

Name of Company	Indian Institute of Insurance Surveyors & Loss Assessors
Current Year Ending	As at March 31, 2013
Previous Year Ending	As at March 31, 2012
Current Period	2012-13
Previous Period	2011-12
Status	Company
Date of Incorporation	04-10-2005
PAN	AABCI5700M
Address	3RD FLOOR PARISHRAM BHAVAN BASHEERBAGH, HYDERABAD-500029.

INDEPENDENT AUDITORS' REPORT

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

Report on the financial statements

1. We have audited the attached financials statements of INDIAN INSTITUTE OF INSURANCE SURVEYOR AND LOSS ASSESSOR, which comprise of balance sheet as at 31st March 2013 and the Income & Expenditure Account for the year ended on that date and a summary of significant accounting policies and their explanatory statement.

Management's responsibility for the financial statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

Basis for Disclaimer Opinion

6. We draw attention to Note No.18 where it is mentioned certain receipt books and receipts are missing and Note No.20 where it is mentioned that the transactions pertaining to various chapters/zones of the institute are not recorded, thereby the effect of which on the Assets, Liabilities and surplus could not be ascertained.

Disclaimer Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and *except for the effects of the matter described in basis of disclaimer opinion paragraph*, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- a. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2013, and
- b. In the case of the statement of Income & Expenditure, of the Surplus for the year ended on that date,

Emphasis of Matter

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

We draw attention to Note No. 13 regarding the bulk cash deposits in the bank accounts, where the institute has provided for income, however such deposits could not be identified for the source therefor, accordingly the register of members is not updated to such an extent.

Report on other legal and regulatory requirements

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

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

(a) *Except for the matters described in the basis for Disclaimer Opinion paragraph*, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) *Except for the matters described in the basis for Disclaimer Opinion paragraph* ,in our opinion, proper books of account as required by law have been kept by the Company so far as appear from our examination of those books and proper returns adequate for the purposes of our audit have been received from power purchase committee;

(c). *Except for the matters described in the basis for Disclaimer Opinion paragraph* ,the Financial statements dealt with by this report are in agreement with the books of account;

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

(e) On the basis of written representation received from the directors of the company as at 31st march, 2012 and taken on record by the board of directors, we report that no director is disqualified from being appointed as a director of the company under clause (g) of sub section (1) of the Section 274 of the Companies Act, 1956.

For SHARAD & ASSOCIATES

Chartered Accountants

Firm Reg No. 06377S



SHARAD SINHA

Partner



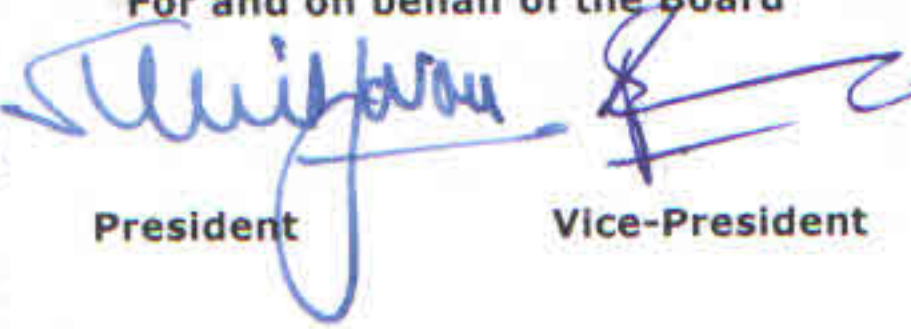
M. No: 202692



Hyderabad, dated this
16th day of December, 2013

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

Balance Sheet as at March 31, 2013

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital		-	-
(b) Reserves and surplus	3	60,431,301	52,064,646
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	4	377,266	3,089,826
(d) Short-term provisions	5	1,959,988	578,678
TOTAL		62,768,554	55,733,150
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible Assets	6	86,325	20,219
Intangible Assets		-	-
Capital Work - in - Progress		-	-
Intangible Assets under development		-	-
(b) Non-current investments	7	5,542,848	19,067,240
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	8	120,000	120,000
2 Current assets			
(a) Current investments	9	12,500,000	24,150,000
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	40,950,176	4,415,317
(e) Short-term loans and advances	11	1,212,972	989,513
(f) Other current assets	12	2,356,233	6,651,444
TOTAL		62,768,554	55,413,733
Notes forming Integral part of accounts	1-21		
As per our report of even date attached			
For SHARAD & ASSOCIATES Chartered Accountants Firm Reg.No.0063775		For and on behalf of the Board	
 SHARAD SINHA Partner M. No 202692 Hyderabad, dated this 16th of December 2013	President	 Vice-President	

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

Statement of Income & Expenditure For The Year Ended March 31, 2013

Particulars	Note No	2012-13	2011-12
I. Revenue from operations	13	7,705,766	7,258,127
II. Other income	14	1,149,348	82,651
III. Total Revenue		8,855,114	7,340,778
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	15	717,687	787,859
Operation and Other Expenses	16	4,243,102	3,967,521
Finance Costs	17	2,281	7,401
Depreciation and amortization expense	6	14,994	7,295
V. Total expenses		4,978,064	4,770,076
VI. Surplus before exceptional and extraordinary items and tax (III-IV)		3,877,050	2,570,702
VII. Exceptional items		-	213,503
VIII. Surplus before extraordinary items and tax (V - VI)		3,877,050	2,357,199
IX. Extraordinary Items		-	-
X Surplus before tax (VII- VIII)		3,877,050	2,357,199
XI Tax expense:			
(1) Current tax		1,150,452	678,486
(2) Deferred tax		-	-
XII Surplus (Defecit) for the period from continuing operations (VII-VIII)		2,726,598	1,678,713
XIII Surplus/(Defecit) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
XV Surplus/(Defecit) from Discontinuing operations (after tax) (XII-XIII)		-	-
XVI Surplus (Defecit) for the period (XI + XIV)		2,726,598	1,678,713
Notes forming Integral part of accounts	1-21		

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

for SHARAD & ASSOCIATES
Chartered Accountants
Firm reg.No. 0063775



SHARAD SINHA
Partner

M. No 202692

Hyderabad, dated this 16th of December 2013



For and on Behalf of Board of Directors



President



Vice-President

Notes to financial statements for the year ending 31st March, 2013

1. Corporate Information

The Indian Institute of Insurance Surveyors and Loss Assessors (Institute) was incorporated on 01.10.2005 under section 25 of Companies Act, 1956 and was promoted by Insurance Regulatory and Development Authority (IRDA). The first elected council (Board of directors) consisting of President, Vice-President, Secretary and Treasurer was formed on 15.12.2007. The Institute has been incorporated to regulate the profession of the surveyors and Loss Assessors through education and training and to promote the profession amongst its members by upgrading their skills and knowledge as also to impart education and training to the aspirant Insurance Surveyors. The Institute presently caters to 5,600 (approx.) members across India through four zones and various chapters.

The Current Board of the Institute comprises of the following Following are the office bearers as on the date of the Balance Sheet

President	: Mr. Sunil Vora
Vice President	: Mr. Sanjay Surpuriya
Council Member	: Mr. J.P.Singh
Council Member	: Mr. Lalit Gupta

The accounts for the year has been presented by the current Board.

The accounts for the period 2012-13 could not be audited earlier as the previous auditors M/s. N.C.Mittal & Co, New Delhi, delayed in sending in their consent to the change in auditors that had been proposed in the last AGM of the Institute held on February 2,2013. Following protracted and vigorous follow up, the consent was received by the Current Auditors, only on October 28,2013 .

2) SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

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

b. Use of estimates

The preparation of financial statements require the management of the Institute to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimate is recognized prospectively in the current and future periods.

c. Revenue recognition

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

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

d. Fixed Assets

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

e. Depreciation

Depreciation on fixed assets is normally provided on straight line method as per classification and on the basis of Schedule XIV of the companies Act, 1956. However in respect of assets costing Rs.5000 or below depreciation is provided at 100% leaving Re.1/- for control purpose.

f. 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.

g. 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.

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

NOTES FORMING PART OF FINANCIAL STATEMENTS

3 - RESERVES & SURPLUS

Particulars	As at March 31, 2013	As at March 31, 2012
a Corpus Fund		
Opening balance	3,845,756	28,068,000
(+) Unappropriated Admission & Membership Fee	1,469,700	13,207,010
(+) Interest income from Earmarked Investments	3,723,145	2,195,746
Sub Total	9,038,601	43,470,756
(+) Admission Fee Collection in current year	720,000	375,000
Sub Total	9,758,601	43,845,756
(-) Allocation to Building Fund	-	15,000,000
(-) Allocation to Training & Education Fund	-	15,000,000
(-) Allocation to Research Fund	-	10,000,000
Total	9,758,601	3,845,756
b. Building Fund		
Opening balance	15,000,000	-
(+) Funds allocated during the year	-	15,000,000
Sub total	15,000,000	15,000,000
c. Training & Education Fund		
Opening balance	15,000,000	-
(+) Funds allocated during the year	-	15,000,000
Sub total	15,000,000	15,000,000
d. Research Fund		
Opening balance	10,000,000	-
(+) Funds allocated during the year	-	10,000,000
Sub total	10,000,000	10,000,000
e. Surplus		
Opening balance	7,946,102	19,747,187
(-) Funds Transferred to Specific Fund	0	(13,207,010)
(-) Excess of income over expenses for the current year	2,726,598	1,678,713
Sub Total	10,672,700	8,218,890
Closing Balance	60,431,301	52,064,646
f) Corpus Fund: Rs. 97,58,601. The Corpus Fund constitutes the one time admission fees collected from members. During the period Rs. 7,20,000 is collected (Previous Year Rs.375000). There have been un-reconciled balances with respect to admission fees remitted by applicants during the previous accounting periods.		
g) During the year a sum of Rs,14,69,700 which was being carried in the books since 2006-07 as Unappropriated Admission & Membership Fee has been transferred to Corpus Fund as Management believes that such sum is not payable back to the contributor nor the carrying of liability is justified in view of changed Membership norms being implemented during 2012-13.		

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 - OTHER CURRENT LIABILITIES

<u>Particulars</u>	As at March 31, 2013	As at March 31, 2012
Unappropriated Admission and Membership Fees	-	1,469,700
Liability for Expenses	-	821,742
Past and Present Directors		
J P Singh	78,078	-
Ashok Kumar	92,480	255,333
D Chandrashekar Raju	-	9,676
R K Elango	-	312,192
Sanjay Supriya	63,782	26,962
Lalit gupta	-	74,153
Sunil Vora	66,154	63,834
Rakesh Soni	49,224	37,684
S K Agarwal	27,548	18,550
Total	377,266	3,089,826

a) The directors and council members are reimbursed for travel expenses incurred with respect to travel undertaken for the administrative purposes of the Institute. A sum of Rs:3,77,384 (Previous year Rs:7,98,384) is payable to the past and present directors against such travel undertaken.

b) Advance towards Entry & Membership Fees: Rs. 14,69,700 The said amount represents the money received from members which is carried over from the past and appropriated to Corpus Fund during the year. Also refer Note No. 3 (g)

5 - SHORT TERM PROVISIONS

<u>Particulars</u>	As at March 31, 2013	As at March 31, 2012
(a) Audit fee Payable	146,920	115,093
(b) Liability for Expenses	555,686	821,742
(c) TDS Payable	15,660	-
(d) Provision for Income Tax	1,241,722	463,585
Total	1,959,988	1,400,420

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

NOTES FORMING PART OF FINANCIAL STATEMENTS

6 - FIXED ASSETS

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
		As at April 1, 2011	Additions	Deletions/ Adjustments	Acquired through business combinations	Translation exchange difference	As at March 31st, 2012	As at April 1, 2011	Depreciation charge for the year	Translation exchange difference	Deletions/ Adjustments	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
a	Tangible Assets													
	Furniture and Fixtures													
	Office Equipments	45,000	81,100.00	-	-	-	126,100	24,781.00	14,994	-	-	39,775	86,325	20,219
	Total	45,000	81,100	0	0	0	126,100	24,781	14,994	0	0	39,775	86,325	20,219
	Grand Total previous year	265,182	-	220,182	-	-	45,000	72,227	7,295	-	54,741	24,781	20,219	

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

NOTES FORMING PART OF FINANCIAL STATEMENTS

7 - NON CURRENT INVESTMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
a. Secured, considered good		
Ear Marked Investments	5,000,010	17,500,010
Interest Accrued on Ear Marked Investments	542,838	1,567,230
Total	5,542,848	19,067,240.00

c. Details of Ear Marked Investments

Particulars	As at March 31, 2013	As at March 31, 2012
UNION BANK OF INDIA		
Fixed deposit - ROI, Maturity Date	-	12,500,000
Interest Accrued on Fixed deposit	-	1,024,392

SYNDICATE BANK		
Fixed deposit - ROI, Maturity Date	5,000,010	5,000,010
Interest Accrued on Fixed deposit	542,838	542,838

8 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2013	As at March 31, 2012
1. Unsecured, considered good		
Rent Deposit	120,000	120,000
Less: Provision	-	-
Total	120,000.00	120,000.00

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
NOTES FORMING PART OF FINANCIAL STATEMENTS

9 - Current Investments

Particulars	As at March 31, 2013	As at March 31, 2012
Ear Marked Investments - Fixed deposits with maturity less than 12 months with Union Bank of India (Previous Year with ICICI Bank)	12500000	24150000
Total	12500000	24150000

10 - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2013	As at March 31, 2012
a. Cash and Cash Equivalents		
(i) Balances with banks	9051371	4415317
In Savings Accounts	31891555	0
In Earmarked Bank Accounts	7250	0
(ii) Cash on hand		
Total	40950176	4415317

11 - SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
a. Unsecured, Considered good		
Loans & Advances to related parties	598822	272237
Loans & Advances to Zones/Chapters	486627	428526
Other Loans & Advances	127523	288750
Less: Provision	0	0
Total	1212972	989513

b. Loans & advances to related parties includes

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Unsecured		
Directors	0	0
Past Directors of the Company	598822	272237
Less: Provision	0	0
Total	598822	272237

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

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

12 - OTHER CURRENT ASSETS

Particulars	As at March 31, 2013	As at March 31, 2012
Interest Accrued on fixed deposits	2183115	1755472
TDS Receivable 2010-11	173118	173118
Subscription receivable	0	4722854
Total	2356233	6651444

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

NOTES FORMING PART OF FINANCIAL STATEMENTS

13 - REVENUE FROM OPERATIONS

Particulars	2012-13	2011-12
Subscription Fee	6,934,466	6412500
Seminar fee	771,300	845627
Total	7,705,766	7258127

Certain bulk deposits of cash was noticed in bank account which have been accounted as Subscription without appropriating them against the respective members from whom such amounts have been received. This has resulted owing to on rendering receipt book by the Past President Shri R K Elango.

14 - OTHER INCOME

Particulars	2012-13	2011-12
Interest Income		
Interest from bank deposits	4,377,563	2278397
Revenue Subsidy	450,000	0
Other income	44,930	0
Sub total	4,872,493	2278397
less: Interest from Earmarked investment transfer to corpus fund	3,723,145	2195746
Total	1,149,348	82651

Details of Interest Income

Particulars	As at March 31, 2013	As at March 31, 2012
Union Bank Of India	1,049,504	1049504
Tds on above	104,950	104950
ICICI Bank	1,005,648	1005648
Tds on above	100,565	100565
Syndicate Bank	93,857	93857
Tds on above	9,385	9385
Interest from saving bank	129,388	129388

15 - EMPLOYEE BENEFIT EXPENSE

Particulars	2012-13	2011-12
Salaries and incentives	696,095	715859
Staff Welfare	21,592	0
Gratuity	-	72000
Total	717,687	787859

16 - OPERATION & OTHER EXPENSES

a.

Particulars	2012-13	2011-12
Administrative Office Rent	246,400	84000

Ahmedabad Office Rent	144,000	120000
Repairs & Maintenance		
- Office Equipments	6,000	40624
- Office	35,931	46276
Rates & Taxes	86,529	22303
Advertisement	9,340	0
News Papers & Periodics	1,200	0
Workshops, Seminars & Training Expenses	1,585,693	1200656
Consumer Awareness Expenses	15,000	0
Insurance Premium for members PA Group Insurance	-	670080
Telephone & Communication Expenses	43,441	63807
Travelling Exp	826,467	709545
Election Expenses	-	16938
Electricity Expenses	20,717	9269
AGM Expenses	392,143	250000
Legal Exp	31,000	449070
General & Misc Expenses	44,666	8779
Postage & Courier	17,557	117660
Printing & Stationery	35,600	105400
Professional Charges	596,905	6213
Interest on Tds	3,390	833
Total	4,141,978	3921453

(b) Travelling expenses are reimbursed to the members of the Board on the basis of vouchers submitted by them and approved by the Board. A sum of Rs:3,77,266 represents the amount which had been expended by the members of the Board during the accounting period and which were yet to be reimbursed as at the date of the Balance Sheet. These were subsequently paid.

(c) General Expenses & Miscellaneous Expenses includes Website Maintenance Charges (Rs.22000) for the year 2012-13

d. Payment to Auditors

Particulars	2012-13	2011-12
Payments to the auditor as auditor	50,000	41000
for tax matters	40,000	0
for Service tax on audit fee,	11,124	5068
Total	101,124	46068
Grand Total (a+b)	4,243,102	3967521

17 - FINANCE COSTS

Particulars	2012-13	2011-12
Bank Charges	2,281	7401
Total	2,281	7401

possession of all the records of the Institute said to have been retained by the previous office bearers at the Administrative Office at Ahmedabad. Unfortunately, several important records and documents (including the Fixed Deposit Receipts) were missing from the administrative office and could not be recovered in entirety.

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

19. 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.

The Board's application with the Tax Authorities for exemption under Section 80G of the Income Tax Act has not been approved on accounts of the delays in filing of accounts, various compliances under the Companies Act and the failure to apply it's income for the primary objectives of the Institute.

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

21. Previous Figures are regrouped & rearranged so as to make them comparable with that of the current year where ever considered necessary more so in the light of first time application of new revised schedule VI.

As per our report of even date attached

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

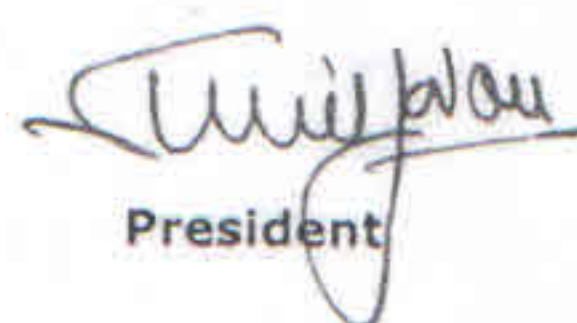

SHARAD SINHA

Partner
M. No

Hyderabad, dated this 16th December, 2013



For and on behalf of the Board


President


Vice-President