

MINUTES OF THE 51st MEETING OF THE AUTHORITY

held on December 5, 2007 at 11.30 a.m.
in the Office of the IRDA at 3rd Floor, Parishram Bhavan, Basheer Bagh,
Hyderabad.

Present:	Chairman	Shri C. S. Rao
	Member	Shri C. R. Muralidharan
	Member	Shri K K Srinivasan
	Member	Shri G Prabhakara
	Member	Shri Vijay Mahajan
	Member	Shri Pradeep Kumar
	Invitee	C N S Shastri
	Invitee	Dr. D V S Sastry
Also present:	Executive Director	Shri Prabodh Chander
	Executive Director	Shri K. Subrahmanyam
	Consultant & Special Officer	Shri M M Siddiqui
	Consultant & Special Officer	Shri Kunnel Prem
	Executive Director	Smt V. Vedakumari

Chairman extended a warm welcome to all those who were present especially to Shri Pradeep Kumar, Secretary, Department of Disinvestments, Ministry of Finance, who was attending the meeting for the first time on being nominated by Government of India in place of Dr. Sanjiv Misra, Secretary, Ministry of Finance. The services of Dr. Misra were appreciated and placed on record.

Item # 1: Confirmation of Minutes of the 50th Meeting of the Authority held on August 27, 2007.

The meeting then took up for consideration the confirmation of Minutes of the 50th Meeting of the Authority held on August 27, 2007. With regard to item no.2 - the statement attributed to Shri. Vijay Mahajan, it was clarified by him that IRMA has been utilizing the services of IBPS for conducting tests for admission of students and not for recruiting staff and officers.

As regards item No. 5 – R2 Application of Universal Sompo General Insurance Company Limited – Mr. Mahajan clarified that in view of the Bank's need for conforming to Basel II requirements in addition to providing the capital requirements of the insurance joint venture the Bank should also demonstrate how it can meet the requirements of capital as prescribed under Basel II.

Since the clarifications did not necessitate change in the resolution no. 50:2 and 50:5, it was decided to take note of the clarifications and confirm the Minutes without modifications.

Resolution No: 51:1

Authority resolves to confirm the Minutes of the 50th meeting of the Authority held on August 27, 2007 with two minor clarifications as mentioned above in respect of items 2 and 5

Item # 2: Action Taken Report on the Minutes of 50th Meeting of the Authority held on August 27, 2007.

Regarding Additional Agenda item no. 1– R2 Application of Shiram General Insurance Company Limited – Shri Vijay Mahajan sought clarification on the major issues holding up the issue of R2. Member (F&I) indicated the concerns regarding multiple holdings of M/s Shriram Group and the Group indicated that they would like to withdraw from some of the activities as those enterprises were started long before the Group considered entering into life and non-life business. A view would be taken on the clarifications issued by M/s Shriram Group

Item # 3: Status Report on Recruitment Process – for Information

The total number of applications received and eligible as informed by IBPS was noted as also the fact that the written test is proposed to be conducted on January 13, 2008.

Item # 4: Adoption of Audited Annual Statements of Accounts of the Authority for the year ended 31st March, 2007.

A presentation was made on the Annual Accounts of the Authority and after discussions specifically on the persistent audit comments regarding “Receipts of the Authority being held in Bank accounts despite directions of the Ministry for keeping funds in Public Account of India as non-interest bearing account”

the Authority took up for adoption the accounts for the year 2006-2007 audited by Comptroller and Auditor General of India (C&AG) and Audit Certificate. It was clarified by the Chairman that the issue relating to deposit of funds in public account is covered by correspondence.

Resolution No: 51 : 4

IRDA resolves to adopt the audited Annual Statements of Accounts of the Authority for the year ended 31st March, 2007, with the C & AG's Separate Audit Report (SAR) and the Audit Certificate.

Item # 5: Annual Report for the year 2006-2007

The draft annual report for the year 2006-2007 was discussed as per the presentation made by Director General (R&D). Shri Vijay Mahajan appreciated the Annual Report which provides vast information about the insurance sector, its growth and regulations during the year.

Resolution No: 51:5

IRDA resolves to accord approval for the draft Annual Report for the year 2006-2007.

Item # 6 – Report on International Tours – For Information

The details of international tours performed by the Members and Officers of the Authority were noted.

Item # 7: Any other item with the permission of Chair.

There was no other item for discussion and the meeting concluded with vote of thanks to the Chairman.

(C S Rao)
Chairman