

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2181  
ANSWERED ON:12.08.2011  
RETENTION OF SURPLUS FUNDS BY REGULATORS  
Gowda Shri D.B. Chandre

**Will the Minister of FINANCE be pleased to state:**

- (a) whether a statutory auditing body has found instances of retention of surplus funds by various regulators;
- (b) if so, the details of surplus funds retained by each such regulator during each of the last three years and the current year;
- (c) the reasons for retention of surplus funds by these regulators;
- (d) the detailed guidelines existing in this regard; and
- (e) the action taken or proposed by the Central Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Yes, Sir. Comptroller and Auditor General of India (C&AG) in its separate audit reports 2008-09, on the account of Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA) and Pension Fund Regulatory and Development Authority (PFRDA) has directed to ensure that regulatory bodies maintained their surplus fund in Public Account.

(b): The details of surplus funds retained by SEBI and IRDA during the last three years as under:

(Rs. in crore)

| Name of Regulator | 2008-09 | 2009-10 | 2010-11 |
|-------------------|---------|---------|---------|
|-------------------|---------|---------|---------|

|      |          |         |  |
|------|----------|---------|--|
| SEBI | 1,235.83 | 1467.81 |  |
|------|----------|---------|--|

|      |        |        |        |
|------|--------|--------|--------|
| IRDA | 121.12 | 137.84 | 114.27 |
|------|--------|--------|--------|

Accounts of SEBI by C&AG are yet to be audited.

PFRDA receives grants-in-aid from the Government and also receives some minor receipts from its licensees, which are negligible and adjusted against the grants. Grants-in-aid released to PFRDA by the Government during the last three years are as under:

(Rs. in crore)

| 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|
|---------|---------|---------|

B.E. 6.30 16.00 16.00

Released 4.50 11.70 8.00

The unspent balance, if any, at the end of financial year are set-off against the grants-in-aid of the subsequent year.

(c)&(d): As reported by SEBI, Section 14 of Securities and Exchange Board of India Act, 1992 provides that a fund should be constituted viz. SEBI General Fund in which all fees and other charges received by SEBI are credited. As reported by IRDA, Section 16 of Insurance Regulatory and Development Authority Act, 1999, provides that a fund should be constituted viz. IRDA Fund in which all fees and charges received by IRDA are credited, for meeting salary, allowances and other remuneration of the members, officers and employees of the Authority and also for other expenses of the Authority in connection with the discharges of functions.

(e): Government has decided that the funds of regulatory bodies to be maintained in the Public Account but operated in such a manner as it protects their independent status.