence.

(f) **Retirement benefits**

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

Leave encashment is provided for at the current encashable salary for the entire unavailed leave balances.

The Authority has established a IRDA Employees Provident Fund Trust for the benefit of its officers and other employees subsequent to the close of the year. Pending establishment, the contribution made by the Authority and of the employees has been earmarked and deposited in fixed deposits with a scheduled bank.

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

3. **INCOME-TAX**

No income tax provision has been made in view of income of the Authority being exempt under section 10 (23BBE) of Income-tax Act, 1961 effective assessment year 2001-2002.

4. The renewal fees from State Insurance agencies have not been accounted for in the absence of information of gross insurance premium.
5. The Authority has received a letter from Ministry of Finance, Department of Economic Affairs dated July 17, 2002 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 legal opinion obtained, is seeking review of the direction received as the Authority is of the view of that 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, which position is in accord with the legal opinion obtained by the Authority. The Authority has taken up the issue with the Government of India.

6. In the absence of agent wise accounting of license fee, the amount deposited in excess of the recoverable license fee (based on licenses issued during the year) has been treated as license fee income.

7. **PRIOR YEAR COMPARATIVES**

Previous period represents the period April 19, 2000 (the date of constitution of IRDA) till March 31, 2001. Previous year figures have been regrouped wherever considered necessary to make them comparable with the current year's figures.

ANNEXURE XIV

**UNAUDITED ACCOUNTS OF THE AUTHORITY FOR THE
FINANCIAL YEAR 2002-03**

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD **FORM A**
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003

FIGURES FOR THE PREVIOUS YEAR (Rs.)	LIABILITIES	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	ASSETS	FIGURES FOR THE CURRENT YEAR (Rs.)
GENERAL FUND			FIXED ASSETS [See Note 1]		
893,243.68	i) IRDA Fund [See Note 4]		4,642,112.68	-Gross Block	14,005,986.68
-	-At beginning of the year	893,243.68	1,808,601.62	-Less: Depreciation	4,212,069.62
-	-Receipts in the year	-	2,833,511.06	-Net Block	9,793,917.06
893,243.68	-Balance at end of the year	893,243.68	-	-Capital Work-in-Progress	-
-	ii) Capital Fund		INVESTMENTS [See Note 2]		
-	-Capital Grants	-	(Method of Valuation - at Cost)		
-	-Balance at the beginning of the year	-	-	i) Securities of Central and State Government	-
-	Add: Value of Fixed Assets received as grants during the year	-	574,227,907.78	ii) Units	-
			-	iii) Fixed Deposits with banks	579,253,209.78
			-	iv) Others	-
12,478,206.44	iii) Surplus and Funds	349,394,774.31	CURRENT ASSETS, LOANS AND ADVANCES		
-	-Balance as per last Balance Sheet		[See Note 3]		
-	Add: Excess of Income Over Expenditure as per Income and Expenditure Account - Annexed		57,840.00	i) Deposits with Agencies	582,910.00
336,916,567.87	Less: Excess of Expenditure Over Income as per Income and Expenditure Account - Annexed	9,304,316.57	2,021,953.88	ii) Loans & Advances to Staff	4,778,194.88
-	-Balance at the end of the year	340,090,457.74	573,298.00	iii) Amount Due from Insurance Companies & Others	187,192.00
-			20,031,959.00	iv) Other Current Assets	31,946,140.48
-			18,998.00	v) Cash & Bank Balances	
-	iv) Gift and Donations	-	5,558,629.27	a) Cash in Hand	19,870.00
-	v) Other Balances	-		b) Bank Balances	4,722,114.57
LOANS					
-	i) Secured (stating the security offered for the purpose)	-			
-	ii) Unsecured	-			
-	iii) Loan from Government of India	-			
-	iv) Other Loans	-			

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003

FIGURES FOR THE PREVIOUS YEAR (Rs.)	LIABILITIES	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	ASSETS	FIGURES FOR THE CURRENT YEAR (Rs.)
	CURRENT LIABILITIES AND PROVISIONS [See Note 5]				
	i) SUNDRY CREDITORS:				
-	-for Capital Items	-			
97,281,638.00	-for Other Items-[Includes amount refundable Rs. 89,351,763 for change in renewal fees and book overdraft Rs. 8,267,339.45]	103,853,769.45			
	ii) PROVISIONS:				
229,485.00	-Provision for doubtful debts and advances	187,192.00			
-	-Provision for depletion in value of investment	-			
	iii) OTHER LIABILITIES:				
-	1. Unspent Grants	-			
-	2. Interest payable to Government/ Other Loans	-			
-	3. Provident, Retirement & Other Welfare Funds:				
764,552.00	(a) Provident Fund	295,569.00			
-	(b) Other Welfare Funds	-			
924,319.00	(c) Retirement Benefit Fund and Staff Benefit Fund:	1,400,067.00			
-	4. Others (Specify)				
1,292,305.00	-other Liabilities (TDS)	1,309,305.00			
154,543,780.00	-Registration Renewal fee received in Advance	183,249,504.90			
-	-Soft Furnishing Recovery	4,440.00			
605,324,096.99		631,283,548.77	605,324,096.99		631,283,548.77

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 annexes to Statement of Affairs and notes/information relating to accounting policy forming part of Accounts.

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
P.A. Balasubramanian
Member

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THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
UNAUDITED INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2003

FORM B

FIGURES FOR THE PREVIOUS YEAR (Rs.)	EXPENDITURE	FIGURES FOR THE CURRENT YEAR (Rs.)	FIGURES FOR THE PREVIOUS YEAR (Rs.)	INCOME	FIGURES FOR THE CURRENT YEAR (Rs.)
2,385,908.00	Payment to Chairperson and Members	1,984,536.00	-	Grants in Aid Received	-
6,036,219.00	Payment to and Provision for members of Staff [See Note 1]	15,316,110.00.00	-	Receivable	-
21,574,845.77	Establishment Expenses [See Note 2]	31,103,638.05	-	Less: Transferred to Capital Fund	-
8,673,118.0	Rent	6,837,332.00	110,756,681.50	Registration Fees	258,941,963.00
-	Research & Consultation Fees	-	-	Agents	-
-	Seminars,Conference, Publications, etc. [See Contra]	2,512,886.00	-	Surveyors and Insurance intermediaries	-
-	Interest [See Note 3]	-	520,000.00	Brokers	2,425,000.00
1,111,270.00	Depreciation	2,576,292.00	300,000.00	Third Party Administration	120,000.00
-	Capital Assets Written Off	-	-	Insurance Companies	250,000.00
-	Loss on Sale of/Write Off of Asset	6,544.00	234,561,500.00	Renewal Fees	63,665,278.00
229,485.00	Provision for doubtful debts and advances	37,900.00	717,487.00	Insurance Companies	935,587.00
-	Development Expenditure	100,000,000.00	420,000.00	Surveyors and Insurance intermediaries	270,000.00
-	Promotional Expenditure	131,833,504.00	-	Third Party Administration	-
40,390.00	Other Expenses	961,268.00	-	Others	-
336,916,567.87	Excess of Income Over Expenditure for the year carried down	80,047,446.43	29,452,612.14	Penalties, Fines etc.	-
			-	Seminar, Conferences and Publications etc.	2,574,750.00
			-	Income on Investments - Interest on deposits with Scheduled Banks	43,447,792.48
			-	Interest on Deposits	-
			16,578.00	Interest on advances	-
			2,562.00	i) granted to members of staff for housing purposes	147,460.00
			-	ii) granted to members of staff for other purposes	39,726.00
			-	iii) Others	-
			220,383.00	Miscellaneous Income	399,900.00
376,967,803.64		373,217,456.48	376,967,803.64		373,217,456.48
-	Fee refundable for the year 2000-01 on levy reduction (Note 5)	89,351,763.00		Excess of income over expenditure for the year brought down	80,047,446.43
		89,351,763.00		Excess of Expenditure over income carried to Balance Sheet	9,304,316.57
					89,351,763.00

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

- Notes:**
- The information relating to payment to and provision for employees is given in Annexure VI.
 - The information relating to establishment expenses is given in Annexure VII.
 - The information relating to interest amount is given in Annexure VIII.
 - All Answers to Income and Expenditure Account and Notes/Information relating to Significant Accounting Policies from part of accounts.

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
P.A. Balasubramanian
Member

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THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT
UNAUDITED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003

FORM C

S.No.	RECEIPTS	AMOUNT (Rs.)	S.No.	PAYMENTS	AMOUNT (Rs.)
1.	To Balance brought forward		1.	By Research and Consultation Fees	-
i)	Cash at Bank	5,558,629.27	2.	By Seminars, Conference, Publications etc.	2,512,886.00
ii)	Cash in hand	18,998.00	3.	By Rent Payments	10,448,965.00
iii)	Cheques on hand	-	4.	By Development Expenditure	100,000,000.00
iv)	Cash / Cheques in transit	-	5.	By Promotional Expenditure [Rs. 130,991,004.00 less book overdraft Rs.8,267,339.45]	122,723,664.55
2.	To Registration Fees		6.	By Payment to Chairperson and Members	
-Insurance Companies		250,000.00	(i)	Pay and Allowances	1,943,976.00
-Third Party Administrators		120,000.00	(ii)	Other Benefits	195,574.00
-Brokers		2,425,000.00	(iii)	Travelling Expenses	7,438,713.00
-Insurance Agents		-	7.	By Establishment Expenses	
-Others		-	(i)	Pay and Allowances	10,772,531.00
3.	To Registration Renewal Fees		(ii)	Other Benefits	774,801.00
-Insurance Companies		87,498,002.90	(iii)	Travelling Expenses	8,579,101.60
-Third Party Administrators		270,000.00	(iv)	Retirement Benefits	2,624,344.00
-Insurance Surveyors		935,587.00	8.	By Office Expenses	14,592,094.45
-Insurance Agents		264,120,876.00	9.	By Interest on	
-Others		-	(i)	Government Loans	-
4.	To Penalties, Fines from insurers and intermediaries	-	(ii)	Other Loans	-
5.	To Seminar, Conferences etc.	2,574,750.00	10.	By Purchase of Assets	9,202,193.00
6.	To Income from Investments	-	11.	By Capital Work-in-Progress	-
7.	To Sale of Investments	279,057,121.00	12.	By Advances to staff and others	4,544,012.00
8.	To Grants		13.	By Investments	284,752,551.00
i)	Central Government / State Govt/ Others	-	14.	By Repayment of Government Loans/fees (refer note 5)	89,641,595.00
ii)	Gift and Donations	-	15.	By Repayment of Other Loans	-
9.	To Loans	-	16.	By Other Expenses	941,168.00
10.	To Sales of Publication etc	-		By Balance carried forward	
11.	To Sale of Assets	40,00,000	i)	Cash at Bank	4,722,114.57
12.	To interest received on		ii)	Cash in hand	19,870.00
-Deposits		31,516,540.00	iii)	Cheques in hand	-
-Advances		-	iv)	Cash/ Cheques in Transit	-
-Others		-			
13.	To Recoveries from Employees				
(a)	Loans and Advances	1,619,363.00			
(b)	Interest on Loans and Advances	30,256.00			
(c)	Misc.	-			
14.	To Other Receipts	395,031.00			
		676,430,154.17			676,430,154.17

-Sd-
R.K. Sharma
Chief Accounts Officer

-Sd-
N. Rangachary
Chairman

-Sd-
R. C. Sharma
Member

-Sd-
P.A. Balasubramanian
Member

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ANNEXURE - I

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003
FIXED ASSETS SCHEDULE

	GROSS BLOCK			DEPRECIATION					NET BLOCK	
Particulars	Cost as on 1.04.2001	Additions During the Year	Sold/Disposed Off During the Year	As on 31.03.2002	As on 1.04.2001	For the Year	Adjust- ments	Up to 31.03.2002	As at 31.03.2002	As on 31.03.2001
Office Premises										
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Building	-	-	-	-	-	-	-	-	-	-
Residential Flats										
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Building	-	-	-	-	-	-	-	-	-	-
Vehicles	194,343.68	480,256.00	97,345.00	577,254.68	87,604.58	105,196.00	50,801.00	141,999.58	435,255.10	106,739.10
Equipments	1,419,293.05	1,020,644.00	277,866.00	2,162,071.05	321,536.20	286,302.00	112,089.00	495,749.20	1,666,321.85	1,097,756.85
Furniture and Fixtures	351,911.95	3,015,232.00	34,960.00	3,332,183.95	151,763.98	547,544.00	9,934.00	689,373.98	2,642,809.97	200,147.97
Computers	2,676,564.00	5,257,913.00	-	7,934,477.00	1,247,696.86	1,637,250.00	-	2,884,946.86	5,049,530.14	1,428,867.14
Total	4,642,112.68	9,774,045.00	410,171.00	14,005,986.68	1,808,601.62	2,576,292.00	172,824.00	4,212,069.62	9,793,917.06	2,833,511.06

ANNEXURE - II

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003
INVESTMENTS

S.No. PARTICULARS						Figures for the Current Year Rs.	Figures for the Previous Year Rs.
1 Fixed Deposits with Scheduled Banks						579,253,209.78	574,227,907.78
Name of the Bank	Date	Amount	Rate of Interest	Period	Date of Maturity	Interest Accrued	
Indian Overseas Bank, New Delhi	03-Oct-02	110,209,779.00	7.50%	179	03-Oct-05	4,160,072.75	
	07-Dec-01	300,000.00	8.25%	479	07-Dec-04	33,950.06	
	26-Dec-01	50,000,000.00	8.50%	460	26-Dec-04	5,591,949.45	
	27-Dec-01	44,000,000.00	8.50%	459	27-Dec-04	4,909,536.22	
	01-Jan-02	50,000,000.00	8.50%	454	01-Jan-05	5,514,628.82	
	01-Jan-02	50,000.00	8.25%	454	01-Jan-05	5,345.78	
	29-Dec-01	42,357,557.00	8.50%	457	29-Dec-04	4,704,362.78	
	09-Jan-02	326,807.00	8.25%	446	09-Jan-05	- 34,299.56	
	24-Jan-02	325,260.00	8.25%	431	24-Jan-05	32,940.16	
		297,569,403.00				24,987,085.57	
Indian Overseas Bank, Hyderabad	03-Sep-02	1,000,000.00	7.50%	209	03-Sep-05	43,506.97	
	03-Sep-02	1,000,000.00	7.50%	209	03-Sep-05	43,506.97	
	03-Sep-02	1,000,000.00	7.50%	209	03-Sep-05	43,506.97	
	03-Sep-02	1,000,000.00	7.50%	209	03-Sep-05	43,506.97	
	03-Sep-02	1,000,000.00	7.50%	209	03-Sep-05	43,506.97	
	17-Sep-02	5,000,000.00	7.50%	195	17-Sep-05	202,611.37	
	22-Aug-02	1,000,000.00	7.50%	221	22-Aug-05	46,058.49	
	22-Aug-02	1,000,000.00	7.50%	221	22-Aug-05	46,058.49	
	22-Aug-02	1,000,000.00	7.50%	221	22-Aug-05	46,058.49	
	22-Aug-02	1,000,000.00	7.50%	221	22-Aug-05	46,058.49	
	22-Aug-02	1,000,000.00	7.50%	221	22-Aug-05	46,058.49	
	14-Aug-02	1,000,000.00	7.50%	229	13-Aug-05	45,845.17	
	14-Aug-02	1,000,000.00	7.50%	229	13-Aug-05	45,845.17	
	14-Aug-02	1,000,000.00	7.50%	229	13-Aug-05	45,845.17	
	14-Aug-02	1,000,000.00	7.50%	229	13-Aug-05	45,845.17	
	25-Oct-02	5,000,000.00	7.25%	157	25-Oct-05	157,104.33	
	25-Oct-02	1,975,000.00	7.00%	157	24-Oct-03	59,900.83	
	28-Oct-02	3,000,000.00	6.50%	154	28-Oct-05	82,816.65	
	10-Dec-02	7,500,000.00	6.50%	111	09-Dec-05	148,702.96	
	13-Mar-03	2,500,000.00	6.25%	18	12-Mar-04	7,705.48	
	15-Jan-03	7,500,000.00			03-Apr-03	63,500.00	
		46,475,000.00				1,353,549.58	
HDFC Bank	19-Dec-02	27,423,608.67	6.25%	102	19-Jan-04	479,842.39	
	01-Dec-02	4,466,291.84	6.25%	120	02-Jun-03	92,903.26	
	11-Dec-02	1,674,859.42	6.50%	110	11-Jan-04	32,904.50	
	16-Dec-02	1,116,572.95	6.50%	105	16-Jan-04	20,926.19	
	30-Dec-02	1,116,816.17	6.25%	91	31-Jan-04	17,599.57	
	05-Dec-02	1,102,750.80	6.50%	116	05-Jan-04	22,861.95	
	08-Dec-02	1,102,750.80	6.50%	113	08-Jan-04	22,263.36	

S.No. PARTICULARS					Figures for the Current Year Rs.	Figures for the Previous Year Rs.
Name of the Bank	Date	Amount	Rate of Interest	Period	Date of Maturity	Interest Accrued
	10-Dec-02	1,102,750.80	6.50%	111	10-Jan-04	22,063.84
	22-Dec-02	1,102,750.80	6.25%	99	22-Jan-04	18,911.82
	03-Mar-03	1,340,974.34	5.75%	28	04-Sep-03	5,703.73
	03-Mar-03	1,331,232.62	5.75%	28	04-Sep-03	5,872.01
	04-Nov-02	378,076.24	6.75%	147	05-May-03	10,414.51
	27-Oct-02	10,883,883.19	6.00%	155	28-Apr-03	279,011.18
	09-Nov-02	54,010.90	6.25%	142	10-May-03	1,320.56
	15-Nov-02	5,793,549.95	6.25%	136	16-May-03	136,613.60
	29-Nov-02	54,010.92	6.25%	122	30-May-03	1,142.08
	06-Dec-02	864,185.75	6.00%	115	07-Jun-03	16,389.20
	01-Dec-02	5,414,555.60	6.25%	120	02-Jun-03	111,686.64
	16-Dec-02	540,116.00	6.00%	105	17-Jun-03	9,342.25
	17-Dec-02	5,414,533.17	6.00%	104	18-Jun-03	92,750.62
	21-Dec-02	324,069.64	6.00%	100	22-Jun-03	5,335.05
	28-Dec-02	54,011.61	7.50%	93	29-Jun-03	826.11
	14-Jan-03	432,087.16	6.00%	76	15-Jul-03	5,398.13
	17-Jan-03	540,108.95	6.00%	73	18-Jul-03	6,481.31
	26-Jan-03	135,027.25	5.75%	64	27-Jul-03	1,361.37
	01-Feb-03	5,387,662.98	5.75%	58	02-Aug-03	50,075.74
	08-Feb-03	269,383.13	5.75%	51	09-Aug-03	2,164.29
	10-Feb-03	323,259.75	5.75%	49	11-Aug-03	2,495.30
	16-Feb-03	269,383.13	5.75%	43	17-Aug-03	1,824.79
	20-Feb-03	5,394,250.70	5.75%	39	21-Aug-03	41,639.18
	03-Mar-03	5,388,089.66	5.75%	28	04-Sep-03	23,766.64
	02-Mar-03	215,523.61	5.75%	29	03-Sep-03	950.67
	15-Mar-03	5,381,489.01	5.75%	16	16-Sep-03	13,564.30
	13-Mar-03	591,964.87	5.75%	18	14-Sep-03	1,678.58
	15-Oct-02	2,081,479.66	6.75%	167	15-Apr-03	65,166.17
	16-Oct-02	624,443.90	6.75%	166	17-Apr-03	19,314.96
	20-Oct-02	5,203,699.15	6.75%	162	20-Apr-03	157,043.22
	30-Oct-02	570,993.22	6.75%	152	01-May-03	16,158.18
	05-Jan-03	5,253,300.61	6.00%	85	06-Jul-03	73,402.28
	07-Jan-03	155,756.84	6.00%	83	08-Jul-03	2,125.12
	13-Jan-03	934,541.02	6.00%	77	14-Jul-03	11,828.98
	12-Sep-02	550,000.00	7.25%	200	13-Sep-03	22,102.33
		112,358,806.78				1,925,225.98
ICICI Bank	14-Dec-02	2,450,000.00	7.00%	107	14-Dec-05	50,413.21
	20-Dec-02	3,600,000.00	6.50%	101	21-Dec-05	64,863.71
	26-Dec-02	1,500,000.00	6.50%	95	24-Dec-05	25,398.12
	31-Dec-02	24,500,000.00	7.00%	90	01-Jan-06	427,656.50
	18-Jan-03	6,500,000.00	6.50%	72	19-Jan-06	83,342.47
	30-Jan-03	7,000,000.00	6.25%	60	31-Jan-06	71,917.81
	19-Feb-03	4,000,000.00	6.25%	40	20-Feb-06	26,712.33
		49,550,000.00				750,304.15
Bank of India	04-Apr-02	5,000,000.00	8.00%	361	04-Apr-05	409,833.90
	05-Jul-02	1,000,000.00	7.50%	269	05-Jul-03	56,297.93
	05-Jul-02	1,000,000.00	7.50%	269	05-Jul-03	56,297.93
	05-Jul-02	1,000,000.00	7.50%	269	05-Jul-03	56,297.93
	14-Sep-02	300,000.00	7.00%	198	14-Sep-03	11,516.40
	25-Jul-02	5,000,000.00	8.00%	249	25-Jul-03	277,811.42
	31-Oct-02	4,000,000.00	6.50%	151	31-Oct-03	108,250.20

S.No. PARTICULARS					Figures for the Current Year Rs.		Figures for the Previous Year Rs.	
Name of the Bank	Date	Amount	Rate of Interest	Period	Date of Maturity	Interest Accrued		
	27-Nov-02	1,000,000.00	6.50%	124	27-Nov-05	22,175.56		
	26-Dec-02	8,000,000.00	6.25%	95	27-Dec-05	130,242.54		
		26,300,000.00				1,128,723.80		
Canara Bank	11-Oct-02	2,500,000.00	7.75%	171	11-Oct-05	91,589.72		
	11-Oct-02	2,500,000.00	7.75%	171	11-Oct-05	91,590.00		
	15-Nov-02	2,000,000.00	7.00%	136	15-Nov-05	52,462.15		
	15-Nov-02	1,500,000.00	7.00%	136	15-Nov-05	39,346.62		
	15-Nov-02	1,500,000.00	7.00%	136	15-Nov-05	39,346.62		
	18-Dec-02	6,000,000.00	6.75%	103	18-Dec-05	114,527.75		
	30-Dec-02	5,000,000.00	6.75%	91	30-Dec-05	85,099.27		
	15-Jan-03	26,000,000.00	6.50%	75	14-Jan-06	347,260.27		
		47,000,000.00				861,222.40		

2 Others

- (a) Quoted- Cost and Market Value
b) Unquoted

Nil Nil
Nil Nil

ANNEXURE - III

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003
CURRENT ASSETS, LOANS AND ADVANCES

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
DEPOSITS		
- For Premises	525,750.00	22,500.00
- with Others - MTNL	33,760.00	35,340.00
- with Electricity	19,400.00	-
- For Fuel	4,000.00	-
TOTAL	582,910.00	57,840.00
LOANS & ADVANCES TO STAFF		
- Housing Loan to Staff	2,654,400.00	1,209,600.00
- Loans to Staff for other purposes	1,622,057.88	756,092.88
- Other Advances - Festival	141,283.00	56,261.00
- Others - Advance for Travel	75,732.00	-
- Interest Recoverable	176,070.00	-
- Advance - others	108,652.00	-
TOTAL	4,778,194.88	2,021,953.88
AMOUNTS DUE FROM INSURANCE COMPANIES & OTHERS		
- Insurance Companies-[Indicates the amount due from State Insurance Companies]	149,292.00	229,485.00
- Agents - [Indicates the amount of expired cheques in hand received from agents earlier]	37,900.00	343,813.00
TOTAL	187,192.00	573,298.00
OTHER CURRENT ASSETS		
- Expense Recoverable	230.00	425.00
- Prepaid Expenses	236,732.00	346,195.00
- Interest Accrued but not due - Bank deposits	31,006,111.48	19,100,399.00
- Interest Accrued but not due - Staff Loans	-	19,140.00
- Advances on Capital Account - [For software development]	525,000.00	565,800.00
- Advance to M/s Tarriff Advisory Committee	178,067.00	-
TOTAL	31,946,140.48	20,031,959.00
CASH AND BANK BALANCES		
- Cash in hand	19,870.00	18,998.00
- Cheques in hand	-	-
- Cash/ Cheque in transit	-	-
- Balances with Scheduled Banks		
(a) In Current Account	4,722,114.57	5,558,629.27
(b) on Deposit Account	-	-
TOTAL	4,741,984.57	5,577,627.27
- Balance with Non Scheduled Bank		
(a) In Current Account	-	-
(b) In Deposit Account	-	-
TOTAL	-	-

ANNEXURE - IV

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ATTACHED TO AND FORMING PART OF UNAUDITED BALANCE SHEET AS AT MARCH 31, 2003

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
Grant from Government of India	-	-

ANNEXURE - V

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2003
CONTINGENT LIABILITIES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
	-	-

ANNEXURE - VI

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003
PAYMENT TO AND PROVISION FOR EMPLOYEES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
i) Salaries, Allowances, Wages and Bonus	10,906,438.00	4,833,336.00
ii) Bonus	-	-
iii) Contribution to Provident Fund, etc. [including contribution to superannuation fund of Rs 1,673,413.00]	2,805,280.00	298,737.00
iv) Gratuity	267,070.00	210,148.00
v) Staff Welfare Expenses	240,460.00	142,197.00
vi) Others		
-Book Grant	-	-
-Leave Travel Concession	113,710.00	14,045.00
-Insurance	-	-
-Canteen Expenses	-	-
-Monetary Award - Studies	-	-
-Contribution to Group Insurance Scheme	66,555.00	21,770.00
-Reimbursement of expenses incurred by Staff	366,720.00	169,426.00
-Leave Salary	549,877.00	346,560.00
TOTAL	15,316,110.00	6,036,219.00

ANNEXURE - VII

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003
ESTABLISHMENT EXPENSES**

PARTICULARS	Figures for the Current Year Rs.	Figures for the Previous Year Rs.
Repairs & Maintenance of Buildings & Premises	1,691,225.00	2,267,704.00
House Keeping - Office Maintenance	1,280,620.00	825,542.00
Repairs & Maintenance of Equipments	-	-
Repairs and Maintenance - Others	179,319.00	23,075.00
Electricity & water Expenses	687,314.00	803,258.00
Insurance Expenses	81,030.00	15,300.00
Rates and Taxes	-	-
Printing and Stationery	1,642,539.00	690,481.00
Books/Journals etc.	99,644.00	37,076.00
Postage, Telegraphs, Telephones, etc.	1,755,004.45	1,210,860.27
Travelling and Conveyance Inland	8,354,827.60	4,945,309.00
Travel - Foreign	6,594,150.00	5,367,184.00
Legal and Professional charges	3,797,364.00	1,440,279.00
Education/Training/R&D/Grievances Redressal Expenses	-	-
Audit Fees	89,450.00	99,520.00
Software	-	-
Publicity & Advertisement	1,295,406.00	2,062,541.00
Recruitment	-	-
Expenses of Meetings of Authority & Advisory Committee & Other meeting expenses including daily allowances paid to the members of the Committee	880,528.00	195,685.00
Membership and Subscription	1,069,338.00	415,835.50
Security Services	381,790.00	225,879.00
Web Portal Development Expenses	509,508.00	564,300.00
Canteen Expenses	320,825.00	143,523.00
Car Repair and Maintenance Expenses	91,916.00	52,560.00
Other Expenses	301,840.00	188,934.00
TOTAL	31,103,638.05	21,574,845.77

ANNEXURE - VIII

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND
ATTACHED TO AND FORMING PART OF UNAUDITED INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003
INTEREST**

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

ANNEXURE - IX

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY FUND ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

[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 of 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 assets is depreciated at the rates specified in the said Schedule XIV.

(b) Investments

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

(c) Revenues

(i) Registration Fees

- (a) Received from insurer seeking for the first time, registration for carrying on any class of insurance business in India, are treated as income of the year of receipt.
- (b) Received in advance from existing insurers for renewal of registration already granted are treated as income of the year to which they relate.

(ii) License Fees

License fees received from insurance agents, surveyors, brokers and other insurance intermediaries are treated as income of the year in which it is received. License 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 License fees 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 transaction

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) Web Portal Development and Maintenance

Expenses incurred on Web Portal Development and Maintenance is charged to the Income and Expenditure Account in the year of incurrence.

(f) 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.

Leave encashment is provided for at the current encashable salary for the entire unavailed leave balances.

The Authority contributes to IRDA Employees 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.

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. EMPLOYEES PROVIDENT FUND AND SUPERANNUATION FUND

The Authority during the year established two trusts with effect from April 19, 2000 styled as "IRDA Employees Provident Fund" and "IRDA Superannuation Fund" for the benefit of its officers and other employees. The aggregate contribution by the Authority and the employees towards Provident Fund



including the differential amount at enhanced rate of 12% [1,75,092], lying inter-alia as earmarked fixed deposits has been remitted to the trust. In addition, the Authority contributed a sum of 1,673,413 towards Superannuation liability for the period April 19, 2000 till March 31, 2003 [including 642,279 for the period April 19, 2000 till March 31, 2002]

5. REGISTRATION/RENEWAL FEES

- (A) In pursuance of Authority's decision to scale down the levy of renewal fees for registration of the insurers to 0.1% of the gross premium from 0.2% of the gross premium, retrospectively for the financial years with effect from April 01, 2001, the income for the year has been accordingly accounted for. Also, an amount of 89,351,763 earlier accounted for as income in the year 2001-02 has been provided and shown as deduction from the excess of income over expenditure for the year and the resulting excess of expenditure over income carried to Balance Sheet.
- (B) The renewal fees from State Insurance agencies have not been accounted for in the absence of information of gross insurance premium.
- (C) In the absence of agent wise accounting of license fee, the amount deposited in excess of the recoverable license fee of 135,850 [based on licenses issued during the year] has been treated as license fee income.

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

The Authority has received a letter from Ministry of Finance, Department of Economic Affairs dated July 17, 2002 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 is seeking review of the direction received, as 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, which position is in accord with the legal opinion obtained by the Authority. The Authority is pursuing the issue with the Government of India and the matter is pending resolution.

7. 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 and the other departments in August 2002. The office of the Authority is located in Parisrama Bhavanam where a portion of the third floor has been given to it free of rent by Andhra Pradesh Industrial Development Corporation Limited [APIDC].

The Government of Andhra Pradesh through A.P. Industrial Infrastructure Corporation Limited [APIDC] has allotted a plot of five acre land in the financial district at Nanakramguda Village, Serilingampally Mandal, RR Distrcit, Hyderabad free of cost, possession whereof is yet to be taken.

8. PROMOTIONAL EXPENDITURE

The Authority caused through government media a special campaign for the promotion of insurance awareness, education and for the general development at a cost of 120,115,000.



9. CONTRIBUTION TO INSTITUTE OF INSURANCE AND RISK MANAGEMENT

The Authority has jointly promoted the setting up of the Institute of Insurance and Risk Management [the Institute], which will carry out research on insurance and risk management with the Government of Andhra Pradesh, with the latter contributing by provision of the land for the Institute. The Institute will function as a research arm of the Authority. The Authority during the year contributed a sum of 10,000,000 for meeting the recurring costs for conducting seminars etc. and included under promotional expenditure. The Authority has also contributed 100,000,000 in November 2002 to constitute an endowment for 80,000,000 and the balance to meet for construction of building and infrastructure of the Institute's premises and charged as Development Expenditure. An endowment deed has since been signed between the parties and the trustees to the endowment deed have been nominated.

10. OPERATING LEASES

There are no non-cancelable lease arrangements. The lease payments are made in accordance with lease agreements.

The Authority is in occupation of premises at Hyderabad at free of rent but is obliged to hand over the premises on a "as is where is basis" to Andhra Pradesh Industrial Development Corporation Limited upon vacation. The lease payments in respect of other premises recognised in the income and expenditure account is 6,837,332 [Previous year 8,673,118].

11. ADVANCE FOR SOFTWARE DEVELOPMENT

The Authority during the year 2001-02 paid a sum of 525,000 being 30% of agreed sum of 1,750,000 for developing a computerised system. Pending, the complete development of compatible computerised system for the monitoring of insurers, neither adjustment of above advance nor any further provision during the year has been made.

12. PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped, wherever considered necessary to make them comparable with the current year's figures.