

# ANNUAL REPORT 2020-21



## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

Registered Office: 6-1-73, Office No. 104 & 106, First Floor,  
Saeed Plaza, Lakdi ka Pul, Hyderabad-500004(T.S)

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

**CIN: U80902TG2005NPL047675**

**Registered Office: 6-1-73, Office No. 104 & 106, First Floor,  
Saeed Plaza, Lakdikapul Hyderabad 500004, Telangana, India.**

**E-mail: [admin@iiisla.co.in](mailto:admin@iiisla.co.in); Website: <http://www.iiisla.co.in/>**

**Tel: 040- 23261072/73**

**NOTICE**

Notice is hereby given that the **13<sup>th</sup> Annual General Meeting (AGM)** of the Members of **M/s. INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS** will be held on **Monday, 27<sup>th</sup> December, 2021 at 11: 00 A.M** at Hotel Best Western Ashoka Near Metro Station 6-1, 70, Lakdikapul Road, near to Lakdikapul, Hyderabad, Telangana 500004 and also through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') to transact the following business:

**ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the notes attached thereto, along with Reports of the Board of Directors and Auditors thereon.**
- 2. \*To appoint a Director in place of Mr. Rahul Narayanrao Jadhav (DIN: 07102203), who retires by rotation through Election process.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act 2013 ("The Act"), read with Companies (Appointment and Qualification of Directors) Rules 2014, (including any statutory modifications or re-enactments thereof) and subject to the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby expressly accorded not to fill the vacancy of the retiring Director i.e., Mr. Rahul Narayanrao Jadhav (DIN: 07102203) in this 13<sup>th</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Regulation and Procedure for Conduct of Election to the Council (RPCEC Regulations) and the 13<sup>th</sup> Election Notification issued by the Election Officer appointed by IRDAI, such vacant position of the retiring Director i.e., Mr. Rahul Narayanrao Jadhav shall be filled through 13<sup>th</sup> Central Council Election process."

**RESOLVED FURTHER THAT** the Council of the Company be and is hereby authorized to file the relevant documents with the Registrar of Companies, Telangana and to do all such acts and deeds as may be deemed expedient and necessary to give effect to this resolution.”

3. **\*To appoint a Director in place of Mr. Alandur Ramachandran Ramesh (DIN: 07108267), who retires by rotation through Election Process.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act 2013 (“The Act”), read with Companies (Appointment and Qualification of Directors) Rules 2014, (including any statutory modifications or re-enactments thereof) and subject to the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby expressly accorded not to fill the vacancy of the retiring Director i.e, **Mr. Alandur Ramachandran Ramesh (DIN: 07108267)**, in this 13<sup>th</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Regulation and Procedure for Conduct of Election to the Council (RPCEC Regulations) and the 13<sup>th</sup> Election Notification issued by the Election Officer appointed by IRDAI, such vacant position of the retiring Director Mr. Alandur Ramachandran shall be filled through 13<sup>th</sup> Central Council Election process.

**FURTHER RESOLVED THAT** the Council of the Company be and is hereby authorized to file the relevant documents with the Registrar of Companies, Telangana and to do all such acts and deeds as may be deemed expedient and necessary to give effect to this resolution.”

4. **\*To appoint Director in place of Mr. Rajnish Gunvantrai Desai (DIN: 08517722), who retires by rotation through Election Process.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act 2013 (“The Act”), read with Companies (Appointment and Qualification of Directors) Rules 2014, (including any statutory modifications or re-enactments thereof) and subject to the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby expressly accorded not to fill the vacancy of the retiring Director i.e, **Mr. Rajnish Gunvantrai Desai (DIN: 08517722)** in the 13<sup>th</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Regulation and Procedure for Conduct of Election to the Council (RPCEC Regulations) and the 13<sup>th</sup> Election Notification issued by the Election Officer appointed by IRDAI, such vacant position of the retiring Director i.e, Mr. Rajnish Gunvantrai Desai shall be filled through 13<sup>th</sup> Central Council Election process.

**FURTHER RESOLVED THAT** the Council of the Company be and is hereby authorized to file the relevant documents with the Registrar of Companies, Telangana and to do all such acts and deeds as may be deemed expedient and necessary to give effect to this resolution.”

5. **\*To appoint Director in place of Late Shri D. C. S. Raju (DIN: 02629173), who retires by rotation through Election Process.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act 2013 (“The Act”), read with Companies (Appointment and Qualification of Directors) Rules 2014, (including any statutory modifications or re-enactments thereof) and subject to the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby expressly accorded not to fill the vacant position of the Director whose office retired through rotation i.e, **Late Shri D. C. S. Raju (DIN: 02629173)** in the 13<sup>th</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Regulation and Procedure for Conduct of Election to the Council (RPCEC Regulations) and the 13<sup>th</sup> Election Notification issued by the Election Officer appointed by IRDAI, such vacant position shall be filled through 13<sup>th</sup> Central Council Election process.

**FURTHER RESOLVED THAT** the Council of the Company be and is hereby authorized to file the relevant documents with the Registrar of Companies, Telangana and to do all such acts and deeds as may be deemed expedient and necessary to give effect to this resolution.”

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

S/d-  
**AJAY GIRDHAR**

**Director**

**DIN: 08517361**

A2/25 JeevanJyoti Apartments, Pitampura,  
North West Delhi, New Delhi- 110034, India.

**Place: Hyderabad**

**Date: 04<sup>th</sup> December, 2021**

## NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars'), the MCA has permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, it has been decided to convene the 13<sup>th</sup> Annual General Meeting ('AGM') of the Company through both the modes i.e., through physical mode and through VC/OAVM facility on Monday, 27<sup>th</sup> December, 2021 at 11: 00 A.M (IST).

### 2. \*Notes to Item No. 2 to 5:

Pursuant to the Article 49(a) of Articles of Association (AOA) of the Company and in pursuance of the "Regulations & Procedure for the Conduct of Elections to the Council" (RPCEC/IIISLA) of the IIISLA, the Insurance Regulatory and Development Authority of India ('IRDAI') has appointed Ms. Nimisha Srivastava as the Election Officer for conducting the election of Council Members to the IIISLA Central Council.

As per the RPCEC Regulations, the Election Officer shall determine by lot the 2/3<sup>rd</sup> of the Council Members excluding the Nominee Directors whose offices are subject to retire by rotation. The Members so elected by the Election Officer, within a period of 3 days from the date of lot, shall decide 50% i.e. 4 Members who shall retire this year.

In this regard, Mr. Devanathan through draw of lots has identified the names of the 2/3<sup>rd</sup> of the Council Members i.e 8 Council Members whose offices are subject to retire by rotation. Further, those 8 identified Members have identified the names of 4 Council Members whose offices are liable to retire by rotation this year.

The name of the 4 Council Members whose offices are liable to retire by rotation this year as follows:

- a) Mr. Rahul Narayanrao Jadhav
- b) Mr. Alandur Ramachandran Ramesh
- c) Mr. Rajnish Gunvantraai Desai
- d) Late Shri D. C. S. Raju (Deceased Member).

In this regard, the Election Officer has issued an Election Notification for the 13<sup>th</sup> Council Election of IISLA on 27<sup>th</sup> October, 2021 to conduct the election to fill the offices of the 4 retiring Directors.

As per the provisions of the Companies Act, 2013 and the rules made thereunder, 1/3<sup>rd</sup> of the Directors shall retire in this AGM, But the voting of the 13<sup>th</sup> CC Election is scheduled to be held after the 13<sup>th</sup> Annual General Meeting, therefore the persons who shall be appointed in place of the retiring Directors cannot be ascertained.

Therefore, in this regard, it is necessary that the Members in the AGM shall expressly resolved not to re-appoint the retiring Directors and to pass the resolution to appoint a person in order to fill the such vacant position through 13<sup>th</sup> Central Council Election undertaken by the election officer.

The winning candidates of the 13<sup>th</sup> CC Elections shall be appointed on the Council in accordance with the provisions of the Articles of Association of the Company and the Companies Act, 2013.

3. Since, the AGM is being held through both the modes i.e. Physical mode and VC/OAVM, the Attendance Slip and the Route map of the AGM venue is annexed with this Notice.
4. Every member shall have one vote on each resolution subject to Articles of Association of the Company.
5. The statutory registers as stipulated under the Act will be available for inspection during the AGM.
6. All Documents referred to in the accompanying notice are open for inspection at the registered office of the company up to the date of the Annual General Meeting.
7. Member who intends to attend the AGM physically are required to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. In compliance with the aforesaid MCA Circulars, the Notice of the AGM along with the Annual Report 2020-21 is sent through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website viz. <https://www.iiisla.co.in/> and the E-Voting Agency.
9. Members who have not yet registered their email addresses are requested to register the same by providing their name, Membership Number, e-mail id to receive the notice calling AGM, Annual Report & other documents permissible to be sent through electronic mode, by sending e-mail to [admin@iiisla.co.in](mailto:admin@iiisla.co.in) (Mr. Unni Anand, Admin).



10. Members may send their queries, if any, on the financial statements/operations of the Company at admin@iiiisla.co.in, at least 7 days before the meeting, so that the information can be compiled in advance. The same will be replied by the company suitably.
11. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Members are provided with the facility to cast their vote on all items/ resolutions set forth in this Notice, through e-voting on NSDL's e-voting platform.
12. Members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. Those Members, who will be attending the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
14. Those Members, who will be attending the AGM physically at the Venue and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system or ballot/ polling papers during the AGM.
15. Persons whose name appears in the Register of Member (List of Good Standing Members) as on Saturday, 04<sup>th</sup> December, 2021 (cut-off date) shall be entitled to vote by way of e-voting on the date of AGM and remote e-voting on the Resolution(s) set forth in this Notice. Any person who is not a member as on the above cut-off date should treat this Notice for information purpose only.
16. The remote e-voting facility will be available during the following period:

<b>Date and Time of Commencement of Remote E-Voting</b>	<b>From 09:00 am (Server Time) on Friday, 24<sup>th</sup> December, 2021</b>
<b>Date and Time of Conclusion of Remote E-Voting</b>	<b>Up to 05:00 pm (Server Time) on Sunday, 26<sup>th</sup> December, 2021</b>

**Note:** Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

17. The Board of Directors (Council Members) has appointed **Shri R. Ramakrishna Gupta, a Company Secretary in practice (C.P. No. 5523)** as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutinizer shall, after conclusion of voting at the AGM, count the votes cast at the meeting. Thereafter, he will unblock the votes cast through remote e-voting and e-voting during the AGM in the presence of at least two witnesses not in the

employment of the Company and make, not later than 3 days from the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the resolution(s) has/have been carried or not, to the Chairperson or any other person authorised by Chairperson in writing, who shall countersign the same and declare the result of the voting.

19. The result of voting along with the scrutinizers' report shall be placed on the website of the Company viz. <https://www.iisla.co.in/> and on NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
20. The resolutions shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolution(s).
21. Members are requested to carefully read the "**Procedure and Instructions for remote e-voting**" given below.

<b>The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:</b>
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<b>Step 1: Log-in to NSDL e-Voting system at <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></b>
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<b>Step 2: Cast your vote electronically on NSDL e-Voting system.</b>
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**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

- a) Visit the e-Voting website of NSDL. Open web browser by typing the URL <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile;
- b) Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders/ Members' section.
- c) After clicking on the 'Login' which is available under 'Shareholders/Members' section, a new screen will open. You are required to enter the login credentials (i.e. User ID and password) as received on the mail-id registered with the Company from NSDL. After entering these details appropriately, click on 'LOGIN.'
- d) On successful login, the system will prompt you to change password on first login. Further, User shall select the "Security Question" from the drop down list and enter the answer in "Answer" field. This security question shall be used in case user forgets the password. An email shall be sent to the email id registered with the E-voting platform, click on "Confirm" button as shown below.

**Note:** You are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).

Example: Notice@1234

- e) Up on the successful change of Password, the system will prompt you to the new screen for remote e-voting.
- f) Now you are ready for remote e-voting.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL E-Voting system?**

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) User may select the e-voting cycle for voting by clicking on the hyperlink of "EVEN" (Electronic Voting Event Number) as shown below. Kindly, select the "EVEN" i.e., 'Indian Institute of Insurance Surveyors and Loss Assessors'
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e. assent or dissent and click on "Submit" and also "Confirm" when prompted.
- e) Upon confirmation, the message "Vote cast successfully" will be displayed.
- f) Once you confirm your vote, you will not be allowed to modify your vote.
- g) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) In case of any queries, you may call on toll free no: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**INSTRUCTIONS FOR E-VOTING ON THE DAY OF THE AGM FOR THE MEMBERS WHO ARE ATTENDING THE MEETING THROUGH VC/OAVM FACILITY ARE AS UNDER:**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

- b) Only those Members/ shareholders, who will be attending the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**INSTRUCTIONS FOR VOTING ON THE DAY OF THE AGM FOR THE MEMBERS WHO ARE ATTENDING THE MEETING PHYSICALLY AT THE VENUE ARE AS UNDER:**

- a) Only those Members/ shareholders, who will be attending the AGM physically at the Venue and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system or Ballot/Polling papers as provided in the AGM.
- b) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- c) Members who will be attending the AGM physically at the Venue are compulsory required to adhere to COVID-19 guidelines issued by the relevant authorities.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com/> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b) The facility for joining the Meeting will be kept open at least 15 minutes before the time scheduled for the Meeting and shall not be closed till the expiry of 15 minutes after the Scheduled time of Meeting.
- c) This facility shall be available to the 1000 Members to participate on a first-come-first served basis.
- d) Members are encouraged to join the Meeting through Laptops for better

experience.

- e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Shareholders who would like to express their views/have questions on the financial statements/operations of the Company may send their queries at [admin@iisla.co.in](mailto:admin@iisla.co.in) at least 7 days before the meeting, so that the information can be compiled in advance. The same will be replied by the company suitably.
- h) In case of any queries, you may call on toll free no: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**IN CASE YOU HAVE NOT RECEIVED USER-ID OR PASSWORD FROM NSDL:**

In case you have not received user-id or password from NSDL, you can alternatively use OTP based log-in on <https://www.evoting.nsdl.com> (Under Shareholder/Member Login)

**User-Id will be as follows:**

**User ID: EVEN No + Membership No (Without using slash '/')**

**For Example:** If your Membership is A/S/12345 and EVEN for the AGM is 101010

Then the user-id will be: 101010AS12345

**Note:** EVEN No of the 13<sup>th</sup> Annual General Meeting will be available on the website of the IISLA.

Select log in type as OTP and follow the instructions and proceed. The OTP will be sent to your registered Mobile Number and E-Mail, using the OTP received you can log-in and cast your vote.

For any queries or issues relating to e-voting, the Members may write the same to the following from the e-mail id registered with the Company (IISLA) only:

**NSDL Helpdesk at Tel No. (Toll Free) 1800-222-990**

**E-Mail Us at: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**

**Note:**

Any query or issues written from the mail-id other than registered mail-id shall not be entertained and addressed. Company or E-voting Agency shall not be held responsible

**ATTENDANCE SLIP**

**13<sup>th</sup> Annual General Meeting held on Monday, 27<sup>th</sup> December, 2021 at 11:00 A.M.**

<b>DATE</b>	Monday, 27 <sup>th</sup> December, 2021	<b>TIME</b>	11:00 A.M
<b>VENUE :</b> Hotel Best Western Ashoka Near Metro Station 6-1, 70, Lakdikapul Road, near to Lakdikapul, Hyderabad, Telangana 500004			

Regd. Folio/Membership No	
(If not dematerialized)	
Name of the Shareholder/Member	
Number of Shares	NA

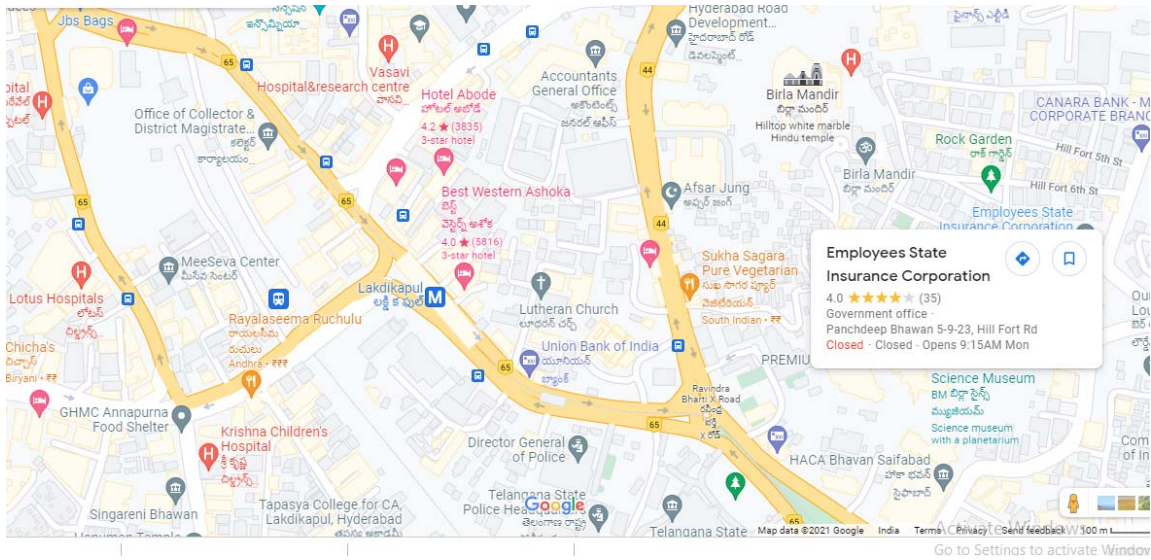
I hereby record my presence at the 13<sup>th</sup> Annual General Meeting of the Company on **Monday, 27<sup>th</sup> December, 2021 at 11:00 A.M** at Hotel Best Western Ashoka Near Metro Station 6-1, 70, Lakdikapul Road, near to Lakdikapul, Hyderabad, Telangana 500004.

Name of the Member

Signature of the Member

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

## ROUTE MAP:



**Venue:** Hotel Best Western Ashoka Near Metro Station 6-1, 70, Lakdikapul Road, near to Lakdikapul, Hyderabad, Telangana 500004.



## BOARD'S REPORT

To  
The Members,  
**M/s. Indian Institute of Insurance Surveyors and Loss Assessors.**

Your Directors take the pleasure of presenting the Annual Report and Audited Accounts for the financial year ended on 31<sup>st</sup> March 2021.

### **1. STATEMENT OF AFFAIRS**

The company's financial performance for the financial year ended 31<sup>st</sup> March, 2021 is summarized as below:

<b>PARTICULARS</b>	<b>As on 31<sup>st</sup> March, 2021 (Amount in Rs.)</b>	<b>As on 31<sup>st</sup> March, 2020 (Amount in Rs.)</b>
Revenue from Operations	1,46,11,439	1,60,12,989
Other Income	28,31,212	31,94,340
<b>Total Revenue</b>	<b>1,74,42,651</b>	<b>1,92,07,329</b>
<b>Total Expenses</b>	<b>1,74,34,001</b>	<b>1,62,56,463</b>
Extraordinary Items	-	-
<b>Surplus/(Deficit) before tax</b>	<b>8,650</b>	<b>29,50,866</b>
Less: Current Tax	3,24,284	7,19,871
Deferred Tax	--	--
<b>Surplus/(Deficit) after Tax</b>	<b>(3,15,634)</b>	<b>22,30,995</b>

### **2. FINANCIAL HIGHLIGHTS**

During the year, the revenue from operations of the Company is **Rs. 1,46,11,439** as against **Rs. 1,60,12,989** during the previous year. The total expenditure during the last financial year was at **Rs. 1,62,56,463** against **Rs. 1,74,34,001** during the year. The Surplus after tax during the last financial year was **Rs. 22,30,995** as against deficit of **Rs. (3,15,634)** during the year.

### **3. REVIEW OF OPERATIONS AND FUTURE PROSPECTS:**

Your directors have taken up to streamline the process of Membership Induction, Training, and Upgradation. Standardization of Survey practice and reporting system across the insurers is another topic on priority, which shall be adopted by all our members in their professional duties.

In the view of recent amended survey Regulations 2020, for the better understanding of the process of becoming a surveyor, the institute has been involved in developing a protocol flowchart for applicant that will be available in the website for the smooth entry in the field of surveyor & loss Assessors.

For better prospectus in the profession, we are fighting against violation of 64 UM, by in house surveyors, through legal platform.

Annual Subscription needs to be cleared by end of June every year; and any outstanding by 30<sup>th</sup> June of that year shall attract removal from the Membership Register. Re-admission would be allowed, on payment of readmission charges and other criterion being fulfilled, as decided by the Central Council from time to time. Efforts have been made to identify the pending subscription for more years, and action is initiated to remove such members from the Membership Register. Such action is necessary on a year-to-year basis, as otherwise IISLA will have to incur Tax liability on unrealized subscription payments also.

Continuous Professional Development (CPD) shall be mandatory for each and every year for a certain amount of hours / number of seminars. To facilitate affordable training sessions, members will be encouraged / are required to participate in webinars', on an appointed day and time every month. This year we conducted 50 webinar platform which had helped many surveyors to update their knowledge. The LMS platform promised during last year was implemented successfully and the same was used for the webinar all through the year.

Your directors have initiated the process of interaction with the Regulator and also Insurers. The purpose and aim of such meetings are to provide solutions to the industry, in the loss assessment area; such that the policy holders' interests are protected in the true sense. The need for the SLA to be independent is emphasized has been effectively put forth, to the stake holders and efforts are on for a workable solution; in the best interests of the profession as well as Industry. This has been our focus area to adhere to the regulators guidelines in protecting the Policy holders interest. We shall strive to protect the same and bring up gradation in service levels.

Your directors are interested in improving the image of IISLA, and enhancing the brand image of SLA, as a true professional in the General Insurance Industry. The essential part of such exercise is to improve visibility of the Institution and its interaction with various stakeholders in the industry. The decision taken to go with a contemplated Registered Office was held due to the Pandemic situation.

Benevolent Fund Scheme was operational during the financial year under review and total 21 claims against the death of members were settled and 05 claims against the Critical illness of members were settled.

### Operations:

A total of 426 new memberships and 537 student memberships were issued in the year and 775 members have been upgraded from Associate members to Fellow members and 357 members have been upgraded from Licentiate to Associate. The list of activities with regard to operations is as below.

<b>Membership Details up to the year 2020-21</b>				
<b>Description</b>	<b>Licentiate</b>	<b>Associate</b>	<b>Fellow</b>	<b>Total</b>
Total Members as on 31.03.2020	2,689	4,720	2,954	10,363
New Members added during the year(Add)	426	-	-	426
Members upgraded to Fellow in 2020-21	-2	-775	777	0
Members upgraded to Associate in 2020-21	-357	357	0	0
Members Degraded from Fellow to Associate in 2020-21	-	-	-	-
Members Degraded from Associate to Licentiate in 2020-21	-	-	-	-
Members Degraded from Fellow to Licentiate in 2020-21	-	-	-	-
<b>Total Members as on 31.03.2021</b>	<b>2,756</b>	<b>4,302</b>	<b>3,731</b>	<b>10,789</b>
Exits (Expired/ discontinued/retired members/Employee members/Inactive)				-1841
<b>Total Active Members</b>				<b>8,948</b>

<b>Student Membership Details</b>	
No. of Student Membership granted as on 31-03-2021	537

### Members Welfare:

The Group Personal Accident policy was renewed in the month of September, 2020 covering more members with maximum allowable discount in premium from The Oriental Insurance Company Limited for a sum assured of Rs. 30,00,000.00 for the benefit of all the members. The details of the policy were made available on the website. Admin Office extends its support and guides the claimants as when the need arises and in following- up with the insurance company for early settlement of claims.

### Trainings/Workshops/ Seminars:

Though no offline training could be imparted in 20-21, efforts were made to bring in

professionalism. For gaining knowledge we were conducting webinars through online platform.

### **Statutory Demand Notices**

During the Financial Year 2017-18, due to non-registration/payment of service tax, the Service Tax Department has initiated action against the Institute and after the Balance Sheet date, a demand of Rs. 2.35 Crores was imposed on the Institute. However, the issue is still under process.

### **Matter of Emphasis:**

This is to inform the Members of the Council that M/s. Anandam & Co, Chartered Accountants had performed a Compliance Audit of the Company for the Financial Year 2018-19 and 2019-20 and has issued its Compliance Report dated 12<sup>th</sup> April, 2021.

The said Auditors in its Report at Para 1.4 mentions that Bank Account 068601000047727 and 068601000004022 in the name of the Indian Institute of Insurance Surveyors and Loss Assessors in the Bank of Baroda at Pusa Road, Rajendra Place, New Delhi are unauthorizedly operated under the signature of Mr. Lalit Gupta, Mr. J.C. Joshi and L.C Maurya.

Show cause notices had been issued to the signatories namely Mr. Lalit Gupta, JC Joshi, Mr. Mourya in this matter but no reply received from Mr. JC Joshi and Mr. Mourya. Mr. Lalit Gupta replied asking for time to reply but till date did not reply properly. However, a police complaint is lodged in Delhi Police station in June 2020.

## **4. EXTRACT OF ANNUAL RETURN**

As required, pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, every company shall place the copy of annual return on the website of the Company, if any and shall provide the web-link of the same in this report.

Since, the Company has a website the copy of the Annual return in Form MGT-7 is uploaded on the website of the Company and the weblink of the same is <https://www.iiisla.co.in/>.

## **5. DIVIDEND**

As the company is a non-profit organization, it is not allowed to propose or declare any dividend under Section 8 of the Companies Act, 2013.

## **6. TRANSFER TO RESERVES**

The directors are not proposing to transfer any amount to reserves during the financial year under review.

## **7. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2020-21, there were 5 Meetings held as per the section 173 of the Companies Act, 2013. The following are the dates on which the Board Meetings were held are:

1. 10<sup>th</sup> August, 2020
2. 27<sup>th</sup> November, 2020
3. 28<sup>th</sup> December, 2020
4. 18<sup>th</sup> January, 2021
5. 03<sup>rd</sup> March, 2021

**Note:** None of the above-Board Meetings were held on National Holidays.

## **8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013**

The aforementioned provisions are not applicable to the company during the financial year 2020-21.

## **9. OPINION OF THE BOARD ON THE INDEPENDENT DIRECTOR**

As the Company doesn't have Independent Director, the statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year is not applicable.

## **10. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178 (1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY**

The Company has not given any loan or guarantee to any person or body corporate nor invested in any body corporate during the Financial Year pursuant to Section 186 of Companies Act, 2013.

## 12. RELATED PARTY TRANSACTIONS

The company has not entered into any contracts or arrangements with related parties as referred under the provisions of Section 188 of Companies Act, 2013 read with the rules made there under. Hence, the Form AOC-2 is not annexed with the Board's Report.

## 13. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THIS BOARD'S REPORT

There were no material changes and commitments affecting the financial position of the Company between the end of financial year 31<sup>st</sup> March, 2021 and the date of this report.

## 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

### A. Conservation of Energy:

The Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy.

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

### B.

#### I) Technology Absorption, Adaptation and Innovation:

(i)	the effort made towards technology absorption	There is no specific technology as such bought by the Company to absorb for its activities. However, the Company consciously using technology into its activities.
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	There is no product in which the Company is dealing with. Hence this is not applicable.

(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	The company has not imported any technology during the financial year.
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	e company has not incurred any expenditure on Research and Development

### C. Foreign Exchange Earnings and Outgo:

Year	Earnings	Out flows
2019-20	Nil	Nil
2020-21	Nil	Nil

## 15. POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the Financial Year 2020-21.

## 16. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the companies Act, 2013, the Directors confirm that:

- (a) In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2021 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2021 and of the profit and loss of the company for financial year 31<sup>st</sup> March, 2021;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the Annual accounts for a period ended 31<sup>st</sup> March, 2021 on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**17. EXPLANATION OR COMMENTS ON QUALIFICATION, RESERVATION/ OR ADVERSE REMARKS OR DISCLAIMER MADE BY STATUTORY AUDITOR'S AND SECRETARIAL AUDITOR'S IN THEIR REPORT**

1. The Provisions of Section 204 (Secretarial audit) of the Companies Act, 2013 is not applicable to the Company during the Financial Year 2020-21.
2. The Auditors' Report contains qualifications, reservations or adverse remarks or disclaimer reported by Auditors. The reply by the management for the Auditor's observations/qualifications is provided below:

S.No	OBSERVATIONS/ QUALIFICATIONS BY THE AUDITOR	REPLY BY THE MANAGEMENT
1.	With reference to the stated Accounting Policy in the Notes of the financial statements No.2.2.1 and Sub Clause (iii) of Clause 14(1) of the Articles of Association of the Institute, read with proviso thereto , in our opinion the Institute has not removed the names of the members from the Register of Members despite a resolution to this effect by the Council in its meeting held on 25.06.2018 and has recognized subscription income from such members received after the cutoff date of September 30th of each year. The effect of this on surplus and Receivables from members could not be ascertained.	The aspect is being examined and being put into practice in stages. Those who were due to the institute beyond three years were made inactive, and those who paid were made active. Similarly other dues will also be dealt and a system will be brought into practice
2.	In our opinion carrying values of Property, Plant & Equipment is overstated by Rs. 1.27 lacs and depreciation has been overcharged on such assets to the tune of Rs.0.33 lacs in the absence Physical verification report	The said is not in our possession, and hence verification and certification could not be provided. The amount being small is proposed to be written off and dealt internally.



	<p>or other corroborative evidence as to existence of such assets as detailed out in Note No.8 to the financial statements and accordingly the Property, Plant &amp; Equipment has been overstated by Rs.1.27 lacs and the surplus has been understated to the tune of Rs. 0.33 lacs.</p>	
3.	<p>With reference to Note Nos. 9 &amp; 10 of Notes forming part of financial statements which details the balance with banks in fixed deposits and savings account with ICICI bank, Ahmedabad, no balance confirmation was obtained from the banks. The effect of this non confirmation of bank and cash balances on the Other Current Assets, Cash and Bank Balances and surplus, if any could not be ascertained.</p>	<p>The issue is decided to be dealt with the support of an outside agency.</p>
4.	<p>In our opinion the Institute has made incorrect reporting of outward supplies in its monthly GST returns wherein outward supplies have been reported as 287.70 lacs as against subscription income (including IBF) recorded in the books stood at Rs.218.87 lacs. Furthermore, reference is invited to Note No.11.5 to the financial statements wherein GST Receivable has been carried at 18.43 lacs as against input credit in credit ledger on GSTIN portal at 3.33 lacs. The impact of such incorrect reporting and carrying values on the Assets and consequential effect on the Assets and surplus, if any, could not be ascertained.</p>	<p>Management is seized off the matter and is analysing it and will take measures to improve compliance</p>
5.	<p>We draw attention to Note No. 21 of Notes forming part of financial statements where it is mentioned that the few Chapters/Zones have not submitted the accounts and /or Seminar Income &amp; Expenditure Statement for the year 2020-21. The effect of this non-conclusion of all Chapter/Zones accounts in the books of the Institute and accordingly on surplus, Assets and Liabilities could not be ascertained.</p>	<p>There has been regular follow up and it was decided to debit to the personal accounts of responsible</p>

6.	With reference to Note No. 21 of Notes forming part of financial statements, branch expenses recorded in consolidated IISLA accounts to the tune of Rs.0.60 lacs were not supported with original bills and invoices as verified from the returns received from such Chapters and Zones and only scan images were provided to us for verification. Accordingly, Seminar expenses has been overstated and surplus understated for the year to the extent of Rs.0.60 lacs.	There has been regular follow up and it is decided to debit to personal accounts of the responsible.
7.	With reference to Note 22 of Notes forming part of financial statements wherein 2 bank accounts identified during the reporting period 2017-18 as being operated in the name of the Institute and opinion of the Council, pending reconciliation and verification of transactions therein being under its delegated authority, have not been incorporated in the books of accounts and thus do not form part of the financial statements under report. The impact of non-recording of these transactions on the Assets, Liabilities and Surplus could not be ascertained	The comment regarding non-inclusion of transaction being recorded, is being followed up by the HO, with North Zone Chapter to present accounts for all the years, such that they can be incorporated in IISLA consolidated accounts. The same is expected to be done this year.
8.	We draw attention to Note No. 23 where it is stated that the accounts till 30.06.2012 were drawn up based on records and documents as had been recovered by the IRDAI and possessed by the Institute from the IRDAI basing on the directives of Hon. High Court, Ahmedabad on 24.07.2012. The transactions and events have cumulative impact on the financials figures of the reporting period and impact of which on the Assets, Liabilities and Surplus could not be ascertained.	Informative comment not requiring any response.
9.	Our audit procedures revealed various noncompliance with CGST Act,2017 such as incorrect monthly reporting, noncompliance with Section 13, Section 25(1), Section 37(1) and Sections 16 to 18 of CGST Act, 2017 and the rules framed	The management is proposing to engage an outside consultant to improve the compliance.

	thereunder. The impact of such non compliances on the balance sheet and Income and Expenditure account including interest and penalties thereon could not be ascertained.	
10.	In our opinion the Articles of Association of the Institute does not permit obtaining Directors & Officers Indemnity Insurance in view of a laid down procedure in the Article 64 of Articles of Association of the Institute to compensate for risks associated with decision making and management by the elected directors. Accordingly, a sum of Rs.1.23 lacs has been spent beyond delegated authority of the board and surplus and Cash and Cash Equivalents have been understated by that amount.	The same has since been discontinued.
11.	In our opinion payments being made to IT vendor who is managing the website and database of the Institute during the year under report to the tune of Rs.2.65 lacs without a valid agreement being executed to that effect is unauthorized. Accordingly, surplus and Cash and Cash Equivalents have been understated by that amount.	Board has decided to engage a new vendor with competitive bidding process both in terms of technical competence and commercial viability
12.	In our opinion Article 52(1) of Articles of Association of the Institute and Regulations and directives of IRDAI does not authorize the board/council of directors to cancel membership or declare them as Inactive/Blocked. It was observed that as on 31.03.2021,1387 members have been classified under these categories. Furthermore, a sum of Rs.0.60 lacs have been collected and recognized as subscription income during the reporting period. The impact of such non compliances on the balance sheet and Income and Expenditure account could not be ascertained.	Board is seized of the matter and proposes to address the issue going further.
13.	In our opinion receipt of sum of Rs.0.31 lacs have not been recognized by the various branches of the Institute during the reporting period on account of non-reporting of matching receipt with the	The Board has decided to issue clear cut guidelines for branch/chapter operations and streamline their function

	<p>expenses incurred by them even though a liability has been accounted in their respective returns, received at head office for incorporation in books of accounts of the Institute. The Board/council of directors have not recognized such liability in the books of accounts. The impact of such under reporting on the balance sheet and Income and Expenditure account could not be ascertained.</p>	
14.	<p>The ascertained amounts of qualifications is far less than the unascertained amounts, accordingly the overall impact of qualifications on the financial statements cannot be provided.</p>	<p>Informative comment, not requiring any comment.</p>
15.	<p>Our review during audit indicated that the financial reporting system is seriously impacted due to the absence of various administrative and financial policy including budgets which otherwise leads to timely and accurate accounting, prompt financial reporting and closure of the books.</p>	<p>We shall ensure that such corrective practices are followed in future</p>
16.	<p>Our review during the course of audit indicated non-maintenance/ updation of books of accounts on a regular basis as well as non-obtention of balance confirmations at periodic intervals including drawing periodical bank reconciliations.</p>	<p>We shall ensure that such corrective practices are followed in future</p>
17.	<p>The accounting system of the Institute lacks substantive controls over the entries posted indicating possible import of bank statements with respect to its Savings, Current and Term Deposits, posting of compound entries, multiple cross-referenced accounting entries which has the effect on creation of an expense or liability and then the reversal of the same and incorrect account heads maintenance with respect to RCM &amp; Input Credit under GST law and interest on deposit, in the Tally Accounting Software of the Institute instead of recording the transactions on the basis of the embedded substance of such</p>	<p>We shall ensure that such corrective practices are followed in future</p>

	transactions.	
18.	Accounting entries with regard to member collections weren't recorded on monthly basis with regard to appropriate heads of accounts under which such collections were made duly reconciling with the bank/collection agency and a suspense to this effect was carried in the books throughout the year and only towards the year end annual entries for income recognition was posted as rectification entry on an adhoc basis.	We shall ensure that such corrective practices are followed in future
19.	Our review of Institute's backend database/Application Software/portal maintained by third party vendor indicated absence of software control impacting appropriate reports being generated with detailed accounting heads of income, recognition of year end receivables as also recognition of prior year's income upon collection of past years dues during the reporting period. These control lapses and inefficiencies seriously impact financial reporting by the Institute in the event of non-detection of errors through manual controls considering the high volume of transactions.	We shall ensure that such corrective practices are followed in future
20.	It was observed that the Institute does not have a practice of validating its Information Systems vendors nor there is contractual system in place to conduct an independent audit of operations of such vendors who render and are in possession of critical process and database, respectively of the Institute. Similarly, the Institute does not have a practice of preparation and submission of Tour Report by its elected directors along with tour expenses reimbursement claims	We shall ensure that such corrective practices are followed in future

## **18. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

The company has not changed the nature of business during the financial year under review.

## **19. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONS APPOINTED OR RESIGNED DURING THE YEAR**

- a) The following Directors have retired on the basis of rotation pursuant to section 152 of the Companies Act, 2013 in the 12<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> December, 2020:
- 1) Mr. Sachin Audumber Mulge.
  - 2) Mr. Dulal Chandra Das.
  - 3) Mr. Manoj Bhargava.
- b) Ex-President and Director of the Company Mr. Chandrasekhara Raju Dasaraju expired on 27<sup>th</sup> December, 2020. Therefore, the Board took note of his cessation from the office of the Director in the Council Meeting held on 28<sup>th</sup> December, 2021.
- c) Mr. Daljeet Singh Sardar was appointed as Director in casual vacancy on the Board of the Company in the Council Meeting held on 18<sup>th</sup> January, 2021. Such appointment shall be subsequently approved by the Members in the immediate next general meeting of the Company and he shall hold the office only up to the date up to which Mr. Chandrasekhara Raju Dasaraju, Director would have held office if it had not been vacated.

## **20. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES OF THE COMPANY**

Since, the Company does not have any subsidiary, joint venture or associate. This clause is not applicable to the Company.

## **21. REPORT ON THE HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT.**

Since, the Company does not have any subsidiary, joint venture or associate. This clause is not applicable to the Company.

## **22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

There are no significant and material orders that were passed by the regulators or courts or tribunals against the company.

## **23. DETAILS RELATING TO DEPOSITS**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Further the provisions of Chapter V relating to Deposits are not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2021 and there are no non-compliances with the requirements of Chapter V.

## **24. RISK MANAGEMENT POLICY**

Pursuant to provision of section 134(3)(n) of the Companies Act, 2013, the Company does not have a Risk Management policy in place as the elements of risk threatening the Company's existence are very minimal.

## **25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Your Company has effective internal financial controls that ensure an orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

There are adequate controls relating to strategic, operational, environmental and quality related aspects too.

While these controls have been effective through-out the financial year, these are reviewed on a periodic basis for any changes/ modifications to align to business needs.

## **26. AUDITORS**

In pursuant to the provisions of the Section 139 of the Companies Act, 2013, read with rules made thereunder, M/s. Sharad & Associates, Chartered Accountants bearing Firm Registration No: 006377S were appointed as Statutory Auditors of the Company in the 11<sup>th</sup> Annual General Meeting of the Company held on 03<sup>rd</sup> December, 2019 to hold the office for a period of 5 years i.e. till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company.

## **27. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There are no such instances of frauds reported by auditors under Section 143(12) and hence the reporting clause is not applicable to the Company.

## **28. SECRETARIAL STANDARDS**

According to Section 118 (10) of Companies Act, 2013, every company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government.

However, pursuant to exemption notification dated 05<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Section 118 of Companies Act, 2013 is not applicable to Section 8 Companies as a whole except that, the minutes may be recorded within thirty days of the conclusion of every meeting in case of companies where the articles of association provide for confirmation of minutes, by circulation.

## **29. MAINTENANCE OF COST ACCOUNTS AND RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT**

The Company does not fall under the category of Sec 148(1) of Companies Act, 2013 and hence such disclosure and maintenance of cost accounts/cost records is not applicable.

## **30. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is yet to constitute Internal Complaints Committee. Therefore, the Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.

## **31. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

No such application is made or no such proceedings is Pending under the Insolvency and Bankruptcy Code, 2016 During the Year 2020-21.



**32. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

No such transactions were made during the financial year 2020-21.

**33. ACKNOWLEDGMENTS**

Your Directors desires to place on record its sincere appreciation for the support and co-operation that the company received from bankers, associates, IRDAI Officials, consultants, auditors, various Government Authorities and all others associated with the company.

Your Directors wish to place on record their appreciation to the members for their support and confidence reposed on your Institute.

**For and on behalf of the Board of Directors of  
INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS**

**Date : 04<sup>th</sup> December, 2021  
Place : Hyderabad**

**Date : 04<sup>th</sup> December, 2021  
Place : Hyderabad**

**S/d-  
Mr. Ajay Girdhar  
Director  
DIN: 08517361  
A2/25 Jeevan Jyoti Apartments,  
Pitampura, North West Delhi,  
Delhi 110034, India.**

**S/d-  
Mr. Vipin Kumar Shukla  
Director  
DIN: 08517120  
M-1496, Sector-I, LDA Colony,  
Kanpur Road Lucknow 226012,  
Uttar Pradesh, India.**



## Independent Auditor's Report

To the Members of  
Indian Institute of Insurance Surveyors & Loss Assessors

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of **INDIAN INSTITUTE OF INSURANCE SURVEYORS & LOSS ASSESSORS** ("the Institute"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date received from the Institute's 4 Zones and 24 chapters (branches), to the extent received and incorporated and audited by us.

*Except for the matters described in Basis for Qualified Opinion Paragraph*, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at March 31, 2021, and its deficit and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the financial statements section of our report. We are independent of the Institute in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements except for the following:

1. With reference to the stated Accounting Policy in the Notes of the financial statements No.2.2.1 and Sub Clause (iii) of Clause 14(1) of the Articles of Association of the Institute, read with proviso thereto, in our opinion the Institute has not removed the names of the members from the Register of Members despite a resolution to this effect by the Council in its meeting held on 25.06.2018 and has recognized subscription income from such members received after the cutoff date of September 30<sup>th</sup> of each year. The effect of this on deficit and Receivables from members could not be ascertained.



2. In our opinion carrying values of Property, Plant & Equipment is overstated by Rs. 1.27 lacs and depreciation has been overcharged on such assets to the tune of Rs.0.33 lacs in the absence Physical verification report or other corroborative evidence as to existence of such assets as detailed out in Note No.8 to the financial statements and accordingly the Property, Plant & Equipment has been overstated by Rs.1.27 lacs and the deficit has been understated to the tune of Rs. 0.33 lacs.
3. With reference to Note Nos. 9 & 10 of Notes forming part of financial statements which details the balance with banks in fixed deposits and savings account with ICICI bank, Ahmedabad, no balance confirmation was obtained from the banks. The effect of this non confirmation of bank and cash balances on the Other Current Assets, Cash and Bank Balances and deficit, if any could not be ascertained.
4. In our opinion the Institute has made incorrect reporting of outward supplies in its monthly GST returns wherein outward supplies have been reported as 287.70 lacs as against subscription income (including IBF) recorded in the books stood at Rs.218.87 lacs. Furthermore, reference is invited to Note No.11.5 to the financial statements wherein GST Receivable has been carried at 18.43 lacs as against input credit in credit ledger on GSTIN portal at 3.33 lacs. The impact of such incorrect reporting and carrying values on the Assets and consequential effect on the Assets and deficit, if any, could not be ascertained.
5. We draw attention to Note No. 21 of Notes forming part of financial statements where it is mentioned that the few Chapters/Zones have not submitted the accounts and /or Seminar Income & Expenditure Statement for the year 2020-21. The effect of this non conclusion of all Chapter/Zones accounts in the books of the Institute and accordingly on deficit, Assets and Liabilities could not be ascertained.
6. With reference to Note No. 21 of Notes forming part of financial statements, branch expenses recorded in consolidated IISLA accounts to the tune of Rs.0.60 lacs were not supported with original bills and invoices as verified from the returns received from such Chapters and Zones and only scan images were provided to us for verification. Accordingly, Seminar expenses has been overstated and deficit understated for the year to the extent of Rs.0.60 lacs.
7. With reference to Note 22 of Notes forming part of financial statements wherein 2 bank accounts identified during the reporting period 2017-18 as being operated in the name of the Institute and opinion of the Council, pending reconciliation and verification of transactions therein being under its delegated authority, have not been incorporated in the books of accounts and thus do not form part of the financial statements under report. The impact of non-recording of these transactions on the Assets, Liabilities and Deficit could not be ascertained.
8. We draw attention to Note No. 23 where it is stated that the accounts till 30.06.2012 were drawn up based on records and documents as had been recovered by the IRDAI and possessed by the Institute from the IRDAI basing on the directives of Hon. High Court, Ahmedabad on 24.07.2012. The transactions and events have cumulative impact on the financials figures of the reporting period and impact of which on the Assets, Liabilities and Deficit could not be ascertained.



9. Our audit procedures revealed various noncompliance with CGST Act,2017 such as incorrect monthly reporting, noncompliance with Section 13, Section 25(1), Section 37(1) and Sections 16 to 18 of CGST Act, 2017 and the rules framed thereunder. The impact of such non compliances on the balance sheet and Income and Expenditure account including interest and penalties thereon could not be ascertained.
10. In our opinion the Articles of Association of the Institute does not permit obtaining Directors & Officers Indemnity Insurance in view of a laid down procedure in the Article 64 of Articles of Association of the Institute to compensate for risks associated with decision making and management by the elected directors. Accordingly, a sum of Rs.1.23 lacs has been spent beyond delegated authority of the board and deficit and Cash and Cash Equivalents have been understated by that amount.
11. In our opinion payments being made to IT vendor who is managing the website and database of the Institute during the year under report to the tune of Rs.2.65 lacs without a valid agreement being executed to that effect is unauthorized. Accordingly, deficit and Cash and Cash Equivalents have been understated by that amount.
12. In our opinion Article 52(1) of Articles of Association of the Institute and Regulations and directives of IRDAI does not authorize the board/council of directors to cancel membership or declare them as Inactive/Blocked. It was observed that as on 31.03.2021,1387 members have been classified under these categories. Furthermore, a sum of Rs.0.60 lacs have been collected and recognized as subscription income during the reporting period. The impact of such non compliances on the balance sheet and Income and Expenditure account could not be ascertained.
13. In our opinion receipt of sum of Rs.0.31 lacs have not been recognized by the various branches of the Institute during the reporting period on account of non-reporting of matching receipt with the expenses incurred by them even though a liability has been accounted in their respective returns, received at head office for incorporation in books of accounts of the Institute. The Board/council of directors have not recognized such liability in the books of accounts. The impact of such under reporting on the balance sheet and Income and Expenditure account could not be ascertained.
14. The ascertained amounts of qualifications is far less than the unascertained amounts, accordingly the overall impact of qualifications on the financial statements cannot be provided.

#### **Emphasis of Matter**

- i. We draw attention to Note Nos 4.6, 6.1, 12.3 & 13.4 of the Notes forming part of to the financial statements wherein adjustment to income, receivables and refund towards subscription has been detailed out.
- ii. We draw attention to Note No.4.7 wherein closure of earmarked fixed deposit associated with Building Fund, for the reasons other than application of funds for the objectives of the fund, has been detailed for the reasons stated therein
- iii. We draw attention to the nonpayment and the liability carried in the books pertaining to interest on tax demand by the Income Tax Department following assessment for the previous



assessment years, as detailed in Note No 7.2 of the Notes forming part of to the financial statements.

- iv. With reference to Note 11.1 of Notes forming part of financial statements, wherein advance in the name of Mr. Lalit Gupta amounting to Rs 5.77 lacs has been accounted as Prior Period Expenses under distinct heads of expenditure by closure of the advance basis the reasons stated therein.
- v. With reference to Note No.11.2 forming part of the financial statements , the write off of the amounts by the Board/Council in the absence of details of the originating entry as detailed therein.
- vi. We draw attention to Note No 26 of the financial Statements which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March,31<sup>st</sup> March,2021 and the operations of the Institute.

Our opinion is not modified in respect for the above matters.

#### **Other Matter**

- i. Financial statements/ information of 4 Zones and 24 Chapters are included in the financial statements of the Institute whose financial statements/financial information reflect total assets (Cash and Bank Balances) of Rs. 18.59 Lacs as at 31st March 2021 and the revenue of Rs.Nil Lacs and expenses of Rs.0.60 Lacs for the year ended on that date. These financial statements / information of branches have been audited by us except for 4 branches from whom no accounts or appropriate returns/declarations have been received.
- ii. We have generally verified the administration of the Benevolent Fund, its process and execution viz a viz the claim acceptance, recognition and payment thereof, an activity being managed and governed by an independent committee appointed by the Board of Directors. In our opinion, this activity of the Institute, being welfare in nature, including GPA policy premium payment, is ultra vires the Memorandum of Association of the Institute nor does Articles of Association authorize constitution of such a committee. We have accordingly reviewed the decisions of such a committee in the process of complete administration and governance of the Fund. In our opinion, the Bye laws of the IBF being approved by the members at their general meeting does not delegate power to modify IBF Bye laws by a committee or Council unless ratified by members and such inconsistent practice leads to ambiguity in governance and smacks of bias to other members.
- iii. We draw attention to the Benevolent Fund balance of Rs.178 lacs as at 31<sup>st</sup> March,2021. Considering the fact that 2989 members enrolled under the scheme during the reporting period and that the inflow into the funds are limited to the subscription and interest income on fixed deposits, Institute may not be able to meet the committed objectives should the unfortunate eventuality occur.



- iv. Institute has not maintained and updated Register of Members in compliance with Sections 73, 88 and 189 of the Act and Rules framed thereunder, as amended. Accordingly, the same could not be reconciled with member's subscription and other receipts as recorded in books of accounts.
- v. It was observed that the records of minutes of the meeting of various committees of the Board/Council were not adequately maintained recording therein the proceedings of the meetings and decisions made during the period under audit as most of the decisions were made over the email exchanged.

Our opinion is not modified in respect of the above matter.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Institute's Board of Directors is responsible for the other information. The other information comprises the information included in the "Financials at a Glance", "Directors' Report including Management Discussion and Analysis", including "Annexures to the Report of Directors" and "Report on Corporate Governance" but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Institute's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance cash flows of the Institute in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Institute and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using





the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Institute's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Institute has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors



in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) Except for the matters described in "Basis for Qualified Opinion" paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Institute so far as it appears from our examination of those books.

c) Except for the matters described in "Basis for Qualified Opinion" paragraph, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) Except for the matters described in "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We have been provided with the representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, with regard to their non disqualification as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Institute and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Institute's internal financial controls over financial reporting.





SHARAD & ASSOCIATES  
CHARTERED ACCOUNTANTS

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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Institute has not disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. The Institute has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Institute.

2. Institute being licensed under section 8 of the Act (Section 25 of the Companies Act, 1956), Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and the matters specified therein are not applicable to the Institute.

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm's registration number: 063775

S/d-

Sharad Sinha  
Partner

Membership number: 202692

UDIN: **21202692AAAAGA3223**

Hyderabad, 4<sup>th</sup> December, 2021



**“Annexure A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Indian Institute of Insurance Surveyors & Loss Assessors of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of Indian Institute of Insurance Surveyors & Loss Assessors (“The Institute”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Institute for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Institute’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Institute considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Institute’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Institute's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Institute’s internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

An Institute's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Institute's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Institute; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Institute are being made only in accordance with authorizations of management and directors of the Institute; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Institute's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2021:

- i. Our review during the course of audit indicated that the financial reporting system is seriously impacted due to the absence of various administrative and financial policy including budgets which otherwise leads to timely and accurate accounting, prompt financial reporting and closure of the books.
- ii. Our review during the course of audit indicated non maintenance/ updation of books of accounts on a regular basis as well as non-obtention of balance confirmations at periodic intervals including drawing periodical bank reconciliations.
- iii. The accounting system of the Institute lacks substantive controls over the entries posted indicating possible import of bank statements with respect to its Savings, Current and Term Deposits, posting of compound entries, multiple cross-referenced accounting entries which has the effect on creation of an expense or liability and then the reversal of the same and incorrect account heads maintenance with respect to RCM & Input Credit under GST law and interest on deposit, in the Tally Accounting Software of the Institute instead of recording the transactions on the basis of the embedded substance of such transactions.



SHARAD & ASSOCIATES  
CHARTERED ACCOUNTANTS

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- iv. Accounting entries with regard to member collections weren't recorded on monthly basis with regard to appropriate heads of accounts under which such collections were made duly reconciling with the bank/collection agency and a suspense to this effect was carried in the books throughout the year and only towards the year end annual entries for income recognition was posted as rectification entry on an adhoc basis.
- v. Our review of Institute's backend database/Application Software/portal maintained by third party vendor indicated absence of software control impacting appropriate reports being generated with detailed accounting heads of income, recognition of year end receivables as also recognition of prior year's income upon collection of past years dues during the reporting period. These control lapses and inefficiencies seriously impact financial reporting by the Institute in the event of non-detection of errors through manual controls considering the high volume of transactions.
- vi. It was observed that the Institute does not have a practice of validating its Information Systems vendors nor there is contractual system in place to conduct an independent audit of operations of such vendors who render and are in possession of critical process and database, respectively of the Institute. Similarly, the Institute does not have a practice of preparation and submission of Tour Report by its elected directors along with tour expenses reimbursement claims.

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm's registration number: 063775

S/d-  
Sharad Sinha  
Partner

Membership number: 202692  
UDIN: **21202692AAAAGA3223**

Hyderabad, 4<sup>th</sup> December, 2021

**Balance Sheet as at March 31, 2021**

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
			₹	₹
<b>I</b>	<b>SOURCES OF FUNDS</b>			
<b>1</b>	<b>Reserves &amp; Earmarked Funds</b>			
	Reserves and surplus	3	2,41,70,489	2,01,31,973
	Earmarked Funds	4	17,79,30,274	17,08,00,262
<b>2</b>	<b>Non-current liabilities</b>			
	Deferred tax liabilities (Net)		-	-
	Other Long term liabilities		-	-
	Long-term provisions	5	3,71,543	2,45,729
<b>3</b>	<b>Current liabilities</b>			
	Other current liabilities	6	14,46,628	29,35,772
	Short-term provisions	7	2,70,59,422	2,68,51,565
	<b>TOTAL</b>		<b>23,09,78,355</b>	<b>22,09,65,300</b>
<b>II</b>	<b>APPLICATION OF FUNDS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property, Plant & Equipment	8		
	Tangible Assets		10,04,701	11,11,554
	Intangible Assets		3,22,731	4,60,263
	Intangible Assets under development		-	-
	Non-current investments		-	-
	Deferred tax assets (net)		-	-
	Long-term loans and advances		-	-
	Other non-current assets	9	24,60,716	2,87,79,904
<b>2</b>	<b>Current assets</b>			
	Cash and bank balances	10	21,76,68,831	17,97,62,630
	Short-term loans and advances	11	25,04,064	26,35,607
	Other current assets	12	70,17,310	82,15,342
	<b>TOTAL</b>		<b>23,09,78,355</b>	<b>22,09,65,300</b>
Notes forming Integral part of accounts		1-26		
As per our report of even date attached				
For SHARAD & ASSOCIATES Chartered Accountants Firm Reg.No.006377S		For and on behalf of the Board of Indian Institute of Insurance Surveyors & Loss Assessors CIN: U80902TG2005NPL047675		
Sd/- SHARAD SINHA Partner M. No 202692 Hyderabad, dated this 4th day of December, 2021	Sd/- AJAY GIRDHAR Director DIN:08517361	Sd/- VIPIN KUMAR SHUKLA Director DIN:08517120		

**Statement of Income & Expenditure For The Year Ended March 31, 2021**

Particulars		Note No	2020-21	2019-20
			₹	₹
I	Revenue from operations	13	1,46,11,439	1,60,12,989
II	Other income	14	28,31,212	31,94,340
III	<b>Total Revenue</b>		<b>1,74,42,651</b>	<b>1,92,07,329</b>
IV	<b>Expenses</b>			
	Employee benefits expense	15	41,21,134	30,81,369
	Operation and Other Expenses	16	1,23,79,152	1,23,34,140
	Finance Costs	17	3,70,476	4,15,973
	Depreciation and amortization expense	8	5,63,240	4,24,982
V	<b>Total expenses</b>		<b>1,74,34,001</b>	<b>1,62,56,463</b>
VI	Surplus before exceptional and extraordinary items and tax (III-V)		8,650	29,50,866
VII	Exceptional items		-	-
VIII	Surplus(Defecit) before extraordinary items and tax (VI - VII)		8,650	29,50,866
IX	Extraordinary Items		-	-
X	Surplus/(Defecit) before tax (VIII- IX)		8,650	29,50,866
XI	Tax expense:			
	(1) Current tax		3,24,284	7,19,871
	(2) Deferred tax		-	-
XII	Surplus/(Defecit) for the period from continuing operations (X-XI)		-3,15,634	22,30,995
XIII	Surplus/ (Defecit) for the period (XII)		<b>-3,15,634</b>	<b>22,30,995</b>
<b>Notes forming Integral part of accounts</b>		<b>1-26</b>		
As per our report of even date attached				
For SHARAD & ASSOCIATES Chartered Accountants Firm Reg.No.006377S		For and on behalf of the Board of Indian Institute of Insurance Surveyors & Loss Assessors CIN: U80902TG2005NPL047675		
Sd/- SHARAD SINHA Partner M. No 202692 Hyderabad, dated this 4th day of December,2021	Sd/- AJAY GIRDHAR Director DIN:08517361	Sd/- VIPIN KUMAR SHUKLA Director DIN:08517120		

**Cash Flow Statement for the year ended March 31, 2021**

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
<b>Cash Flow from Operating Activities</b>				
Surplus before tax and extra ordinary items	8,650		29,50,866	
Add: Adjustments to reserves & Surplus	-		-	
Add: Depreciation	5,63,240		4,24,982	
<b>Cash flow before working capital changes</b>	<b>5,71,890</b>		<b>33,75,848</b>	
<b>Increase/(Decrease) in Non-Current Liabilities</b>				
Long-term Provisions	1,25,814		1,45,148	
<b>Increase/(Decrease) in Current Liabilities</b>				
Other Current Liabilities	(14,89,144)		(21,43,624)	
Short-term Provisions	5,83,561		(26,65,717)	
<b>(Increase)/Decrease in Current Assets</b>				
Short-term Loans & Advances	1,31,543		(2,22,108)	
Other Current Assets	11,98,032		1,56,387	
<b>Cash generated from operations</b>	<b>11,21,696</b>		<b>(13,54,066)</b>	
Income taxes Paid	(36,00,484)		(37,97,975)	
<b>Net Cash from Operating Activities</b>		<b>(24,78,788)</b>		<b>(51,52,040)</b>
<b>Cash flow from Investing Activities</b>				
Other Non-Current Assets	2,63,19,188		(30,63,669)	
Purchase of Fixed Assets	(3,18,856)		(8,20,080)	
<b>Net Cash Flow from Investing Activities</b>		<b>2,60,00,332</b>		<b>(38,83,749)</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from Benevolent Funds	(22,91,359)		11,11,234	
Proceeds from Corpus Funds	62,50,078		49,85,000	
Transferred to Earmarked Fixed Deposits	1,04,25,939		1,10,64,354	
<b>Net Cash Flow from Financing Activities</b>		<b>1,43,84,657</b>		<b>1,71,60,587</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>3,79,06,202</b>		<b>81,24,798</b>
<b>Add: Cash and cash equivalents from at the beginning of the year</b>		<b>17,97,62,630</b>		<b>17,16,37,831</b>
<b>Cash and cash equivalents from at the end of the year</b>		<b>21,76,68,831</b>		<b>17,97,62,630</b>
As per our report of even date attached				
For SHARAD & ASSOCIATES Chartered Accountants Firm Reg.No.006377S		For and on behalf of the Board of Indian Institute of Insurance Surveyors & Loss Assessors CIN: U80902TG2005NPL047675		
Sd/- SHARAD SINHA Partner M. No 202692 Hyderabad, dated this 4th day of December, 2021	Sd/- AJAY GIRDHAR Director DIN:08517361	Sd/- VIPIN KUMAR SHUKLA Director DIN:08517120		



## Notes Forming Part of Financial Statements

### 1. Overview

The Indian Institute of Insurance Surveyors and Loss Assessors (Institute) was incorporated on 04.10.2005 under erstwhile section 25 of the Companies Act, 1956 (Presently Section 8 of Companies Act, 2013) and was promoted by Insurance Regulatory and Development Authority of India (IRDAI). 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 Insurance 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 9868 members across India through four zones and various chapters.

### 2. Significant Accounting Policies

#### 2.1 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 Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 and read with Rule 7 of Companies (Accounts) Rules, 2014. 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.

#### 2.2 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 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.

#### 2.2 Revenue Recognition

##### 2.2.1 Annual Membership Fees

The Institute recognizes annual membership (Subscription) fee on accrual basis from the members whose names exist in the Register of Members as on the date of reckoning and accounted as subscription. During the year 2017-18 Institute (Its Council) had taken a decision to de-register members having outstanding beyond 12 months as at the balance sheet date as against its earlier policy of recognition of Annual Subscription Fee from members till the time the License issued by IRDAI for carrying out the profession of surveyor and loss assessors is valid and in force i.e. at present the license is valid for a period of 3 years from the date of issuance and thereafter the surveyor and loss assessor is expected to renew the license to continue in the profession. Council has further decided to de-register a member after 30th September of each year in case of non payment of annual subscription for that year, commencing financial year 2018-19 however this notification has not been implemented as an accounting policy for Revenue Recognition

##### 2.2.2 Other Fees from Members

The Institute follows accrual system of accounting for recognizing income from members which coincides with receipt of money in case of fees other than annual subscription. The amounts collected from the members on application towards Admission fees forms part of corpus Fund whereas the other fees collected from the members are accounted as Revenue from operations or other income as the case may be. Amount collected from members towards seminar fees and the related expenses are reported under respective income and expense heads. All revenue from members have been accounted exclusive of GST.



## Notes Forming Part of Financial Statements

### 2.2.2 Interest Income

The Institute follows the Accrual system of accounting for recognizing Interest Income on Fixed Deposits with Banks. Interest earned on earmarked investments (Bank Deposits) are credited directly to the Earmarked Funds.

### 2.3 Property, Plant and Equipment, Intangible Assets

**2.3.1** Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit of Goods & Service Tax available to the Institute. Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**2.3.2** An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit of Goods & Service Tax available.

### 2.4 Depreciation on Tangible Assets and Amortization on Intangible Assets

**2.4.1** Depreciation on Fixed Assets is provided under the 'Straight Line Method' on 95% original cost of assets based on useful life as specified under Schedule II of the Companies Act, 2013. Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for up to the date of sale, deduction or discard of tangible assets as the case may be. The Useful Life as per Schedule II is given below

Type of Asset	Useful Life
Furniture and Fixtures	10 Years
Computers and Computer Equipments	3 Years
Office Equipment	5 Years
Electrical Equipments and Installations	10 Years

**2.4.2** Intangible assets are impaired over the useful economic life and assessed for impairment whenever there is an indication that intangible assets may be impaired. The amortization period and amortization cost is reviewed at the end of each reporting period. The Amortization expense is recognized in Statement of Income and Expenditure. The Intangible asset is amortized under Straight Line Method. The Useful life is determined as under

Type of Asset	Useful Life
Software	3 Years

### 2.5 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.

### 2.6 Provisions

The Institute 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.

## Notes Forming Part of Financial Statements

### 2.8 Taxation

The Institute is not liable to pay income tax on surplus earned out of the main objectives since institute is being termed as mutual benefit concern. The Institute is liable to pay income tax on the interest income earned during the period out of the deposits made with financial institutions and any revenue receipt from non members. Accordingly, tax is accounted at the rates prevailing for the relevant period. The tax on interest earned on the earmarked investments are charged to the respective funds inclusive of any interest

### 2.9 Earmarked Funds

The Institute has various objectives towards growth , training and regulation of the profession of surveyors and loss assessors and in order to achieve such objectives the surplus received over the years are earmarked towards such dedicated funds . Therefore the following long-term funds has been earmarked for specific purpose

#### 2.9.1 Building Fund

The Institute in order to establish its own Head office premises for central governance as also to create in house training facility in future, the surplus so received over the years has been earmarked for this purpose. The earmarked funds are invested in fixed deposits in various banks as per decision of the council. The Income from investments are credited to the fund account directly and the taxes on such income including the interest, if any, are borne by the fund

#### 2.9.2 Training and Education Fund

The Institute has an objective of continuous education and training to its members. To ensure achieve this objective, the basic infrastructure along with host of other facilities should be in place, thus the surplus so received over the years has been earmarked for this purpose. The earmarked funds are invested in fixed deposits in various banks as per decision of the council. The Income from investments are credited to the fund account directly and the taxes on such income including the interest, if any, are borne by the fund

#### 2.9.2 Research Fund

The Institute has an objective to enhance the value of profession through research and new developments taking place around the world in the profession of survey and loss assessment. To ensure achieving this objective, the institute has to cater to wide range of policies, issues etc, thus the surplus so received over the years has been earmarked for this purpose. The earmarked funds are invested in fixed deposits in various banks as per decision of the council. The Income from investments are credited to the fund account directly and the taxes on such income including the interest, if any, are borne by the fund

### 2.10 Benevolent Fund and Other Benefits to Members

#### 2.10.1 Benevolent Fund

Formation of IIISLA - Benevolent fund was approved by the Council upon resolution passed by the members at their Extraordinary General Meeting held on 26th March 2016. For the purpose of administering such fund an administrative body of benevolent fund as been formed. While the Scheme was mandatory for members over the age of 70 years (as on the 1st day of financial year) during 2016-17, the same made mandatory for age (as on the 1st day of financial year) up to 75 years for the year 2017-18 and was made optional from 2018-19.

The Admission fee and Subscription is recognized on actual receipt from the eligible members. The Admission fee & Subscription fee received (including advance contribution, if any) against benevolent fund are credited to the Fund account and is not routed through the Income & Expenditure Account of the Institute. The amount received are invested in fixed deposits. The Interest Income on fixed deposits and taxes on such income including interest, if any, are routed through fund account.

## Notes Forming Part of Financial Statements

The Benevolent Fund is disclosed under Reserves & Surplus i.e. Note 4 of the notes forming part of the financial statements. In order to earn income for settlement of claims the institute is depositing such subscription received against benevolent fund in Fixed Deposits with State Bank of India.

The claims arising out of benevolent fund is recognised on the date of intimation received by the Head office. The claims are provided for in the books where the intimation are received after the year end but before the signing date if the event date pertains to reporting period

### 2.10.2 Other Benefits to Members

The Institute has a policy of covering its members who have outstanding dues of less than three years as on the date of reckoning with an accidental policy. The premium paid is charged to statement of income and expenditure to the extent of period covered during the year and balance considered pre-paid expenses

### 2.11 Goods and Service Tax

2.11.1 Government of India enacted Goods and Service Tax (GST) effective from July 1, 2017 and the Institute also falls under the ambit of the GST and has been registered. GST demand is raised on all the fees paid by the members including annual membership fees.

2.11.2 The Institute pays GST collected from its members after setting off the GST already paid to vendors i.e. it avails the benefit of Input credit. Input credit is accounted as receivable or set off against payable to the extent eligible in accordance with Provisions of GST Law. The Block credits or ineligible credits are charged to the Statement of Income and Expenditure

### 2.12 Employee Benefits

2.12.1 All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits and charged to Statement of Income and expenditure at an undiscounted amount in the period in which the employee renders the related service including the defined contribution plan which comprises of Employee State Insurance Scheme

2.12.2 The Institute has recognised gratuity liability as per the actuarial valuation carried out and accordingly provision has been created in accordance with actual payment to be made as per the Payment of Gratuity Act, 1972 at an the undiscounted rate

## 3 - RESERVES & SURPLUS

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
<b>3.1. Corpus Fund</b>		
Opening balance	3,38,78,891	3,93,20,870
(+) Admission Fee Collection in current year	62,50,078	49,85,000
(-) Contributions to the Funds	(18,95,928)	(1,04,26,979)
	<b>3,82,33,041</b>	<b>3,38,78,891</b>
<b>3.2. Surplus</b>		
Opening balance	(1,37,46,918)	(1,59,77,913)
(+) Excess of expenses over income for the current year	-3,15,634	22,30,995
	<b>(1,40,62,552)</b>	<b>(1,37,46,918)</b>
<b>Closing Balance</b>	<b>2,41,70,489</b>	<b>2,01,31,973</b>

3.3. The council in its meeting held on 04.12.2021 ( Previous Year 27.11.2020) has decided to transfer funds from Corpus funds to Earmarked funds in order to match the corresponding earmarked investments during the reporting period. As there is no sufficient balance in retained surplus of the institute the transfer from corpus fund was effected in accordance with the principles of accounting wherein the corpus funds is also revenue to the Institute since it being one time fee the same was capitalised.

## Notes Forming Part of Financial Statements

### 4 - EARMARKED FUNDS

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
<b>4.1. Building Fund</b>		
Opening balance	7,35,71,374	6,51,28,103
(+) Interest on the above Funds	43,34,448	47,55,613
(+) Allocation during the period	9,78,451	50,10,669
(-) Taxes on Income of the fund	(12,05,843)	(13,23,011)
	<b>7,76,78,429</b>	<b>7,35,71,374</b>
<b>4.2. Training &amp; Education Fund</b>		
Opening balance	5,23,36,524	4,62,73,141
(+) Interest on the above Funds	32,19,138	32,11,550
(+) Allocation during the period	6,53,154	37,45,286
(-) Taxes on Income of the fund	(8,95,564)	(8,93,453)
	<b>5,53,13,252</b>	<b>5,23,36,524</b>
<b>4.3. Research Fund</b>		
Opening balance	2,57,05,844	2,27,80,500
(+) Interest on the above Funds	16,23,183	17,37,766
(+) Allocation during the period	2,64,323	16,71,025
(-) Taxes on Income of the fund	(4,51,570)	(4,83,447)
	<b>2,71,41,781</b>	<b>2,57,05,844</b>
<b>4.4. Benevolent Fund</b>		
Opening balance	1,91,86,521	1,70,94,054
(+) Benevolent Subscription	69,78,298	67,36,000
(+) Benevolent Admission	2,97,000	12,83,000
(+) Interest income	12,49,170	13,59,425
(-) Taxes on Interest Income	(3,47,519)	(3,78,192)
(+) Advance benevolent fund received	-	2,13,457
(-) Receivable from members towards Benevolent Fund	-	(93,600)
(-) Benevolent Fund claims	(95,66,657)	(70,27,623)
	<b>1,77,96,812</b>	<b>1,91,86,521</b>
<b>Total</b>	<b>17,79,30,274</b>	<b>17,08,00,262</b>

4.5 During the previous reporting period the council has decided to treat differential fee as receivable from those members who have not paid the Benevolent Fund admission or subscription in full. In the current reporting period the company council has decided to write off receivables and write back advance brought forward as at Apr 1, 2020

4.6 The Institute has carried an exercise to re-work the member balance as at Apr 1, 2020 and during the course of such exercise member balances differed with the actual balance as at Mar 31, 2020. The Council decided to amend the balance as at Apr 1, 2020 in the database and accordingly if any advance was arrived at the same was offered for refund. For those members whose details were not received until 25-Mar-2021 such advance was transferred to IBF Subscription after adjustment of subscription and other demands, if any for the year 2020-21. The amount of such transfer to corpus fund is ₹ 318187 and the amount of refund is ₹ 45908.

4.7 During the reporting period in the process of change of main operative bank account from Axis Bank to HDFC Bank (Just below the IIISLA HO) and also to shift Fixed Deposits from various spread out bank branches to few nearby and customer friendly banks, a Fixed Deposit of Building Fund with Canara Bank was closed upon maturity in March 2021 and re deposited same amount with HDFC Bank on 11th May 2021

## Notes Forming Part of Financial Statements

### 5 - LONG TERM PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Provision for Gratuity	3,71,543	2,45,729
<b>Total</b>	<b>3,71,543</b>	<b>2,45,729</b>

### 6 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Advance Members Subscription Fees	-	17,35,772
Benevolent Fund Payable	14,46,628	12,00,000
<b>Total</b>	<b>14,46,628</b>	<b>29,35,772</b>

6.1 The Council has decided to transfer the advance carried forward after adjustment of subscription and other demands, if any for the year 2020-21 for those members who have not provided the bank details to corpus fund. The notice was uploaded in the website 13-Mar-2021 with deadline to provide the details by 25-Mar-2021

6.2 Benevolent Fund Claims Payable represents those claims made by legal heirs of deceased members on or before March 31, 2021 and which was approved by the Benevolent Fund Committee and paid in the forthcoming reporting period.

### 7 - SHORT TERM PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Audit fee Payable	3,50,625	2,92,500
Liability for Expenses	1,99,242	2,02,978
Statutory Liabilities Payable	90,345	1,05,467
Provision for Income Tax	26,23,297	26,83,179
Council member travelling expense payable	-	62,829
Provision for Statutory Liabilities	2,35,00,000	2,35,00,000
Provision for Gratuity	5,857	4,612
Election Expenses Payable	2,90,056	-
<b>Total</b>	<b>2,70,59,422</b>	<b>2,68,51,565</b>

7.1 Liability for expenses pertains to all those expenses which were incurred in the relevant financial year but not paid

7.2 Provision for Income tax (both current year as well as previous year ) includes Interest demand of ₹ 22,39,805 related to financial years 2008-09, 2009-10, 2010-11 where the income has been assessed under section 148 of the Income Tax Act, 1961 and Institute has not paid taxes against the said demand

7.3 Council member travelling expense payable for the previous reporting period includes amount payable to Mr. D Chandrasekhara Raju ₹ 35683, Mr. AR Ramesh ₹ 20742 and Mr. Ajay Giridhar ₹ 6404 (Previous Year: Mr. RK Elango ₹ 76,259, Mr.Manish Joshi ₹ 12383, Mr. PC Shukla ₹ 4373 and Mr Surender Kumar Soni ₹ 7515).

7.4 The provision for Statutory Liabilities represents Service tax demand of earlier years of Rs.2.35 Crores pertaining to the period April 2013 to June, 2017. The management has been advised with the Indirect Tax Lawyers that demand may ultimately become payable due various technicality involved and any possible relief might be at an apex level which will also entail substantial costs and time and eventually if the matter is not in favour of the Insitute, huge amounts may also be payabe in the form of the interest. Institute has since appealed before Hon.CESTAT , Hyderabad bench in the matter and expects the matter to be favourably resolved in near future.

**8 - PROPERTY, PLANT & EQUIPMENTS**

	Gross Block						Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions	Deletions/ Adjustments	Acquired through business combinations	Translation exchange difference	As at March 31st, 2021	As at April 1, 2020	Depreciation charge for the year	Translation exchange difference	Deletions/ Adjustments	As at March 31st, 2021	As at March 31, 2020
<b>8.1 Tangible Assets</b>												
Furniture and Fixtures	8,58,442	3,325	-	-	-	8,61,767	1,84,570	81,716	-	-	5,95,481	6,73,872
Computers	7,92,646	93,940	-	-	-	8,86,587	6,08,654	79,512	-	-	1,98,421	1,83,992
Office Equipment	2,24,338	3,390	-	-	-	2,27,728	1,30,132	21,517	-	-	76,079	94,206
Electrical Installation	2,60,665	-	-	-	-	2,60,665	1,01,181	24,763	-	-	1,34,721	1,59,484
Other Assets	4,875	-	4,875	-	-	-	4,875	-	-	4,875	-	-
<b>Total</b>	<b>21,40,966</b>	<b>1,00,655</b>	<b>4,875</b>	<b>-</b>	<b>-</b>	<b>22,36,746</b>	<b>10,29,412</b>	<b>2,07,508</b>	<b>-</b>	<b>4,875</b>	<b>10,04,701</b>	<b>11,11,554</b>
<b>8.2 Intangible Assets</b>												
Software	12,71,571	2,18,200	-	-	-	14,89,771	8,11,308	3,55,732	-	-	3,22,731	4,60,263
<b>Total</b>	<b>12,71,571</b>	<b>2,18,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,89,771</b>	<b>8,11,308</b>	<b>3,55,732</b>	<b>-</b>	<b>-</b>	<b>3,22,731</b>	<b>4,60,263</b>
<b>Grand Total</b>	<b>34,12,537</b>	<b>3,18,855</b>	<b>4,875</b>	<b>-</b>	<b>-</b>	<b>37,26,517</b>	<b>18,40,720</b>	<b>5,63,240</b>	<b>-</b>	<b>4,875</b>	<b>13,27,432</b>	<b>15,71,817</b>
<b>Grand Total previous year</b>	<b>25,92,458</b>	<b>8,20,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,12,537</b>	<b>14,15,738</b>	<b>4,24,982</b>	<b>-</b>	<b>-</b>	<b>18,40,720</b>	<b>11,76,720</b>

8.3 Other Assets pertain to Assets which are not material and individually valued at less than ₹ 5000, thus they have been depreciated at 100% based on the guidance note issued by Institute of Chartered Accountants of India. The same has been written off during the reporting period since the assets are not in use anymore

Notes forming part of financial statements

9 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Rent Deposit	3,90,000	3,90,000
Fixed Deposits held with Banks	2,05,000	2,83,89,504
Other Deposits	18,65,716	400
<b>Total</b>	<b>24,60,716</b>	<b>2,87,79,904</b>

9.1 Fixed deposits held with banks pertains those deposits whose maturity is more than 12 months as at the end of current reporting period. These were re-classified in accordance with the accounting standards and these fixed deposits are earmarked to different funds of the Institute.

10 - CASH & BANK BALANCES

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
<b>10.1 Cash and Cash Equivalent</b>		
Balances with banks		
In Savings Accounts	1,26,07,273	28,44,367
In Fixed deposits (Not Earmarked)	2,65,20,558	79,91,682
Cash on hand	49,371	77,094
	<b>3,91,77,202</b>	<b>1,09,13,143</b>
<b>10.2 Other Bank Balances</b>		
Earmarked Bank Deposits	17,11,87,874	14,18,83,137
Bank Deposits - More than 3 months Maturity (Not Earmarked)	73,03,755	2,69,66,350
	<b>17,84,91,629</b>	<b>16,88,49,487</b>
<b>Total</b>	<b>21,76,68,831</b>	<b>17,97,62,630</b>

10.3 Savings account includes balances held with banks of Chapters/Zonal Offices. 4 Chapter Offices namely Delhi, Tamil Nadu, Madhya Pradesh and Gujarat Offices do not have any Bank Accounts and Rest of 24 Chapter/Zonal offices have been maintaining Bank accounts.

10.5 Balance with banks in savings accounts includes balance in ICICI bank of ₹ 127686 (Previous year ₹ 127686), Ahmedabad where no balance confirmation could be obtained from the bank.

10.6 Earmarked Bank deposits in other bank balances include current account maintained with State Bank of India which is earmarked to Benevolent Fund.

10.7 As per the Accounting Policy of the Institute the relevant fund has to bear the cost of income tax out of the Income earned by such funds. The fund accounts which is disclosed under Reserves & Surplus does carry the tax expense however the cash flow of such tax costs were incurred from the current account of the Institute.

10.8 Cash in hand includes cash balances with below chapters:

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Head Office	32,798	5,654
Bihar Chapter	23	29,101
Chattisgarh	-	925



Notes forming part of financial statements

Punjab	179	179
North East	13,148	13,148
Uttar Pradesh	2,522	27,386
West Bengal	701	701
<b>Total</b>	<b>49,371</b>	<b>77,094</b>
<b>10.9</b> Cash balances at various offices were confirmed as held by distinct custodians as at the 31st March,2021.		

**11 - SHORT TERM LOANS & ADVANCES**

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
<b>Unsecured, Considered good</b>		
Loans & Advances to related parties	-	5,76,921
Loans & Advances to Zones/Chapters	-	6,48,633
Other Loans & Advances	1,11,548	1,44,271
GST Receivable	18,42,894	6,35,283
Chapter Suspense	11,12,475	12,18,499
Less: Provision for Expenses for Chapter Suspense	(5,62,853)	(5,88,000)
Net Chapter Suspense	5,49,622	6,30,499
<b>Total</b>	<b>25,04,064</b>	<b>26,35,607</b>

**11.1** Loans & advances to related parties against the name of Mr. Lalit Gupta carried in the books until previous reporting period to the tune of ₹ 576921 was reviewed on the basis of copies of expenditure vouchers/invoices and explanation rendered by him in the Council meeting held on 4th December,2021. On being satisfied with such explanations and corroborative evidences it was unanimously decided to account for such expenses as "Prior Period Expenses" in the books of accounts for the current reporting period and close the advance.

**11.2** In the absence of details and expense vouchers, advances given to Tamil Nadu ₹ 36149 ,Madhya Pradesh Chapter ₹ 21801, Rajasthan chapter amounting to ₹ 64185, East zone amount ₹ 100000, South zone amount ₹ 223000 and West zone amount ₹ 203498 carried as advances to Chapters/ Zones, the board in its meeting dated 4th December,2021 decided to write off the same as it relates prior to financial year 2010-11 and the details are not traceable

**11.3** Chapter suspense pertains to debit on those chapters who have not produced books of accounts for the reporting period or previous reporting period(s) and had incurred expenses from their respective banking accounts. This includes money transferred by the head office to such chapters and provision for expenses was been created to the extent receipts from seminar/training conducted or payments made whichever is lower and in the previous reporting period(s). These figures have been scaled down upon submission of accounts by Maharashtra Chapter and Uttrakhand Chapter. During the previous reporting period, as per the decision made by the Council in its meeting held on 27.11.2020 , a sum of Rs.95000/ representing Cash balance at Delhi office was debited North Zone under whose administrative control the Delhi office of the Institute was being operated in the year 2017-18 and Rs.108500 to NCR Chapter for the cash withdrawal made during the current reporting period from the banking account and Rs.8500/- being expenses for which no details, voucher or audited accounts were submitted.The Chapter/Zone Wise details are as under:



**Notes forming part of financial statements**

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
NCR Chapter	2,18,800	2,18,800
North Zone	1,81,170	1,81,170
South Zone	28,500	28,500
West Zone	6,48,600	6,48,600
Punjab Chapter	-	80,877
UP Chapter	-	16,420
Odisha Chapter	35,405	35,405
East Zone	-	5,080
Jharkahnd Chapter	-	3,647
<b>Total</b>	<b>11,12,475</b>	<b>12,18,499</b>

11.4 Other Loans and Advances pertains to advances made to supplier during the reporting period and services/money were received/realised in the subsequent financial year

11.5 The Institute is in the process of reconciling the GST receivable as stated in the accounts with that of the Electronic Credit ledger balance as per GST portal which is standing at ₹ 3.33 lacs (Previous year ₹ 6.35 lacs)

**12 - OTHER CURRENT ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Interest Accrued on fixed deposits	51,22,950	39,30,790
Receivable from members towards Subscription including student	1,90,800	18,19,902
Prepaid Expenses	17,03,560	24,64,650
<b>Total</b>	<b>70,17,310</b>	<b>82,15,342</b>

12.1 The receivables stated above pertains to those members who has outstanding liability of membership fees upto one year plus taxes. This is recognised in line with the accounting policy of the Institute

12.2 Receivables from members in the previous reporting period include a sum of ₹ 30880 representing non collection of Admission Fee and subscription for new memberships allotted during the year 2017-18 owing to lack of administrative and software control at Delhi Office and the same has been written off during the year in order to reconcile with the Members database.

12.3 Receivables from members for the previous reporting period has been net-off by ₹ 87755 (Previous Year ₹ 216946) credited to the bank account during the previous reporting period since no receipt has been generated due to technical flaw while making the online payment. The same has been reconciled during the current reporting period and the credit has been given to the respective members

**13 - REVENUE FROM OPERATIONS**

Particulars	2020-21	2019-20
	₹	₹
Subscription Fee	1,25,42,189	1,50,32,819
Seminar fee	-	17,420
Students Members Enrolment fee	8,06,500	7,35,500
Re-admission fees	3,20,000	-



**Notes forming part of financial statements**

Other income from Members	9,42,750	2,27,250
<b>Total</b>	<b>1,46,11,439</b>	<b>1,60,12,989</b>

13.1 Re-admission fees recognised in the reporting period is in the nature of penalty, hence they have been treated as revenue receipt.

13.2 Seminar Income includes prior period seminar fee in the previous reporting period ₹ 17420 recorded based on accounts received

13.3 Subscription Income in the current year includes receipts from members pertaining to earlier years which was written off from the books in the previous reporting period on account of test of revenue recognition policy being failed.

13.4 The Institute has carried an exercise to re-work the member balance as at Apr 1, 2020 and during the course of such exercise member balances differed with the actual balance as at Mar 31, 2020. The Council decided to amend the balance as at Apr 1, 2020 in the database and accordingly if any advance was arrived at the same was offered for refund. For those members whose details were not received until 25-Mar-2021 such advance was transferred to Corpus fund after adjustment of subscription and other demands, if any for the year 2020-21. The amount of such transfer to corpus fund is ₹ 190078 and the amount of refund is ₹ 183935.

**14 - OTHER INCOME**

Particulars	2020-21	2019-20
	₹	₹
Interest from bank deposits	1,27,26,398	1,36,47,404
Payment Gateway Charges	5,22,709	4,41,395
Other Income	8,044	1,69,896
	1,32,57,151	1,42,58,694
Less: Interest on Earmarked investment transferred to corpus fund	1,04,25,939	1,10,64,354
<b>Total</b>	<b>28,31,212</b>	<b>31,94,340</b>

14.1 Interest from bank deposits includes ₹ 2.43 lacs received on Flexi deposits (Previous Year ₹ 3.76 Lacs)

14.2 Interest from bank deposits includes ₹ 0.81 lacs received on Saving deposits (Previous Year ₹ 1.00 Lac)

14.3. Other Income in the current reporting period includes refund of bank charges and in previous reporting period includes liabilities written off ₹ 1.15 Lacs towards Haryana Chapter and MP Chapter (Kajuraho Unit) Suspense outstanding expenses payable amounting to ₹ 1.15 Lacs and ₹ 0.03 Lacs, respectively and discount on services received as decided by the Council in its meeting held on 27.11.2020.

**15 - EMPLOYEE BENEFIT EXPENSE**

Particulars	2020-21	2019-20
	₹	₹
Salaries and incentives	38,70,411	28,33,330
Staff Welfare	32,642	30,538
Gratuity	1,27,059	1,49,760
Employer Contribution to ESI	31,022	27,741
Bonus to Employees	60,000	40,000
<b>Total</b>	<b>41,21,134</b>	<b>30,81,369</b>

Notes forming part of financial statements

16 - OPERATION & OTHER EXPENSES

Particulars	2020-21	2019-20
	₹	₹
Annual General Meeting Expenses	3,21,382	4,42,331
Conveyance	8,541	11,630
Council Meeting expenses	2,16,797	9,93,441
Election Expenses	6,16,494	2,47,487
Electricity Expenses	1,68,060	1,39,090
Hotel & Boarding	1,25,448	1,35,647
Insurance Premium for members PA Group Insurance	38,74,801	47,34,025
Other Insurance	61,360	-
Interest and Penalties	761	1,37,081
Legal Expenses	22,89,500	5,09,000
Office Rent	8,02,750	8,29,919
Postage & Courier	1,35,326	86,192
Printing & Stationery	2,35,811	2,90,946
Professional Charges - Others	1,43,250	2,85,543
Professional Charges - Company Secretary	4,21,370	1,72,500
Rates & Taxes	50,649	1,04,004
Repairs & Maintenance - Office and Equipments	1,55,547	4,57,884
Telephone & Communication Expenses	2,52,245	2,55,798
Travelling Expenses	4,09,704	11,54,335
Web hosting charges	3,89,763	2,55,455
Workshops, Seminars & Training Expenses	6,11,510	6,63,008
Write offs	6,53,889	-
<b>Payments to the auditor as</b>		
auditor	3,00,000	2,75,000
for tax matters	60,000	50,000
Reimbursement of Expenses	8,604	36,564
to branch auditors	65,590	5,900
<b>Total</b>	<b>1,23,79,152</b>	<b>1,22,72,780</b>

16.1 Travelling Expenses and Hotel & Boarding expenses includes expenses incurred for the purpose of council meet however could not be bifurcated and be included in Council Meeting Expenses

16.2 During the year the Institute has incurred legal expenses to the tune of ₹ 22.40 Lacs (Previous year ₹ 5.09 Lacs) for various litigations filed by and against the Institute. Details of Case and expenses incurred towards it is given below

Particulars	2020-21	2019-20
Retainership Fee For April to June 2020- Shri .Vishnu Grover	60,000	-
Caveat Pettion Against Lalit Gupta - Shri. Vishnu Grover	2,500	-
Delhi High Court Writ Petition aginst Lalit Gupta- Shri Ankit Mangla ( IIISLA V/S lalit Gupta)	2,02,000	75,000
Delhi High Court Case Titled "Jawahar Lal Tiku & Ors vs IRDAI & Ors - Shri Ankit Mangla. ( JLTiku V/S IRDAI) Respondent-IIISLA	3,15,000	-



Notes forming part of financial statements

Delhi High Court WPC No: 5486 of 2020 agnst IRDAI Regulations 2020- Shri. Ankit Mangla ( iiisla v/s irdai & union of India)	2,35,000	-
Delhi High Court- WPC No: 6117 of 2020 Case Titled Ajay Giridhar Vs IRDAI- Shri. Ankit Mangla (AJAJY GRIRDHAR V/S IRDAI) Respondent IIISLA	3,70,000	-
Drafting appeal to CESTAST against in Original No: HYD-EXCUS-002- COM-001-20-21 DT: 13.05.2020- Shri. Lakshmi Kumarn & Sridharan.( IIISLA V/S SERVICE TAX DEPARTMENT)	1,04,000	1,10,000
Delhi High Court - Appearance and Professional fees for WPC No: 11462 of 2019 of Case Titled Jawahar Lal Tiku & others vs IRDAI and others on 28.09.2020- Shri. Ankit Mangla. ( JLTiku V/S IRDAI) Respondent-IIISLA	3,40,000	-
Delhi High Court - Appearance and Professional fees for WPC No: 8526 of 2020 of Case Titled Jayant Kumar & Others vs IRDAI on 23.10.2020- Shri . Ankit Mangla ( jayant kumar v/s irdai)Respondent iiisla	2,45,000	-
Delhi High Court - Case Titled "Yogesh Shantaram Patil vs IRDAI & Ors - Shri. Ankit Mangla. (YOGESH SHANTARAM PATIL V/S IRDAI) Respondent IIISLA	75,000	-
Gauhati High Court - WPC No: 4604/2020 dt: 02.12.2020 case tiled"Golap Gogoi & 4 others vs IIISLA&ors- Shri. B D Goswami (GOGOI V/S IIISLA)	35,000	-
Delhi High Court - Professional fees for Drafting and filing the Criminal Complaint under Section 200 CPC wtih sec 156(3)CPC agant Mr.Lalit Gupta before LD CMM,Delhi - Shri. Ankit Mangla .	55,000	-
Delhi High Copurt - Professional fees for drafting legal notice against Policy Bazaar Brokers Pvt.Ltd on 09.01.2021- Shri. Ankit Mangla ( IIISLA V/S POLICY BAZAR)	11,000	-
Delhi High Court - Appearance and Professional fees for Case titled"Kulbhushan Manchanda vs IRDAI & Ors bearing WPC No: 1866/2021 before Hon'ble High Court of Delhi. vide TID No:20-02-2021 (KULBHUSHAN MANICHANDA V/S IRDAI) RESPONDENT -IIISLA	1,25,000	-
Bombay High Court - legal fees for WP No: 2650/2016 purpose - Shri. Anand S Pagare. (ANAND S PAGARE V/S IRDAI)RESPONDENT -IIILSA	20,000	-
Election - Professional Fee towards various sessions of Videoconferencing emails,drafts reply to legal notices with respect to validity of 12th Central Council Elec.	45,000	-
Prior Period Legal Consultancy Fee paid to Shri R K Kohli	50,000	
Legal Opinion on Eol from Shri Dilip Kumar	-	10,000
Kerala High Court Writ Petition - Shri Rajan P Kaliyuth	-	36,000
Madras High Court Writ Petition - Shri S.Kamadevan	-	15,000

### Notes forming part of financial statements

Delhi High Court Writ Petition - Shri RK Kohli	-	25,000
Delhi High Court Writ Petition - Shri Sanjeev Kumar Dubey	-	1,60,500
Advising of Legal Matters & Notary Charges	-	40,500
Aurangabad Court Case - Shri Santosh G.Chapalgaonkar	-	15,000
Election Caveats Fee - Shri Ankit Mangala	-	22,000
<b>Total</b>	<b>22,89,500</b>	<b>5,09,000</b>

16.3 The above expenses include prior period expenses as mentioned below:

Particulars	2020-21	2019-20
Travelling Expenses	2,36,634	53,300
Workshops, Seminar & Training expenses	1,00,154	2,95,854
Legal	50,000	-
Conveyance	67,065	-
Printing & Stationery	1,40,040	-
Hotel & Boarding	86,677	-
Repairs & Maintenance	9,833	-
<b>Total</b>	<b>6,90,403</b>	<b>3,49,154</b>

16.4 Details of Telephone and Communication Expenses:

Particulars	2020-21	2019-20
Internet and Domain expenses	99,255	42,056
Telephone Charges	41,542	11,789
Messaging service	1,15,000	1,99,000
<b>Total</b>	<b>2,55,797</b>	<b>2,52,845</b>

### 17 - FINANCE COSTS

Particulars	2020-21	2019-20
	₹	₹
Bank Charges	5,454	25,265
Online Payment Charges	3,65,022	3,90,707
<b>Total</b>	<b>3,70,476</b>	<b>4,15,973</b>

18. **Contingent Liabilities** - There is a demand outstanding towards TDS default to the tune of Nil (₹ 28923 as at March 31, 2020) which in the opinion of the Council is not payable and requires corrective action through online mode hence not considered as liability in the books of accounts of the Institute.

19. Previous Year's figures are regrouped & rearranged so as to make them comparable with that of the current year where ever considered necessary and relevant.

20. 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 it's 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, revenue receipt from non members for the year and receipts from members which is not used for the benefit of the members

## Notes forming part of financial statements

21. 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. Only few chapters NCR, North Zone Jharkhand and South Zone Chapters/Zones have not submitted the accounts and /or Seminar Income & Expenditure Statement for the year 2020-21. Transactions of Chapter/Zones who have submitted the accounts have been incorporated in the consolidated accounts of IIISLA . Transactions in other cases have been accounted on adhoc basis for others on the basis of bank account statement.

22. During the year 2017-18 a Special Audit was conducted at the behest of IRDAI with a broad scope of review of accounting systems and control and financial irregularities, if any for the period 2014-15 to 2017-18. In the course of such audit, the Special Auditor had on the basis of whistle blower inputs pointed out to few undisclosed bank accounts being operated in the name of the Institute and had accordingly identified banking account with Bank of Baroda, New Delhi (A/c No. 068601000047727 & 06860100004022). The erstwhile council being seized of this information had accordingly approached the bank's branch to obtain the details of the account, its signatories and finally to obtain the statement to identify and account for the transactions in the books of IIISLA which hitherto remained unaccounted resulting in unintended defective accounting. Through corroborative documents A/c No. ending with 47727 was identified as that associated with North Zone, opened in the year 2009-10 under the authority of Central Council. As discussed by one of the signatory to the banking account and deliberated in the Council meeting held on 4th December, 2021, it was decided to track the transactions in this bank account to various seminars conducted during 2011-15 in the North Zone Region which has already being accounted in Institute's accounts on the basis of seminar specific audited/unaudited accounts received from such chapters/Zone in the respective years and upon appropriate reconciliation and verification, record transactions , if not already accounted, to deal with the matter alleged non accountal of this bank account. As for the account ending with 4022, the traceability of owner and signatories thereto remains unresolved. Accordingly pending such reconciliation and findings, the Council has refrained from accounting transactions embodied in these bank statements in the books of accounts during the current reporting period.

23. The accounts for the period until 30.06.2012 were drawn up based on records and documents as had been recovered by the IRDAI and possessed by the Institute from the IRDAI basing on the directives of Hon. High Court, Ahmedabad on 24.07.2012. 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 of the previous years resulting in cumulative impact on financial figures as at the current year end as a consequence of absence of or on account of inadequacy of vouchers, bills, invoices or other supporting data for the years 10-11, 11-12 and 12-13.

### 24.1 Reconciliation Statement of Benevolent Fund with the investments and bank balance

Particulars	2020-21	2019-20
	₹	₹
Balance as per Fund	1,77,96,812	1,91,86,521
<b>Add</b>		
Claims Payable	14,46,628	12,00,000
<b>Less</b>		
Investments in Fixed Deposits	2,35,47,935	2,06,21,440
Investments in Current Accounts	(38,12,897)	16,95,923
<b>Difference</b>	<b>(4,91,598)</b>	<b>(19,30,843)</b>



Incorporated under erstwhile Section 25 of Companies Act, 1956 presently Section 8 of Companies Act, 2013

## Notes forming part of financial statements

**24.2** Difference in the reconciliation for the current reporting period as well as previous reporting period is on account of tax recovery from the fund for the interest earned by the fund more elaborately described in Note 4.4 and GST on IBF subscriptions being paid from Axis Bank and non-appropriation of funds received in SBI to Axis Bank.

**25.** Events occurring after the reporting period

**25.1** The financial statements were approved for issue by the Board of Directors on 4th December 2021

**25.2** All the transactions which have occurred post reporting period and has bearing in the accounts of the reporting period has been adjusted or disclosed, as the case may be, in the financial statements.

**26. Impact of Covid on Financial statements** - The Institute has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, and other assets/liabilities. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Institute has used internal and external sources of information. The Institute has concluded that the impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the institute has conducted seminars and trainings though virtual mode and will continue to monitor developments to identify significant uncertainties in future periods, if any and accordingly its operations are not substantially impacted.

As per our report of even date attached

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

For and on behalf of the Board of  
Indian Institute of Insurance Surveyors & Loss Assessors  
CIN: U80902TG2005NPL047675

Sd/-  
SHARAD SINHA  
Partner  
M. No 202692

Sd/-  
AJAY GIRIDHAR  
Director  
DIN:08517361

Sd/-  
VIPIN KUMAR SHUKLA  
Director  
DIN:08517120

Hyderabad, dated this 4th day of December, 2021