

Name of Company	INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
Current year Ending	As at March 31, 2014
Previous Year Ending	As at March 31, 2013
Current Period	2013-14
Previous Period	2012-13
Status	Company
Date of Incorporation	04.10.2005
PAN	AABC15700M
Address	3 RD FLOOR PARISHRAM BHAVAN BASHEERBAGH, HYDERABAD-500029

**INDEPENDENT AUDITORS' REPORT**

To The Members of  
**INDIAN INSTITUTE OF INSURANCE SURVEYOR AND LOSS ASSESSOR**

**Report on the financial statements**

1. We have audited the attached financials statements of INDIAN INSTITUTE OF INSURANCE SURVEYOR AND LOSS ASSESSOR [Company/Institute], which comprise of balance sheet as at 31<sup>st</sup> March 2014 and the Income & Expenditure Account for the year ended on that date and a summary of significant accounting policies and their explanatory statement.

**Management's responsibility for the financial statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

3. Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5. We believe that the audit evidence we have obtained is sufficient and appropriate, *except for the matter referred in paragraph 6 of Basis for Disclaimer Opinion*, to provide a basis for our disclaimed audit opinion.

### ***Basis for Disclaimer Opinion***

6. *We draw attention to Note No.19 where it is mentioned that the transactions pertaining to all the chapters/zones of the Institute have not been incorporated in the accounts of the Institute, thereby the effect of which on the Assets, Liabilities and surplus could not be ascertained.*
7. *On verification of the travelling expenses and seminar expenses of the chapters we observed few photocopies of the bills/supportings were considered for accounting of expenses, the impact of the same on the surplus for the reporting could not be ascertained.*

### **Disclaimer Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us and *except for the effects of the matter described in basis of disclaimer opinion paragraph*, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
  - a. In the case of the balance sheet, of the state of affairs of the Institute as at 31 March 2014, and
  - b. In the case of the statement of Income & Expenditure, of the Surplus for the year ended on that date,

### **Emphasis of Matter**

9. Without qualifying our opinion, we draw attention to:

We draw attention to Note No. 11 regarding the subscription fees of the prior periods been recognized in the accounts of the reporting period.

### **Report on other legal and regulatory requirements**

10. In our opinion, since the company is licensed under section 25 of the Companies Act, 1956, the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act and the matters specified therein are not applicable to the company.

As required by section 227(3) of the Companies Act, 1956, we report that:

(a) *Except for the matters described in the basis for Disclaimer Opinion paragraph*, 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;

(b) *Except for the matters described in the basis for Disclaimer Opinion paragraph*, in our opinion, proper books of account as required by law have been kept by the Company so far as appear from our examination of those books *however proper returns adequate for the purposes of our audit have not been received from Chapters/Zones/Units of the Institute*;

(c) the Financial statements dealt with by this report are in agreement with the books of account;

(d) with reference to Section 133 of the Companies Act, 2013 which is effective from 12<sup>th</sup> September, 2013 and further with reference to MCA Circular No.16/2013 Dt.18.09.2013 in our opinion, the Financial Statements comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and

(e) On the basis of written representation received from the directors of the company as at 31<sup>st</sup> March, 2014 and taken on record by the board of directors, we report that no director is disqualified from being appointed as a director of the company under clause (g) of sub section (1) of the Section 274 of the Companies Act, 1956.

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm Reg No. 06377S



A handwritten signature in blue ink, appearing to read "S. Sinha".

SHARAD SINHA  
Partner  
M. No: 202692

Hyderabad, dated this  
5<sup>th</sup> day of December, 2014

**INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS**

(A Company Incorporated under Section 25 of Companies Act, 1956)

**Balance Sheet as at March 31, 2014**

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital		-	-
(b) Reserves and surplus	<b>3</b>	10,94,08,986	6,04,31,299
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	<b>4</b>	9,75,164	3,77,266
(d) Short-term provisions	<b>5</b>	46,94,750	19,59,988
<b>TOTAL</b>		<b>11,50,78,899</b>	<b>6,27,68,553</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible Assets	<b>6</b>	6,00,749	86,325
Intangible Assets		1,34,096	-
Capital Work - in - Progress		-	-
Intangible Assets under development		1,92,841	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	<b>7</b>	1,65,000	1,20,000
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	<b>8</b>	9,88,37,490	5,89,93,023
(e) Short-term loans and advances	<b>9</b>	12,12,972	12,12,972
(f) Other current assets	<b>10</b>	1,39,35,751	23,56,233
<b>TOTAL</b>		<b>11,50,78,899</b>	<b>6,27,68,553</b>
<b>Notes forming Integral part of accounts</b>	<b>1-20</b>		

As per our report of even date attached

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm Reg.No.006377S



*(Signature)*

**SHARAD SINHA**  
Partner  
M. No 202692

For and on behalf of the Board

*(Signature)*

**Nominee Director**

*(Signature)*

**Nominee Director**

Hyderabad, dated this 5th day of December 2014

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## Statement of Income & Expenditure For The Year Ended March 31, 2014

Particulars	Note No	2013-14	2012-13
I. Revenue from operations	<b>11</b>	2,50,49,868	77,05,766
II. Other income	<b>12</b>	55,01,323	11,49,348
<b>III. Total Revenue</b>		<b>3,05,51,191</b>	<b>88,55,114</b>
<b>IV. Expenses:</b>			
Employee benefits expense	<b>13</b>	8,06,423	7,17,687
Operation and Other Expenses	<b>14</b>	78,41,546	42,43,104
Finance Costs	<b>15</b>	3,562	2,281
Depreciation and amortization expense	<b>6</b>	93,133	14,994
<b>V. Total expenses</b>		<b>87,44,664</b>	<b>49,78,066</b>
<b>VI. Surplus before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,18,06,527</b>	<b>38,77,048</b>
VII. Exceptional items	<b>20</b>	12,11,810	-
<b>VIII. Surplus before extraordinary items and tax (V - VI)</b>		<b>2,05,94,717</b>	<b>38,77,048</b>
IX. Extraordinary Items		-	-
<b>X Surplus before tax (VII- VIII)</b>		<b>2,05,94,717</b>	<b>38,77,048</b>
<b>XI Tax expense:</b>			
(1) Current tax		27,80,124	11,50,452
(2) Deferred tax		-	-
<b>XII Surplus (Defecit) for the period from continuing operations (VII-VIII)</b>		<b>1,78,14,593</b>	<b>27,26,596</b>
XIII Surplus/(Defecit) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
<b>XV Surplus/(Defecit) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XVI Surplus (Defecit) for the period (XI + XIV)</b>		<b>1,78,14,593</b>	<b>27,26,596</b>
<b>Notes forming Integral part of accounts</b>	<b>1-20</b>		

As per our report of even date attached to the Balance Sheet

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm reg.No. 006377S



**SHARAD SINHA**  
Partner  
M. No 202692



For and on Behalf of Board of Directors



**Nominee Director**      **Nominee Director**

Hyderabad, dated this 5th day of December 2014

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. Company Overview

The Indian Institute of Insurance Surveyors and Loss Assessors (Institute) was incorporated on 01.10.2005 under section 25 of Companies Act, 1956 and was promoted by Insurance Regulatory and Development Authority (IRDA). The first elected council (Board of directors) consisting of President, Vice-President, Secretary and Treasurer was formed on 15.12.2007. The Institute has been incorporated to regulate the profession of the surveyors and Loss Assessors through education and training and to promote the profession amongst its members by upgrading their skills and knowledge as also to impart education and training to the aspirant Insurance Surveyors. The Institute presently caters to 8120 members across India through four zones and various chapters and 310 Student Members. There are no office bearers as at the balance sheet since elected council member's term has expired and the affairs are being managed by the nominee directors

### 2. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards as prescribed in the Companies (Accounting Standard) Rules, 2006 the provision of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

### 3. Significant Accounting Policies

#### i) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during reporting period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, provision for doubtful debts, further obligations under employee retirement benefit plans and estimated useful life of fixed assets actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

#### ii) Revenue Recognition

The Institute follows the Accrual system of accounting for recognizing expenditure and recognizing Subscription Fee and Interest Income on Fixed Deposits with Banks.

The amounts collected from the members on application towards Admission fees forms part of corpus Fund and Annual Membership subscription have been accounted as subscription. Amount collected from members towards seminar fees and the related expenses are reported as respective income and expense. Interest earned on earmarked investments (Bank Deposits) are credited directly to the Earmarked Funds.

#### iii) Fixed Assets

Fixed Assets of the Company are stated in the books of account and disclosed in annual accounts at Historical Cost, which includes incidental cost related to acquisition and installation.

#### iv) Depreciation

Depreciation on Fixed Assets is provided under the 'Straight Line Method' on 95% original cost of assets at the rates as derived under Schedule II of the Companies Act, 2013. There is a change in accounting estimate in this regard the details whereof is disclosed in Note 6

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### v) Impairment of Assets

In managements' opinion there had been no impairment in the value of the assets in terms of Accounting Standard-28 and that assets have the value equal to the amount at which they are stated.

### vi) Provisions

The company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date and adjusted to reflect management's current estimates.

### 3 - RESERVES & SURPLUS

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a. Corpus Fund</b>		
Opening balance	38,39,710	16,50,010
(+) Unappropriated Admission & Membership Fee	-	14,69,700
(+) Admission Fee Collection in current year	2,84,77,500	7,20,000
(-) Allocation to Building Fund	(8000000)	-
(-) Allocation to Training & Education Fund	(8000000)	-
(-) Allocation to Research Fund	(4000000)	-
Sub Total	1,23,17,210	38,39,710
<b>b. Building Fund</b>		
Opening balance	1,72,19,584	1,58,23,405
(+) Funds allocated during the year	80,00,000	-
(+) Interest on the above Funds	13,52,947	13,96,179
Sub total	2,65,72,531	1,72,19,584
<b>c. Training &amp; Education Fund</b>		
Opening balance	1,72,19,584	1,58,23,405
(+) Funds allocated during the year	80,00,000	-
(+) Interest on the above Funds	6,27,183	13,96,179
Sub total	2,58,46,767	1,72,19,584
<b>d. Research Fund</b>		
Opening balance	1,14,79,723	1,05,48,937
(+) Funds allocated during the year	40,00,000	-
(+) Interest on the above Funds	7,05,462	9,30,786
Sub total	1,61,85,185	1,14,79,723
<b>e. Surplus</b>		
Opening balance	1,06,72,700	79,46,102
(-) Funds Transferred to Specific Fund	0	0
(+) Excess of income over expenses for the current year	1,78,14,593	27,26,596
Sub Total	2,84,87,293	1,06,72,698
<b>Closing Balance</b>	<b>10,94,08,986</b>	<b>6,04,31,299</b>

f. Corpus funds represents admission collected and as decreased by funds allocated to earmarked funds



# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 4 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
Advance Members Subscription Fees	9,25,348	-
<b>Past and Present Directors</b>		
J P Singh	-	78,078
Ashok Kumar	49,816	92,480
Sanjay Supriya	-	63,782
Sunil Vora	-	66,154
Rakesh Soni	-	49,224
S K Agarwal	-	27,548
<b>Total</b>	<b>9,75,164</b>	<b>3,77,266</b>

a) The directors and council members are reimbursed for travel expenses incurred with respect to travel undertaken for the administrative purposes of the Institute. A sum of Rs: 49816 (Previous year Rs. 377266) is payable to the past directors against such travel undertaken.

### 5 - SHORT TERM PROVISIONS

Particulars	As at March 31, 2014	As at March 31, 2013
<b>(a)</b> Audit fee Payable	91,112	1,46,920
<b>(b)</b> Liability for Expenses	15,96,169	5,55,686
<b>(c)</b> TDS Payable	10,012	15,660
<b>(d)</b> Other Statutory Liability Payable	44,958	-
<b>(d)</b> Provision for Income Tax	29,52,499	12,41,722
<b>Total</b>	<b>46,94,750</b>	<b>19,59,988</b>

e. Liability for expenses include Rs 631164 payable towards expenses incurred at various Zones/chapters of the institute which has not been approved by the council.

f. Liability for expenses include Rs 408000 payable as rent towards office hired at ahmedabad

g. Provision for Income tax includes Rs 864012 related to financial year 2007-08 which was paid in the month of May, 2014

**INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS**

(A Company Incorporated under Section 25 of Companies Act, 1956)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**6 - FIXED ASSETS**

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
		As at April 1, 2013	Additions	Deletions/ Adjustments	Acquired through business combinations	Translation exchange difference	As at March 31st, 2014	As at April 1, 2013	Depreciation charge for the year	Translation exchange difference	Deletions/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
a	<b>Tangible Assets</b>													
	Furniture and Fixtures	-	1,83,062	-	-	-	1,83,062	-	5,909	-	-	5,909.00	1,77,153	-
	Computers		2,96,630	-	-	-	2,96,630		66,646	-	39,775	1,06,421	1,90,209	-
	Office Equipment	1,26,100	1,07,933	1,26,100.00			1,07,933	39,775	7,698	-	39,775	7,698	1,00,235	86,325
	Electrical Installation	-	1,45,790				1,45,790		12,638	-		12,638	1,33,152	-
	<b>Total</b>	<b>1,26,100</b>	<b>7,33,415</b>	<b>1,26,100</b>	<b>-</b>	<b>-</b>	<b>7,33,415</b>	<b>39,775</b>	<b>92,891</b>	<b>-</b>	<b>79,550</b>	<b>1,32,666</b>	<b>6,00,749</b>	<b>86,325</b>
b	<b>Intangible Assets</b>													
	Software	-	1,38,270				1,38,270		4,174	-	-	4,174	1,34,096	-
	<b>Total</b>	<b>-</b>	<b>1,38,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,38,270</b>	<b>-</b>	<b>4,174</b>	<b>-</b>	<b>-</b>	<b>4,174</b>	<b>1,34,096</b>	<b>-</b>
c	Intangible Assets under Development	-	1,92,841				1,92,841		-	-	-	-	1,92,841	-
	<b>Total</b>	<b>0</b>	<b>1,92,841</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,92,841</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,92,841</b>	<b>0</b>
	<b>Grand Total</b>	<b>1,26,100</b>	<b>10,64,526</b>	<b>1,26,100</b>	<b>0</b>	<b>0</b>	<b>10,64,526</b>	<b>39,775</b>	<b>97,065</b>	<b>0</b>	<b>79,550</b>	<b>1,36,840</b>	<b>9,27,686</b>	<b>86,325</b>

<b>Grand Total previous year</b>	45,000	81,100	-	-	-	1,26,100	24,781	14,994	-	-	39,775	86,325	20,219
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d	Balance as at April 1, 2014 pertaining to office equipment has been transferred to computers and IT equipments
e	Computers with original cost of Rs 45000 has been disclosed at nominal value of 5% on the original cost. As these computers are not in use, the same needs to be scrapped which requires the council approval
f	One Computer is being used for purpose of the development of the intangible asset thus the depreciation of Rs 3932 has been capitalised to intangible assets under development after withdrawing from the computers
g	The company had changed the basis of estimate in determining the useful life of the asset. The effect of such change resulted in excess charge of depreciation by Rs 37291. This change was brought about keeping in view of the substantial enactment of Companies Act, 2013 at the time of finalisation of these accounts

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 7 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured, considered good</b>		
Rent Deposit	1,65,000	1,20,000
Less: Provision	-	-
<b>Total</b>	<b>1,65,000</b>	<b>1,20,000</b>

### 8 - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Cash and Cash Equivalents</b>		
<b>(i) Balances with banks</b>		
In Savings Accounts	6437243	9051371
In Fixed deposits	32400000	49934403
In Earmarked Fixed deposits	60000000	0
<b>(ii) Cash on hand</b>	247	7250
<b>(iii) Bank Balances in Other Accounts</b>	0	0
<b>Total</b>	<b>98837490</b>	<b>58993024</b>

iv) Earmarked Deposits include the below mentioned

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a. Towards Building Fund held with</b>		
State Bank of Hyderabad		
FD No - 62283347437	7500000	7500000
FD No - 62283347878	7500000	7500000
Central Bank of India		
FD No - 3330396721	8000000	0
Sub Total	23000000	15000000
<b>b. Towards Training and Education Fund held with</b>		
State Bank of Hyderabad		
FD No - 62314716620	5000000	5000000
FD No - 62314717341	10000000	10000000
Central Bank of India		
FD No - 3330396426	8000000	0
Sub Total	23000000	15000000
<b>c. Towards Research Fund held with</b>		
State Bank of Hyderabad		
FD No - 62290036033	2500000	2500000
FD No - 62314717341	2500000	2500000
Axis Bank		
FD No - 913040030694722	5000000	5000000
Central Bank of India		
FD No - 3330396426	4000000	0
Sub Total	14000000	10000000
<b>Total (A+B+C)</b>	<b>14000247</b>	<b>10007250</b>

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 9 - SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a. Unsecured, Considered good</b>		
Loans & Advances to related parties	598822	598822
Loans & Advances to Zones/Chapters	486627	486627
Other Loans & Advances	127523	127523
<b>Total</b>	<b>1212972</b>	<b>1212972</b>

### b. Loans & advances to related parties includes

Particulars	As at March 31, 2014	As at March 31, 2013
<b>(i) Unsecured</b>		
Past Directors of the Company	598822	598822
<b>Total</b>	<b>598822</b>	<b>598822</b>

c. Funds paid to or vested with the past directors in the previous accounting periods or in the current accounting periods with respect to which details have not yet been furnished or received or where details have not been made available in spite of requests by the administration, have been recorded as receivables. The Board has taken fresh initiatives to obtain the details with respect to the application of these funds or to recover these funds back.

d. Rs.127523 is recoverable from Mr. Arun V A, Chennai, a member of the institute on account of expenses incurred by him in connection with the AGM of the Institute during Feb'13. In the absence of Expense details and supporting vouchers, payments made to him is carried in the books as advance

e. In the absence of details and expense vouchers, advances to chapters/zones has not been charged to income and expenditure statement and carried as advances

### 10 - OTHER CURRENT ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
Interest Accrued on fixed deposits	81,12,012	21,83,115
TDS Receivable 2010-11	1,73,118	1,73,118
Subscription Receivable	51,17,152	-
Prepaid Expenses	5,33,469	-
<b>Total</b>	<b>1,39,35,751</b>	<b>23,56,233</b>

### 11 - REVENUE FROM OPERATIONS

Particulars	2013-14	2012-13
Subscription Fee	2,11,21,458	6934466
Seminar fee	34,42,910	771300
Students Members Enrolment fee	2,05,500	0
Re-admission fees	2,80,000	0
<b>Total</b>	<b>2,50,49,868</b>	<b>7705766</b>

The Subscription fee for 2013-14 includes Rs 8299458 pertaining to prior periods and not recognised in books since Member's Register/Record were not in updated status prior to the reporting period.

Re-admission fees is in the nature of penalty, hence they have been treated as revenue

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 12 - OTHER INCOME

Particulars	2013-14	2012-13
<b>Interest Income</b>		
Interest from bank deposits	80,12,676	4377563
Revenue Subsidy	-	450000
Other income	1,74,238	44930
<b>Sub total</b>	<b>81,86,915</b>	<b>4872493</b>
Less: Interest from Earmarked investment transfer to corpus fund	26,85,592	3723145
<b>Total</b>	<b>55,01,323</b>	<b>1149348</b>

#### Details of Interest Income

Particulars	As at March 31, 2014	As at March 31, 2013
Union Bank Of India	13,56,077	1049504
Central Bank of India	19,91,108	0
ICICI Bank	-	1005648
Axis Bank	5,03,033	0
Syndicate Bank	11,69,450	93857
State Bank of Hyderabad	18,96,629	0
Interest on savings bank account	10,96,379	129388

### 13 - EMPLOYEE BENEFIT EXPENSE

Particulars	2013-14	2012-13
Salaries and incentives	7,60,342	696095
Staff Welfare	46,081	21592
Gratuity	-	0
<b>Total</b>	<b>8,06,423</b>	<b>717687</b>

### 14 - OPERATION & OTHER EXPENSES

Particulars	2013-14	2012-13
Administrative Office Rent	3,11,112	246400
Ahmedabad Office Rent	1,44,000	144000
<b>Repairs &amp; Maintenance</b>		
- Office Equipments	60,141	6000
- Office	55,488	35931
Rates & Taxes	99,540	86529
Advertisement	21,903	9340
	370	1200
News Papers & Periodics		
Worshops, Seminars & Training Expenses	41,04,101	1585693
Consumer Awareness Expenses	15,000	15000
Insurance Premium for members PA Group Insurance	5,20,000	0
Telephone & Communication Expenses	17,249	43441
Travelling Expenses	8,43,439	826467
Election Expenses(Zonal & Chapter Elections-2014)	1,84,311	0

Electricity Expenses

78,145

20717

## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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### NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	2013-14	2012-13
AGM Expenses	6,17,956	392143
Legal Exp	10,500	31000
General & Misc Expenses	1,61,407	44667
Postage & Courier	83,072	17557
Printing & Stationery	2,85,378	35600
Professional Charges	1,11,968	596905
Interest on Tds	9,003	3390
<b>Payments to the auditor as</b>		
auditor	60,000	50000
for tax matters	30,000	40000
for Service tax on audit fee,	11,124	11124
Reimbursement of Expenses	6,339	0
<b>Total</b>	<b>78,41,546</b>	<b>42,43,104</b>

#### 15 - FINANCE COSTS

Particulars	2013-14	2012-13
Bank Charges	3,562	2281
<b>Total</b>	<b>3,562</b>	<b>2281</b>

**16.** Previous Figures are regrouped & rearranged so as to make them comparable with that of the current year where ever considered necessary.

**17.** Under the directives of the High Court, Ahemdabad pronounced on July 24,2012 , the IRDA had been empowered to take possession of all the records of the Institute said to have been retained by the previous office bearers at the Administrative Office at Ahemdabad. Unfortunately, several important records and documents (including the Fixed Deposit Receipts) were missing from the administrative office and could not be recovered in entirety.

The accounts for the pevious year (Untill 30.06.2012) have been drawn up based on such records and documents as had been recovered by the IRDA and possessed by the Institute from the IRDA. Many of the vouchers were found to be short of appropriate recording or supports. Many payments traced from bank statements retrieved by the administration from the Institutes bankers, had been effected by the then management without appropriate supporting bills, invoice and vouchers. These payments and expenses have been accounted on a presumptive basis, based on the identification and analysis of the nature of such payments or the entities to whom the payments had been effected. Accordingly, some errors and omissions may have crept into accounts drawn up for the year in consequence of absence of or on account of inadequacy of vouchers, bills, invoices or other supporting data. The board is however confident that the in spite of the possibility of some errors in accounting expenses under appropriate heads, the accounts do not distort from presenting a true and fair picture of the state of the financial affairs of the Institute and that the accounts presented are free from any material misstatements.

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(A Company Incorporated under Section 25 of Companies Act, 1956)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**18.** The Management has consulted experts and has been advised that as it has been registered as a Company for promotion of Education and Training (otherwise than conduct of business for profit) under Section 25 of the Companies Act, 1956, it would be treated as a Mutual Organisation and will not be liable to tax on annual subscriptions collected from members, so far as it pursues its main objectives. It would however, need to tender tax on the earning of interest. Accordingly, a provision for tax has been made in the accounts only on interest earnings for the year.

It is pertinent note here that the Institute's application with the Tax Authorities for exemption under Section 12A and 80G of the Income Tax Act, 1961 has not been approved on accounts of the delays in filing of accounts, various compliances under the Companies Act and the failure to apply its income for the primary objectives of the Institute. Management expects to ensure compliance in near future and re-approach the Income Tax Department to get these approvals once the full elected council is in place.

**19.** The Zones, Chapters and Units were served with notices to submit accounts for the monies entrusted to them for the purposes of the activities of Institute or collected by them on behalf of the Institute. Unfortunately, except for a few of the Zones and Chapters, most have failed to submit any accounts. Consequently, the accounts of the Institute as presented, do not include transactions, receipts, payments and of Assets and Liabilities of the Zones/Chapters/Units under Audit. This was also true of the previous accounting years.

**20.** Exceptional item represents interest on income tax pertaining to financial years 2011-12 and 2012-13 determined and paid during the reporting period but not accounted in respective years Rs.347798 and Rs.864012 towards income tax demand for the year 2007-08. In this connection it is pertinent to note that Income Tax Authorities have re-opened the assessment for the year 2006-07 (Assessment Year 2007-08) and the matter is presently undergoing case hearings. Management has been advised that there would not be any further tax liability however interest on tax may arise for that year. Similarly, it is anticipated that tax authorities may re-open assessment for the years 2008-09 to 2011-12 and there could be tax outgo equivalent to tax on interest earnings of the respective years as also the interest for such delayed payments, which presently cannot be quantified.

**As per our report of even date attached to the Balance Sheet**

for SHARAD & ASSOCIATES  
Chartered Accountants  
Firm reg.No. 006377S



SHARAD SINHA  
Partner  
M. No .202692

Hyderabad, dated this 5th day of December, 2014

**For and on behalf of the Board**



Nominee Director



Nominee Director