



# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

(Promoted by IRDA, Govt. of India)

Head Office:-315,Paras Chambers,D.No.-3-5-890,HimayatNagar, Hyderabad-500029(A.P)  
e-mail : iiisla.ad2013@gmail.com, admin@iiisla.co.in, Web-site : www.iiisla.co.in.,  
Telephone Numbers: 040- 66253666, 040-23261072, 040-23261073.

## NOTICE OF THE 9<sup>TH</sup> ANNUAL GENERAL MEETING

CIN:U80902TG2005NPL047675

Notice is hereby given that the NINTH ANNUAL GENERAL MEETING of **INDIAN INSTITUTE OF INSURANCE SURVEYORS & LOSS ASSESSORS** will be held on Saturday the 23<sup>rd</sup> September, 2017 at Prasang Presidency, R.C.T.I. College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad-380061, Gujrat at 11.00A M to transact the following business:

### AS SPECIAL BUSINESS

#### Item No.1

#### Amendment to Articles of Association

To consider and if thought fit, to pass the following resolution, with or without modifications, if any, as special resolution:

“RESOLVED THAT in accordance with the provisions of applicable law, including Section 14 of the Companies Act, 2013 and the rules made there under and amended from time to time, approval of the members of the Institute be and is hereby accorded, by way of special resolution, to adopt the understated clauses of Articles of Association of the Institute and is placed before the meeting (which be and is hereby specifically approved), in substitution of the relevant clauses and or additional of new clauses to the existing articles of association of the Institute as stated hereunder:

Existing Article No.	Existing Clause	Amended Clause
23(2)	The Council shall on the requisition made in writing by at least 10 percent of the members of the Institute or 100 members, whichever is less at the date of deposit of the requisition forthwith proceed duly to call an extra ordinary general meeting of the Institute and the provisions of section 169 of the Act including the following shall apply: ..... ..... (no further change in the clauses)	The Council shall on the requisition made in writing by at least 10 percent of the members of the Institute having voting rights, at the date of deposit of the requisition forthwith proceed duly to call an extra ordinary general meeting of the Institute and the provisions of section 100 of the Companies Act,2013 including the following shall apply:..... .....(no further change in the clauses)



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60	A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Institute in general meeting shall not less than twenty one (21) days before the date of the meeting be sent to all persons entitled to receive notices of general meetings of the Institute.	A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Institute in general meeting shall not less than fourteen (14) days before the date of the meeting be sent to all persons entitled to receive notices of general meetings of the Institute.
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## ORDINARY BUSINESS

### Item No.2 :

#### **Adoption Audited Accounts and Report of Auditors and Directors**

To receive, consider and adopt the Audited Balance Sheet ,Statement of Income & Expenditure and Cash Flow Statement for the year ended 31st March, 2017 as at that date and the Director's and Auditors report thereon.

### Item No.3 : Ratification of appointment of auditors

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

**RESOLVED** that in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the Members at the Sixth Annual General Meeting held on December30, 2014, the appointment of M/s Sharad & Associates, Chartered Accountants (Registration No. 006377S), as statutory auditors of the Company, to hold office from the conclusion of the Sixth AGM until the conclusion of the eleventh Annual General Meeting (AGM) of the Institute, be ratified by the Members on a remuneration and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company.

BY ORDER OF THE BOARD

Sd/-

LALIT GUPTA

DIRECTOR& PRESIDENT TO THE COUNCIL

DIN: 07102200

Hyderabad, dated this 31<sup>st</sup> day of August 2017



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## NOTES:

1. Explanatory statement is appended herewith
2. None of the Directors are interested in these Resolutions.
3. In terms of the requirements of the Secretarial Standards -2 on “General Meetings” issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, Route Map for the location of the aforesaid meeting will be put up on the Institute’s web site.

**Explanatory Statement, pursuant to Section 102(1) of the Companies Act,2013 in respect of the business above :**

### ITEM NO.1

Members are aware that few amendments to the Articles of Association was carried out during April,2017 at the Extra Ordinary General Meeting. Since those amendments were very critical and thus had been proposed for members approval only after obtaining approval from IRDAI, in the rush for the same few administrative and self explanatory amendments could not be proposed. Approval of members are now being sought for such amendments.

Article 23(2) of the present Articles of Association is in conflict with Section 100 of the Companies Act,2013. Accordingly it is proposed to align it with the law. Similarly Members are aware that Central Government has vide Notification No.GSR 466(E) Dt 05.06.2015 has granted exemption to Section 8 Companies to call for and conduct Annual general Meeting at a notice of 14 days. Accordingly, it is proposed to amend Article 60 to avail of this exemption.

## BOARD REPORT

CIN: U80902TG2005NPL047675

To the Members,

Your Directors have pleasure in submitting their Annual Report of the Company [Institute] together with the Audited Statements of Accounts for the year ended 31st March, 2017

### 1. FINANCIAL RESULTS

The Institute's financial performance for the year under review along with previous years figures are given hereunder:

Particulars	For the Year ended March 2017	For the Year ended March 2016
Revenue From Operations	48355647	45533349
Other Income	1878459	3483884
Total Income	50234106	49017233
Less: Interest	0	0
Profit before Depreciation	19857900	9375592
Less Depreciation	302590	260546
Profit after Interest and Depreciation	19262355	9115046
Less Current Income Tax(including Deferred Tax)	3974070	3696468
Net Profit/(loss) after Tax	15288285	5418578
Transferred to General Reserve	0	0
Balance carried to Balance Sheet	15288285	5418578

### 2. DIVIDEND

It being not-for-profit Institute, dividend is not envisaged

### 3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in any of the past year(s).

#### 4. REVIEW OF OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of operations during the year under review:

During the year your Institute implemented and introduced Benevolent Fund Scheme for members and their families as mandated by the members at their Extra Ordinary General Meeting held at Kanpur. A committee of Benevolent Fund was constituted to administer and govern the Fund.

Membership fee was increased during the year in terms of power vested with the Council under Article 4 of Article of Association. This increase was mainly to cater to appropriation of funds for Benevolent Fund Scheme. The response to the scheme was little muted due to confusion prevailing in the minds of the members initially however your Council was successful in clearing all such doubts through regular communication with the members resulting in overwhelming response to the contribution for the fund.

There has been certain disturbing developments in the profession albeit after the end of the financial year and accordingly are not being specifically covered herein however your Council is seized of the matter and is taking appropriate steps to ensure that there is no loss of professional opportunities for the members.

##### Retirements and Transfers:

In terms of power conferred under Articles of Association, IRDAI has nominated Shri A Ramana Rao, as IRDAI nominee and Shri R Chadraseskharan, as nominee of G I Council in place of situations lying vacant for these positions.

##### Operations:

A total of 279 new memberships and 219 student memberships were issued in the year and 173 members have been upgraded from Associate members to Fellow members and 06 members have been upgraded from Licentiate to Associate. The gist of activities with regard to operations is as below.

<b>Membership Details up to the year 2016-17</b>				
<b>Description</b>	<b>Licentiate</b>	<b>Associate</b>	<b>Fellow</b>	<b>Total</b>
Total Members as on 31.03.2016	1341	4700	2625	8666
New Members added during the year(Add)	184	94		278
Members upgraded to Fellow in 2016-17		-173	173	0
Members upgraded to Associate in 2016-17	-6	6		0
Members Degraded from Fellow to Associate in 2016-17		1	-1	0

Members Degraded from Associate to Licentiate in 2016-17	0	0		0
Members Degraded from Fellow to Licentiate in 2016-17	0		0	0
<b>Total Members as on 31.03.2017</b>	<b>1519</b>	<b>4628</b>	<b>2797</b>	<b>8944</b>
Exits (Expired/discontinued/retired members)				<b>-211</b>
<b>Total Active Members</b>				<b>8733</b>

<b>Student Membership Details</b>	
No. of Student Members as no 31-03-2016	788
Student Members added during the year 2016-17	219
<b>Total No. of Student Members as on 31.03.2016</b>	<b>1007</b>

#### Information Technology initiatives:

A well designed Website of IISLA was put on 'live' for access to all the members and to share information related to the institute. Updation of website is a continuous process and necessary modifications will be made as and when necessary, based on the requirements.

A separate Tab "Know your Subscription" is placed on the website to enable the member to know his subscription directly without inquiring the Admin Office. To facilitate the members the search criteria has been included with name, membership no. and SLA No. The data is being updated on regular basis to enable the member to know his subscription dues and thereby make the payment.

The Information of all the Zones and Chapters are uploaded on the website to enable the new applicants and also the members to know the details of the Zone/ Chapter Council Members along with their designations, and contact details.

An integrated module encompassing all the activities such as inwards, outwards, nomination for GPA Policy, Benevolent Fund accounting of subscription and many other several activities is being developed which help us in generation of various MIS which will help us in improving the member services.

The major activity under taken under the head of IT initiatives is the digitalization of member records. Around 90% of the members' files and records are scanned and maintained at Head office which will offer us many multiple benefits.

The IISLA Council has also decided to make the registrations of the training program online so that the members from all over country can take advantage of the training

sessions. The IT department is actively working on the various modalities to ensure that suitable training module is developed and placed on the website so as to enable the members take advantage of the sessions and register for the programmes.

#### Members Welfare:

The Group Personal Accident policy has renewed in the month of September, 2016 covering more members with maximum allowable discount in premium from New India Assurance Co, Faridabad for a Sum Assured of Rs. 20, 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.

Representations (Members request for conducting EGM at Kanpur were being received to create Benevolent fund for the benefit of the members.( The IISLA Council worked on the feasibility of creating the Benevolent Fund, the benefits, the modalities of implementation etc. and also has sought the opinions and suggestions from the members in this regard.)

An EGM was called at Kanpur & finally BF has come into existence w.e.f 01.04.2016.

We have renewed with bulk SMS provider and have been communicating the important information to all the members by way of SMS whenever there is an update of the same.

#### Trainings/Workshops/ Seminars:

Training presents a prime opportunity to expand the knowledge base of all Surveyors, but many surveyors find the development opportunities expensive. Continuous training also keeps surveyors on the cutting edge of industry developments. A structured training and development program ensures that surveyors have a consistent experience and background knowledge. The IISLA Council has given top priority to training of the members on continuous basis in order to achieve more productive results and meet the service expectations of the Insured and as well as Insurer. In view of the mandatory requirement of 100 hours for up gradation of membership from Licentiate to Associate and 50 hours for up gradation from Associate to Fellow many training sessions have been conducted during the year across the country for the benefit of the members. The details of the training sessions conducted are as under.

**Details of the Training sessions conducted by IISLA - Financial year-2016-17**

<b>S.no.</b>	<b>Session on Department</b>	<b>Date of Session</b>	<b>No. of days</b>	<b>Conducted at</b>	<b>Conducted by Chapter</b>
1	Motor	15-04-2016	Three	Tumkur	Karnataka
2	Motor & Miscellaneous	20-04-2016	Four	Kochi	Kerala
3	Fire	22-04-2016	Three	Hyderabad	Andhra Pradesh
4	Motor & Miscellaneous	23-04-2016	Two	Raipur	Chhattisgarh
5	Motor	24-04-2016	One	Kanpur	Uttar Pradesh
6	Motor & Miscellaneous	30-04-2016	One	Patiala	Punjab
7	Motor	01-05-2016	One	Vadodara	Gujarat
8	Motor & Engineering	21-05-2016	Two	Varanasi	Uttar Pradesh
9	Motor & Miscellaneous	25-06-2016	Two	Bhopal	Madhya Pradesh
10	Motor	18-06-2016	Two	Raipur	Chhattisgarh
11	Motor & Fire	02-07-2016	One	Ranchi	Jharkhand
12	Motor & Engineering	09-07-2016	One	Jalandhar	Punjab
13	Motor & Miscellaneous	18-07-2016	One	Patna	Bihar
14	Engineering & Miscellaneous	30-07-2016	Two	Guwahati	North East
15	Marine Cargo	30-07-2016	One	Baroda	Gujarat
16	Motor & Marine Cargo	05-08-2016	Two	Indore	Madhya Pradesh
17	Miscellaneous	14-08-2016	One	Muzaffarpur	Bihar
18	Engineering	20-08-2016	One	Ludhiana	Punjab
19	Motor	27-08-2016	One	Surat	Gujarat
20	Motor & Fire	03-09-2016	Two	Bhubaneshwar	Odisha
21	Motor	10-09-2016	One	Udaipur	Rajasthan
22	Motor, Fire & Miscellaneous	24-09-2016	Two	Katni	Madhya Pradesh
23	Motor	29-09-2016	One	Bathinda	Punjab
24	Engineering	01-10-2016	One	Jammu	Jammu & Kashmir
25	Motor & Fire	22-10-2016	One	Amritsar	Punjab
26	Motor, Fire & Engineering	10-11-2016	Three	Manali	Himachal Pradesh
27	Motor & Fire	26-11-2016	Two	Howarah	East Zone
28	Motor	26-11-2016	One	Moga	Punjab
29	Motor	10-12-2016	Two	Pune	Maharashtra
30	Motor	17-12-2016	One	Bhubaneshwar	Odisha
31	Motor & Miscellaneous	17-12-2016	Two	Zirakpur	Punjab
32	Motor	24-12-2016	One	Sonipat	Haryana
33	Motor & Miscellaneous	07-01-2017	One	Ajmer	Rajasthan
34	Motor & Financial Management	07-01-2017	One	Nashik	Maharashtra
35	Motor & Fire	20-01-2017	Three	Mussoorie	Uttarakhand
36	Motor, Fire, Engg & Miscellaneous	20-01-2017	Three	Surat & Vapi(Silvassa)	Gujarat



37	Motor & Engineering	28-01-2017	Two	Siliguri	East Zone
38	Motor	28-01-2017	One	Yamuna Nagar	Haryana
39	Motor & Fire	04-02-2017	One	Guwahati	North East
40	Motor & Miscellaneous	24-02-2017	Two	Sangli	Maharashtra
41	Motor, Engineering & Fire	17-02-2017	Three	Kasauli	Haryana
42	Motor	25-02-2017	Two	Raipur	Chhattisgarh

- Amendment to Articles of Association

Members are aware that amendment to Articles of Association (AOA) was carried out in the Extra Ordinary General Meeting of the members held on 20.04.2017 and approval of Registrar of Companies, Andhra Pradesh & Telangana was duly obtained. It is to be noted that amendments were pre-approved by IRDAI before they being placed before the members.

The AGM for the year 2015-16 was conducted on 27.12.2016 at Hyderabad and your Directors have pleasure in informing that the members at their AGM approved various exemptions granted to Section 8 Companies under the Companies Act, 2013 vide Notification No. GSR 466(E) Dt 05.06.2015 including but not limited to conduct of AGM at any place other than the registered office of the Company as provided in provision to Section 96 (2) of the Companies Act,2013.

Following Chapters have not submitted annual Chapter and/or Seminar related Accounts to IISLA Head Office for incorporation of the transactions in the HO books:

Sr.No	CHAPTER NAME	Accounts Received (Complete Set of Income & Expenditure, Bills, Cash Transactions) (YES Or NO)	Income & Expenditure Sheet (YES Or NO)	Bills Enclosed (YES Or NO)	Whether audited or not
1	<b>Andhra Pradesh</b>	NO	NO	NO	NO
2	<b>Bihar</b>	NO	NO	NO	NO
I	Seminar at Patna	NO	NO	NO	NO
3	<b>Gujarat</b>	NO	NO	NO	NO
I	Seminar at Baroda	NO	NO	NO	NO
II	Seminar at Surat	NO	NO	NO	NO
III	Seminar at Vapi	NO	NO	NO	NO
4	<b>Haryana</b>	NO	NO	NO	NO
5	<b>Jharkhand</b>	NO	NO	NO	NO
I	Seminar at Ranchi	NO	NO	NO	NO
6	<b>Karnataka</b>	NO	NO	NO	NO

<b>7</b>	<b>Kerala</b>	NO	NO	NO	NO
I	Seminar at Kochi	NO	NO	NO	NO
<b>8</b>	<b>Maharashtra</b>	NO	NO	NO	NO
I	Seminar at Pune	NO	NO	NO	NO
II	Seminar at Nashik	NO	NO	NO	NO
III	Seminar at Sangli	NO	NO	NO	NO
<b>9</b>	<b>Odisha</b>	NO	NO	NO	NO
I	Seminar at Bhubaneshwar(Dec 2016)	NO	NO	NO	NO
<b>10</b>	<b>Punjab</b>	NO	NO	NO	NO
I	Seminar at Patiala	NO	NO	NO	NO
II	Seminar at Jalandhar	NO	NO	NO	NO
III	Seminar at Ludhiana	NO	NO	NO	NO
IV	Seminar at Bathinda	NO	NO	NO	NO
V	Seminar at Amritsar	NO	NO	NO	NO
VI	Seminar at Moga	NO	NO	NO	NO
VII	Seminar at Zirakpur	NO	NO	NO	NO
<b>11</b>	<b>Rajasthan</b>	NO	NO	NO	NO
I	Seminar at Udaipur	NO	NO	NO	NO
II	Seminar at Ajmer	NO	YES	NO	NO
<b>12</b>	<b>Uttarakhand</b>	NO	NO	NO	NO
I	Seminar at Mussoorie(Dehradun)	NO	NO	NO	NO
<b>13</b>	<b>Uttarpradesh</b>	YES	YES	NO	NO
I	Seminar at Varanasi	NO	NO	NO	NO

**5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE INSTITUTE OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Institute occurred between the end of the financial year to which these financial statements relate and until the date of this report.

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Institute. There was no foreign exchange inflow or Outflow during the year under review.

## **7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE INSTITUTE**

The Institute does not have any Risk Management Policy as the element of risk threatening the Institute's existence is very minimal.

## **8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE INSTITUTE ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Institute has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no a loan, guarantees or investments made by the Institute under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

## **11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING INSTITUTE SECRETARY IN THEIR REPORTS**

The provisions relating to submission of Secretarial Audit Report in not applicable to the Institute. The explanations /comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished hereunder:

S.NO	AUDITOR'S REMARKS	MANAGEMENT REPLY
1	Non submission of audited accounts by all Chapters and Zones and incorporation thereof in the attached financials	Council has already sent reminders and caution notice to office bearers of chapters/Zones from which accounts has not been received. In addition to above, Council has already barred approval of further programs for such chapters. Council has also taken a decision to freeze their banking accounts

2	Old advances to members	Noted
3	Old Chapter/Zonal Account Balances	Council has been continuously making efforts to obtain the details from the respective past office bearers and account for it to close these old pending advances
4	Software Advance	As mentioned in Notes to Accounts , new vendor has agreed to give discount to the effect of the work done by previous vendor and accordingly this amount can be adjusted against the discount and hence can be said to be recoverable
5	Subscription	These adjustments were necessary to bring on par the book balances and the Member's database Software which in the opinion of the Council is a positive development
6	Benevolent Fund	Views of the auditors have been noted

## **12. INSTITUTE'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 Institute and hence the Institute has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## **13. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished as Annexure and is attached to this Report.

## **14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Institute had 3 Board meetings during the financial year under review on 29.08.2016, 02.12.2016 and 27.12.2016.

## **15. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

(a) in the preparation of the annual accounts, 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 Institute at the end of the financial year and of the profit and loss of the Institute for that period;

(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 Institute and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors, in the case of a listed Institute, had laid down internal financial controls to be followed by the Institute and that such internal financial controls are adequate and were operating effectively.- Not applicable to Private Limited Institute. Internal financial control means the policies and procedures adopted by the Institute 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.

(f) 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.

## **16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Institute does not have any Subsidiary, Joint venture or Associate Institute.

## **17. DEPOSITS**

The Institute has neither accepted nor renewed any deposits during the year under review.

## **18. DIRECTORS**

Shri B. Shivaprakash, Shri Tanmoy Sarkar, Shri Naishadh Desai and Shri Mohinder Kumar Sharma were declared elected in the elections held for 4 vacancies as per elections conducted by IRDAI and results declared in August 2016.

Further, Shri R K Elango, Shri Ashok Kumar, Shri Mrinal Pathak and Shri A R Ramesh, retired as Directors of the Institute wef 20.02.2017. These retirements were in terms of retirement by rotation resulting in vacation of office due to completion of term in office of Director.

#### **19. DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Institute.

#### **20. STATUTORY AUDITORS**

M/s Sharad & Associates, Chartered Accountants, were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 30<sup>th</sup> December 2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Institute has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **21. RISK MANAGEMENT POLICY**

The Statement showing the details regarding the development and implementation of Risk Management Policy of the Institute is furnished as under:

<b>S. No.</b>	<b>Identified Risks</b>	<b>Control Measures in place</b>
1	Loss of Data	Data backup is being taken on day to basis
2	Corruption of Data	Antivirus with latest updates are in place and monitored on weekly basis
3	Internal and External Network Issues	Assessment of the functioning of Networks on regular basis and taking necessary corrective action as and when required
4	Email Related issues	Email related issues are monitored on regular basis and necessary corrective action as and when required
5	System Hardware related issues	Monitoring the system requirements and troubleshooting as and when required.
6	Storage of Physical files	Files are stored in Filing cabinets and shelves. We are now storing the records of the members in electronic form to mitigate the loss / damage of the files

#### **22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Institute.

### **23. SHARES**

The Institute is limited by Guarantee; accordingly no such reporting is required.

### **24. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, associates, IRDAI Officials, consultants, and various Government Authorities for their continued support extended to your Institute activities during the year under review. Your Directors also acknowledges gratefully the members for their support and confidence reposed on your Institute more particularly for generous contribution to Benevolent Fund. Your Directors specifically acknowledge voluntary contribution of Rs.0.45 lacs by Shri U P S Sachdeva. .

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date:28.08.2017

Place: Hyderabad

Sd./-

Lalit Gupta

President & Director

DIN: 00626039

Sd./-

B Shivaprakash

Secretary & Director

DIN: 07102200



# SHARAD & ASSOCIATES

## CHARTERED ACCOUNTANTS

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### Independent Auditor's Report

To the Members of

**Indian Institute of Insurance Surveyors and Loss Assessors**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Indian Institute of Insurance Surveyors and Loss Assessors ("the Company" or "the Institute") which comprise the Balance Sheet as at March 31, 2017, the Statement of Income and Expenditure, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls





# SHARAD & ASSOCIATES

## CHARTERED ACCOUNTANTS

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system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### **Basis of Qualified Opinion**

#### **1. Chapter/Zonal Office Accounts**

- a. *We draw attention to Note No.19 of Notes forming part of financial statements where it is mentioned that the Very few Chapters/Zones have submitted the audited accounts and /or Seminar Income & Expenditure Statement for the year 2016-17. Transactions of such Chapter/Zones have been incorporated in the consolidated accounts of IISLA wherever audited accounts received. Transactions in other cases have been accounted adhoc basis for others on the basis of bank account statement, thereby the effect of which on the Assets, Liabilities and surplus could not be ascertained.*
- b. *We draw attention to Note 10(c) of Notes forming part of financial statements where in the absence of details and expense vouchers, advances given to Chapters/Zones has not been charged to income and expenditure statement and carried as advances and they have been long outstanding for several years. The impact of such long outstanding on the Assets and consequential effect on the Assets and surplus, if any, could not be ascertained.*

#### **2. Loans & Advances**

- a. *We draw attention to Note 10(b) of Notes forming part of financial statements where there is a receivable from Mr. Iqbal Tada amounting to Rs 209853 and Mr Santosh Sarkar amounting to Rs 62384 however the amount receivables have been long outstanding and there were no efforts available on records of the company to recover the amount and certainty of the receivable. Accordingly there were no provision made against such receivables. The impact of such outstanding on the Assets and consequential effect on the Assets and surplus, if any, could not be ascertained.*
- b. *We draw attention to Note No. 11(a) where it is mentioned that the Institute has paid an Advance to Agile Avenues Pvt Ltd towards purchase of Software for updating the member's records with technological features including a mobile app have been long outstanding. However the software implementation process has failed and advance amount paid to them is shown as receivable for which there is no evidence placed on records that there is a certainty the amount is receivable thus the impact of such outstanding on the Assets and consequential effect on the Assets and surplus, if any, could not be ascertained.*

#### **3. Subscription**

- a. *We draw attention to Note 12 of Notes forming part of financial statements where the Subscription fee of Rs 1.39 Crores have been recognized as Income for the year. The Amount includes recognition of fee for the current year from those members who has not been paying the subscription fees for more than 3 years. The Council has hosted on the website on the Institute that membership will be*



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## CHARTERED ACCOUNTANTS

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*cancelled those who have not paid the subscription fee for more than 3 years w.e.f Mar 23, 2017 however there is no ratification from the council on such decision taken. Further in our opinion Accounting Standard – 9 “Revenue Recognition” has not been complied since the revenue has been recognized despite there is an uncertainty over the receivable of the Income recognized.*

- b. *We draw attention to Note 11 of Notes forming part of financial statements where the receivable from members to the extent Rs 2.24 Crores. The Amount includes long outstanding from members i.e more than 3 years. In continuation to the above para i.e 3(a) of the Independent Auditors report the institute has stated receivables which are outstanding beyond 3 years wherein there is an uncertainty of the said receivables. Thus in our opinion there is no provision or writing off such receivables is being made in the financial statements. The Assets and Surplus have been overstated due to effect of both the non-compliances to Accounting standard – 9 and non-providing or writing off the receivables to the extent of uncertainty however the same could not be quantified by us due to insufficient information*

#### **4. Effect of Opening Balances**

*We draw attention to Note No. 22 where it is stated the accounts till 30.06.2012 were drawn up based on records and documents as had been recovered by the IRDA and possessed by the Institute from the IRDA basing on the directives of Hon. High Court, Ahmedabad on 24.07.2012. Further many vouchers are found to be short of appropriate supporting and evidences and payments made through bank are accounted on presumptive basis upon analyzing the nature of payments or the entities to whom the payments were made for those which are not supported by bills, invoice and vouchers. 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.*

#### **5. Balance Confirmation**

*We draw attention to Note No. 9(f) where it is mentioned that the balance with banks in savings accounts includes ICICI bank, where no balance confirmation could be obtained from the bank, thereby the effect of which on the Assets, Liabilities and surplus could not be ascertained.*

#### **6. Benevolent Fund Utilization**

- a. *We draw attention to Note No. 4(e) where the utilization of the Benevolent Funds received is mentioned however on our verification it was observed that an amount of Rs. 447326 is being held in the working capital of the Institute as the same could not be specifically identified.*
- b. *We draw attention to Note No.3 (ix) where it is stated that the Institute will invest such fees received in the Fixed Deposits with State Bank of India however in our opinion investment policy of the institute to invest in Fixed deposits is not appropriate since the Fixed deposit will not earn enough to compensate on the claims from the benevolent fund.*



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## CHARTERED ACCOUNTANTS

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### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matters described in the basis for qualified opinion paragraph*, the aforesaid financial statements give the information required by 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 Company as at March 31, 2017, and its surplus and its Cash Flow for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Note 4(e) to the financial statements describes Receipts and Payments from the Benevolent Fund
2. Note 4(h) to the financial statements which describes the income tax portion of the interest income which was charged to earmarked funds utilized from surplus.
3. Note 5 (b) to the financial statements which describes the liability towards insurance claim of members.
4. Note 6 (g) to the financial statements which describes the liabilities towards expenses by the company.
5. Note 6 (i) to the financial statements which describes the provision for income tax made along with interest for financial years pertaining to 2007-08, 2008-09, 2009-10.
6. Note 9(g) to the financial statements which describes the balances of Chapter Accounts incorporated as bank balances in the previous year.
7. Note 10 (b) to the financial statements which describes the loans and advances to past directors, zones/chapters and members.
8. Note 12 (b) to the financial statements describes prior period income from members is recognized due to non-recognition of subscription income prior to FY 2011-12 on accrual basis during which there was a change in accounting policy of recognition of income from cash basis to accrual basis.
9. Note 15 (c) to the financial statements which describes the prior period expense recognized.

Our opinion is not modified in respect of these matters

### Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, is not applicable to the company since the company is licensed to operate under Section 8 of the Companies Act, 2013



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2. As required by section 143 (3) of the Act, we report that:
- a. *Except for effects of the matters stated in the 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 purpose of our audit;
  - b. *Except for effects of the matters stated in the basis for qualified opinion* in our opinion *paragraph*, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and *Except for effects of the matters stated in the basis for qualified opinion paragraph*, proper returns adequate for the purposes of our audit have been received from the branches not visited by us
  - c. *Except for effects of the matters stated in the 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 and the returns received from the branches not visited by us.
  - d. *Except for effects of the matters stated in the basis for qualified opinion paragraph*, in our opinion, the aforesaid (Standalone) 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. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm's registration number: 06377S

Sd. /-  
Sharad Sinha  
Partner  
Membership number: 202692

Place: Hyderabad  
Date: 28.08.2017



# SHARAD & ASSOCIATES

## CHARTERED ACCOUNTANTS

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### "Annexure A" to the Independent Auditor's Report

#### **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 and Loss Assessors ("The Company" or "The Institute") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 company'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 Company'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 Company's internal financial controls system over financial reporting.



# SHARAD & ASSOCIATES

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

A company'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 company'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 company; (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 company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent 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.

### **Basis for Disclaimer opinion**

*On verification and based on the information and explanations given to us the joint signing authority of the cheques are president and vice president of the company and therefore both the president and vice-president holds cheque books each which are pre-signed by the other joint signatory on the basis of trust. Thus in our opinion such a practice should not be continued henceforth as there are multiple implications which may arise.*

### **Disclaimer Opinion**

In our opinion, the Company has, in all material respects, *except for the possible effects described in the basis for disclaimer opinion paragraph* an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the company 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.

For SHARAD & ASSOCIATES  
Chartered Accountants  
Firm's registration number: 06377S

Sd. /-  
Sharad Sinha  
Partner

Membership number: 202692

Place: Hyderabad  
Date: 28.08.2017



Name of Company	INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
Current year Ending	As at March 31, 2017
Previous Year Ending	As at March 31, 2016
Current Period	2016-17
Previous Period	2015-16
Status	Company
Date of Incorporation	04.10.2005
PAN	AABCI5700M
Address	3 RD FLOOR PARISHRAM BHAVAN BASHEERBAGH, HYDERABAD-500029



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

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

**Balance Sheet as at March 31, 2017**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital		-	-
(b) Reserves and surplus	4	19,46,38,585	14,55,42,374
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	5	16,35,896	23,35,952
(d) Short-term provisions	6	57,09,900	59,56,391
<b>TOTAL</b>		20,19,84,381	15,38,34,717
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible Assets	7	4,14,064	5,36,368
Intangible Assets		-	1,52,287
Capital Work - in - Progress		-	-
Intangible Assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	8	1,20,000	1,65,000
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	9	16,96,20,967	14,16,12,678
(e) Short-term loans and advances	10	9,20,870	11,65,789
(f) Other current assets	11	3,09,08,479	1,02,02,595
<b>TOTAL</b>		20,19,84,381	15,38,34,717
<b>Notes forming Integral part of accounts</b>	1-23	-	-
<b>As per our report of even date attached</b>			
<b>For SHARAD &amp; ASSOCIATES</b>		<b>For and on behalf of the Board of</b>	
Chartered Accountants		Indian Institute of Insurance Surveyors & Loss Assessors	
Firm Reg.No.006377S		CIN: U80902TG2005NPL047675	
Sd./-	Sd./-	Sd./-	Sd./-
SHARAD SINHA	Lalit Gupta	Mohinder Sharma	Mohinder Sharma
Partner	President	Vice President	Vice President
M. No 202692	DIN:00626039	DIN:07501510	DIN:07501510
Hyderabad, dated this 28th day of August,2017	Sd./-	Sd./-	Sd./-
	B Shivaprakash	Ashwani Agarwal	Ashwani Agarwal
	Secretary	Treasurer	Treasurer
	DIN:07102200	DIN:07102466	DIN:07102466

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## Statement of Income & Expenditure For The Year Ended March 31, 2017

Particulars	Note No	2016-17	2015-16
I. Revenue from operations	12	4,83,94,647	4,55,33,349
II. Other income	13	18,78,459	34,83,884
<b>III. Total Revenue</b>		<b>5,02,73,106</b>	<b>4,90,17,233</b>
IV. <b>Expenses:</b>			
Employee benefits expense	14	13,83,388	18,88,585
Operation and Other Expenses	15	2,89,65,424	3,77,43,932
Finance Costs	16	27,394	9,124
Depreciation and amortization expense	7	3,02,590	2,60,546
<b>V. Total expenses</b>		<b>3,06,78,796</b>	<b>3,99,02,187</b>
<b>VI. Surplus before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,95,94,310</b>	<b>91,15,046</b>
VII. Exceptional items		-	-
<b>VIII. Surplus before extraordinary items and tax (V - VI)</b>		<b>1,95,94,310</b>	<b>91,15,046</b>
IX. Extraordinary Items	20	2,92,955	-
<b>X Surplus before tax (VII- VIII)</b>		<b>1,93,01,355</b>	<b>91,15,046</b>
XI Tax expense:			
(1) Current tax		39,74,070	36,96,468
(2) Deferred tax		-	-
<b>XII Surplus (Defecit) for the period from continuing operations (VII-VIII)</b>		<b>1,53,27,285</b>	<b>54,18,578</b>
XIII Surplus/(Defecit) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
<b>XV Surplus/(Defecit) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XVI Surplus (Defecit) for the period (XI + XIV)</b>		<b>1,53,27,285</b>	<b>54,18,578</b>
Notes forming Integral part of accounts	1-23		

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

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

Sd./-  
SHARAD SINHA  
Partner  
M. No 202692

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

Sd./-  
Lalit Gupta  
President  
DIN:00626039

Sd./-  
Mohinder Sharma  
Vice President  
DIN:07501510

Sd./-  
B Shivaprakash  
Secretary  
DIN:07102200

Sd./-  
Ashwani Agarwal  
Treasurer  
DIN:07102466

Hyderabad, dated this 28th day of August,2017



# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. Company Overview

The Indian Institute of Insurance Surveyors and Loss Assessors (Institute) was incorporated on 01.10.2005 under section 25 of Companies Act, 1956 and was promoted by Insurance Regulatory and Development Authority (IRDA). The first elected council (Board of directors) consisting of President, Vice-President, Secretary and Treasurer was formed on 15.12.2007. The Institute has been incorporated to regulate the profession of the surveyors and Loss Assessors through education and training and to promote the profession amongst its members by upgrading their skills and knowledge as also to impart education and training to the aspirant Insurance Surveyors. The Institute presently caters to 8944 members and 219 Student Members across India through four zones and various chapters.

### 2. Basis of preparation

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

### 3. Significant Accounting Policies

#### i) Use of Estimates

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

#### ii) Revenue Recognition

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

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

#### iii) Fixed Assets

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

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### iv) Depreciation

Depreciation on Fixed Assets is provided under the 'Straight Line Method' on 95% original cost of assets at the rates as derived under Schedule II of the Companies Act, 2013.

### v) Impairment of Assets

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

### vi) Recognition of Annual Membership fees Receivables

The Institute recognises annual membership fee receivables from the member till the time the License issued by IRDAI for carrying out the profession of surveyor and loss assessors is valid and inforce i.e at the 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.

### vii) Provisions

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

### viii) Taxation

The Institute is not liable to pay income tax on surplus earned out of the main objectives since the 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, thus tax is accounted at the rates prevailing for the relevant period

### ix) Benevolent Fund

Formation of IISLA - 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 the such fund an administrative body of benevolent fund as been formed.

The Admission fee and Subscription is recognised on actual receipt from the eligible members. The Admission fee & Subscription fee received against benevolent fund are credited to the Fund account and is not routed through the Income & Expenditure Account of the Institute. The Income and expenses of the fund are the routed the fund account. The Expenses include Taxes, Claims and any other administrative expenses of the Fund.

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 fees received against benevolent fund in Fixed Deposits with State Bank of India

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 4 - RESERVES & SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a. Corpus Fund</b>		
Opening balance	2,38,37,279	1,64,95,779
(+) Admission Fee Collection in current year	32,65,000	73,41,500
(+) Others	49,23,591	-
Sub Total	<b>3,20,25,870</b>	<b>2,38,37,279</b>
<b>b. Building Fund</b>		
Opening balance	5,83,05,229	4,77,15,194
(+) Funds allocated during the year	-	75,00,000
(+) Interest on the above Funds	44,60,415	43,36,749
(-) Adjustments for tax	33,56,417	12,46,714
Sub total	<b>5,94,09,227</b>	<b>5,83,05,229</b>
<b>c. Training &amp; Education Fund</b>		
Opening balance	4,10,86,230	3,27,48,752
(+) Funds allocated during the year	-	50,00,000
(+) Interest on the above Funds	32,81,827	29,03,363
(-) Adjustments for tax	24,06,612	4,34,115
Sub total	<b>4,19,61,445</b>	<b>4,10,86,230</b>
<b>d. Research Fund</b>		
Opening balance	1,99,18,264	1,60,42,435
(+) Funds allocated during the year	-	25,00,000
(+) Interest on the above Funds	21,73,075	15,68,144
(-) Adjustments for tax	15,17,781	1,92,315
Sub total	<b>2,05,73,558</b>	<b>1,99,18,264</b>
<b>e. Benevolent Fund</b>		
Opening balance	-	-
(+) Benevolent Subscription	58,81,000	-
(+) Benevolent Admission	1,17,62,000	-
(+) Interest income net of taxes	4,89,222	-
(+) Advance benevolent fund received	47,000	-
(+) Donation to Benevolent Fund	45,000	-
(-) Benevolent Fund claims	25,85,829	-
Sub Total	<b>1,56,38,393</b>	-
<b>f. Surplus</b>		
Opening balance	23,95,372	1,09,97,825
(-) Funds Transferred to Specific Fund	-	1,50,00,000
(+) Excess of income over expenses for the current year	1,53,27,285	54,18,578
(+) Others	33,157	9,78,969
(+) Amounts transferred from other funds	72,74,278	-
Sub Total	<b>2,50,30,092</b>	<b>23,95,372</b>
<b>Closing Balance</b>	<b>19,46,38,585</b>	<b>14,55,42,374</b>

g. Corpus funds represents admission fee collected during the reporting period. Others in corpus fund represents the addition to the fund balance arising out of reconciliation as correctly now arrived at from the software/database of the members , due to less admission fee being credited to the fund in the past.
h. Adjustments in Training & Education fund, Research Fund and Building fund pertains to excess credit of interest to the fund account in the previous years on account of tax component being borne by the surplus and not by the fund. During the year with consequential effect from the accounting policy of the Benevolent fund the Institute has changed its policy that the expenses of the fund has to be borne by the respective funds accordingly tax component on the Interest Income accrued/received upto Mar 31, 2017 has been charged to the respective fund with corresponding credit to the surplus.
i. Adjustments in previous year amounts in Training and Education fund, Research fund and Building fund pertains to excess credit of interest to the fund account in the previous years on account of incorrect accounting of TDS receivable on interest which is now brought in at par with the fixed deposits earmarked to the funds
j. Adjustments in Research Fund of Rs. 6532 represents being excess interest transferred to the fund in previous year.
k. Others in Surplus relates to excess interest credited in the last year to the tune of Rs.33157 has been added back to Surplus.
l. Out of Balance of Rs 15638393 in the Benevolent Fund the Institute has earmarked Fixed Deposits to the tune of Rs 14246119, Balances with State Bank of India of Rs 873029 and Balances with Revenue Authorities of Rs 71919 (TDS Receivable).

#### 5 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Advance Members Subscription Fees	10,54,956	10,93,332
Insurance Liability to Members	5,00,000	10,21,680
Training Liability to Jabalpur	80,940	2,20,940
<b>Total</b>	<b>16,35,896</b>	<b>23,35,952</b>

a. Advance members subscription fees represents the amount received from members towards subscription not fallen due. It also includes Rs.16500/- from new members who have not been granted membership by the council.
b. Insurance Liability to Members in previous year pertains to death benefit received from the insurance companies against the claim settlement. Insurance liability to one member has been settled in the month of April 2016 by the institute and for another insurance claim pertaining to late Lakhan Singh M. No A/N/04520 could not be settled since the matter of legal heir and nominee is in the court and the judgement was not pronounced till the previous year end. The claim of Rs 500000 received against Late Lakhan Singh thus has been earmarked with a Term deposit with Axis Bank vide no 915040025978547 in June 2015 for 6 Months maturity and subsequently renewed upon expiry of the term. This amount was subsequently paid during July,2017. Interest earned on this deposit has been recognised as income since in the opinion of the Council , these amounts are held with the Institute in trust for reasons beyond Institute's control and were paid immediately on clearance fromt he Courts in this regard.

#### 6 - SHORT TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Audit fee Payable	1,12,500	1,12,500
(b) Liability for Expenses	1,17,997	2,20,211
(c) TDS Payable	15,439	18,778
(d) Other Statutory Liability Payable	500	600
(e) Provision for Income Tax	52,48,624	53,53,302
(f) Council member travelling expense payable	2,14,840	2,51,000
<b>Total</b>	<b>57,09,900</b>	<b>59,56,391</b>

g. Liability for expenses included expenses of Rent amounting to Rs.24,490, Salary amounting to Rs.83,806, Electricity bill payable Rs.9,701.

h. Other statutory liability payable represents the amount payable towards professional tax

i. Provision for Income tax includes Interest of Rs 22,39,805 related to financial year 2008-09, 2009-10, 2010-11 where the income has been assessed under section 148 of the Income Tax Act, 1961

j. Council member travelling expense payable includes amount payable to Mr. Love patel amount Rs.1,13,372, Mr.Naishadh Desai amount Rs.25,209 and Mr. RK Elango amount Rs.76,259.



## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### 7 - FIXED ASSETS

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
		As at April 1, 2016	Additions	Deletions/ Adjustments	Acquired through business combinations	Translation exchange difference	As at March 31st, 2017	As at April 1, 2016	Depreciation charge for the year	Translation exchange difference	Deletions/ Adjustments	As at March 31st, 2017	As at March 31, 2017	As at March 2016
a	<b>Tangible Assets</b>													
	Furniture and Fixtures	1,98,062	-	-	-	-	1,98,062	44,644	20,092	-	-	64,736	1,33,326	1,53,418
	Computers	5,53,080	28,000	-	-	-	5,81,080	3,30,799	89,772	-	-	4,20,571	1,60,509	2,22,281
	Office Equipment	1,13,933	-	-	-	-	1,13,933	57,042	25,135	-	1,320	83,497	30,436	56,891
	Electrical Installation	1,45,790	-	-	-	-	1,45,790	42,012	13,985	-	-	55,997	89,793	1,03,778
	Other Assets	4,875	-	-	-	-	4,875	4,875	-	-	-	4,875	-	-
	<b>Total</b>	<b>10,15,740</b>	<b>28,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,43,740</b>	<b>4,79,372</b>	<b>1,48,984</b>	<b>-</b>	<b>1,320</b>	<b>6,29,676</b>	<b>4,14,064</b>	<b>5,36,368</b>
b	<b>Intangible Assets</b>													
	Software	3,31,111	-	-	-	-	3,31,111	1,78,824	1,06,196	-	46,090	3,31,110	-	1,52,287
	<b>Total</b>	<b>3,31,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,31,111</b>	<b>1,78,824</b>	<b>1,06,196</b>	<b>-</b>	<b>46,090</b>	<b>3,31,110</b>	<b>-</b>	<b>1,52,287</b>
	<b>Grand Total</b>	<b>13,46,851</b>	<b>28,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,74,851</b>	<b>6,58,196</b>	<b>2,55,180</b>	<b>-</b>	<b>47,410</b>	<b>9,60,786</b>	<b>4,14,064</b>	<b>6,88,655</b>

<b>Grand Total previous year</b>	11,23,301	2,23,550	-	-	-	<b>13,46,851</b>	<b>3,97,650</b>	<b>2,60,546</b>	-	-	<b>6,58,196</b>	<b>6,88,655</b>	<b>7,25,651</b>
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c.	Other Assets pertains to Assets which are not material and individually valued at Less than Rs 5000, thus they have been depreciated at 100% based on the guidance note issued by the Institute of Chartered Accountants of India
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d	During the year 2014-15, depreciation on software of Rs.46090 is not considered in the Financial statements. As a result, the balance of accumulated depreciation of Software was not correct. In the reporting period, accumulated depreciation & depreciation figures were increased by Rs.46090.
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e	During the year 2015-16, depreciation on cooler of Rs.1320 is not considered in the Financial statements. As a result, the balance of accumulated depreciation of office equipment was not correct. In the reporting period, accumulated depreciation & depreciation figures were increased by Rs.1320.
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# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 8 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Rent Deposit	1,20,000	1,65,000
<b>Total</b>	<b>1,20,000</b>	<b>1,65,000</b>

### 9 - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Balances with banks</b>		
In Savings Accounts	66,49,405	77,83,410
In Fixed deposits	4,63,48,145	1,87,22,883
In Earmarked Fixed deposits (Does not include Accrued Interest)	11,63,07,456	11,50,41,784
<b>(b) Cash on hand</b>	44,711	64,601
<b>(c) Cheques deposited in bank but not cleared</b>	10,000	-
<b>(d) Cheques in Hand</b>	2,61,250	-
<b>Total</b>	<b>16,96,20,967</b>	<b>14,16,12,678</b>

e) Saving account includes balances held with banks of Chapters/Zonal Offices. Three Chapter Offices namely 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 from the Current reporting period

f) Balance with banks in savings accounts includes balance in ICICI bank, Ahmedabad where no balance confirmation could be obtained from the bank.

g). Previous year figures of Balance with bank accounts in savings account has been changed due to incorrect classification in the previous year due to first time incorporation of branch accounts in IISLA books. Loans & advances to Zones/Chapters has been considered under balance with bank accounts which has been correctly classified in the reporting period.

h). Cash in hand includes cash balances with below chapters:

Particulars	As at March 31, 2017	As at March 31, 2016
Chattisgarh	1,425	0
East Zone	5,080	0
North East	1,912	0
Gujarat (Vadodara)	21,707	0
West Bengal	3,250	0
<b>Total</b>	<b>39,374</b>	<b>0</b>

i) Earmarked Deposits include the below mentioned

Particulars	As at March 31, 2017	As at March 31, 2016
<b>i. Towards Building Fund held with</b>		
State Bank of Hyderabad FD No - 62283347437	95,05,889	88,10,126
State Bank of Hyderabad FD No - 62283347878	-	88,10,126
State Bank of Hyderabad FD No - 62418445129*	95,05,889	-
Canara Bank FD No.3327401001279/2	1,14,25,434	1,07,32,478
Vijaya Bank FD No. 404603311002257	-	-
Vijaya Bank FD No. 404603311002684*	1,06,11,084	99,00,000
Vijaya Bank FD No. 404603311002685*	8,90,647	8,31,149
Central Bank of India FD No - 3330396721	97,40,359	90,68,879
Axis Bank FD No - 915040036304108	53,80,503	50,00,000
Bank of India FD No - 564745110001027	29,15,839	27,20,902
Sub Total (I)	5,99,75,644	5,58,73,660
Interest Accrued on the Above Deposits	44,60,415	24,31,570
<b>Total Earmarked Deposits of Building Fund</b>	<b>6,44,36,059</b>	<b>5,83,05,230</b>

<b>ii) Towards Training and Education Fund held with</b>		
State Bank of Hyderabad FD No - 62314716620	59,03,365	59,03,365
State Bank of Hyderabad FD No - 62314717341	-	-
State Bank of Hyderabad FD No - 62445446254*	-	50,00,000
State Bank of Hyderabad FD No - 62445446049*	67,44,921	67,44,921

## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

### NOTES FORMING PART OF FINANCIAL STATEMENTS

Vijaya Bank FD No.404603311002311	87,07,850	81,26,119
Central Bank of India FD No - 3330396426	97,40,359	90,68,879
Axis Bank FD No - 915040036304687	53,80,502	50,00,000
Sub Total (II)	3,64,76,997	3,98,43,284
Interest Accrued on the Above Deposits	32,81,827	12,42,947
<b>Total Earmarked Deposits of Education Training Fund</b>	<b>3,97,58,824</b>	<b>4,10,86,231</b>
<b>iii. Towards Research Fund held with</b>		
State bank of Hyderabad FD No - 62290036033	29,43,062	29,43,062
Axis Bank FD No - 913040030694722	60,91,427	60,91,427
Axis Bank FD No - 913040030693855	30,45,713	30,45,713
Central Bank of India FD No - 3330396426	48,70,178	45,34,438
Canara Bank FD No - 3327401001279/1	29,04,435	27,10,200
Sub Total (III)	1,98,54,815	1,93,24,840
Interest Accrued on the Above Deposits	21,73,075	5,93,426
<b>Total Earmarked Deposits of Research Fund</b>	<b>2,20,27,890</b>	<b>1,99,18,266</b>
<b>Total (I+II+III)</b>	<b>12,62,22,773</b>	<b>11,93,09,727</b>

J. Note \* - Fixed Deposits matured during the reporting period have been renewed with a New Fixed Deposit Account Number. The New Fixed Deposit Account Number is also mapped to the respective fund to which the original fixed deposit was mapped to. The New Fixed Deposit Accounts Numbers are also given below the original fixed deposits.

### 10 - SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a. Unsecured, Considered good</b>		
Loans & Advances to related parties	2,72,237	2,72,237
Loans & Advances to Zones/Chapters	6,48,633	8,93,552
<b>Total</b>	<b>9,20,870</b>	<b>11,65,789</b>

b. Loans & advances to related parties pertains to past directors of the Institute namely Mr. Iqbal Tadha and Mr. Santosh Sarkar to the tune of Rs.272237. Funds paid to or vested with the past directors in the previous 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.

c. In the absence of details and expense vouchers, advances given to Tamil Nadu & Madhya Pradesh Chapter has not been charged to income and expenditure statement and carried as advances. Further it includes the amounts receivables from Rajsthan chapter amounting to Rs. 64185, East zone amount Rs. 100000, South zone amount Rs. 223000 and West zone amount Rs. 203498. These items have been correctly re classified during the year as against Cash and Cash Equivalents.

# INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 11 - OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Interest Accrued on fixed deposits	70,38,572	45,81,623
Advance for Purchase of Software	2,01,000	2,01,000
Receivable from members towards Subscription	2,23,63,145	42,94,245
Prepaid Insurance (GPA Policy)	13,05,762	11,25,727
<b>Total</b>	<b>3,09,08,479</b>	<b>1,02,02,595</b>

a. The Institute has paid an Advance to Agile Avenues Pvt Ltd towards purchase of Software for updating the members records with technological features including a mobile app. However the software implementation process has failed and advance amount paid to them is shown as receivable. After the Balance Sheet date, the Institute has entered into an agreement with a new vendor who has agreed to use the work of Agile Avenues Pvt Ltd., and accordingly this amount in the opinion of the Council is recoverable as discount from the new vendor.

### 12 - REVENUE FROM OPERATIONS

Particulars	2016-17	2015-16
Subscription Fee	1,39,99,500	1,36,18,500
Seminar fee	2,15,83,535	3,12,50,824
Students Members Enrolment fee	3,61,700	6,64,025
Re-admission fees	1,71,000	-
Prior period income from members	1,22,78,912	-
<b>Total</b>	<b>4,83,94,647</b>	<b>4,55,33,349</b>

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

b. Prior period income from members is recognised due to non recognition of subscription income prior to FY 2011-12 on accrual basis during which there was a change in accounting policy of recognition of income from cash basis to accrual basis.

### 13 - OTHER INCOME

Particulars	2016-17	2015-16
<b>Interest Income</b>		
Interest from bank deposits	1,15,34,160	1,13,78,804
Other income from Members	2,27,474	2,32,500
Income tax Refund	-	7,790
Other Income	10,462	6,94,726
Prior period_Interest income on Fixed deposits	21,680	-
<b>Sub total</b>	<b>1,17,93,776</b>	<b>1,23,13,820</b>
Less: Interest on Earmarked investment transferred to corpus fund	99,15,317	88,29,936
<b>Total</b>	<b>18,78,459</b>	<b>34,83,884</b>

#### a.Details of Interest Income

Particulars	As at March 31, 2017	As at March 31, 2016
Central Bank of India	34,66,961	34,79,852
Canara Bank	9,85,668	10,94,060
Vijaya Bank	16,87,839	16,91,043

## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

### NOTES FORMING PART OF FINANCIAL STATEMENTS

Axis Bank	16,31,926	13,57,244
Bank of India	2,17,455	2,26,826
State Bank of Hyderabad	32,41,587	32,92,953
Interest on savings bank account	3,02,724	2,36,826
<b>Total</b>	<b>1,15,34,160</b>	<b>1,13,78,804</b>

#### 14 - EMPLOYEE BENEFIT EXPENSE

Particulars	2016-17	2015-16
Salaries and incentives	12,92,675	18,63,128
Staff Welfare	55,538	25,457
Bonus to Employees	35,175	-
<b>Total</b>	<b>13,83,388</b>	<b>1888585</b>

a. Bonus given to employees as a Diwali Festival bonus for the year 2016

#### 15 - OPERATION & OTHER EXPENSES

Particulars	2016-17	2015-16
Administrative Office Rent	4,79,324	5,19,390
Repairs & Maintenance - Office Equipments	79,950	47,104
Repairs & Maintenance - Office	1,23,053	83,764
Rates & Taxes	42,065	5,680
News Papers & Periodics	1,200	1,780
Workshops, Seminars & Training Expenses	2,17,72,179	3,00,45,234
Web hosting charges	1,20,000	27,000
Insurance Premium for members PA Group Insurance	26,19,965	17,13,085
Telephone & Communication Expenses	1,04,365	1,45,075
Travelling Expenses	7,13,965	21,35,380
Election Expenses	8,81,767	1,100
Electricity Expenses	1,11,173	84,737
Annual General Meeting Expenses	3,51,368	4,54,126
Council Meeting expenses	5,49,709	7,26,239
Legal Exp	2,63,200	97,100
Postage & Courier	67,458	1,83,324
Printing & Stationery	3,06,026	6,51,902
Professional Charges	1,53,379	5,94,602
Conveyance	19,603	45,832
Interest on Tds	785	5,178
<b>Payments to the auditor as</b>		
auditor	1,25,000	1,25,000
for tax matters	70,000	51,300
Reimbursement of Expenses	3,390	-
to branch auditors	6,500	-
<b>Total</b>	<b>2,89,65,424</b>	<b>3,77,43,932</b>

a. Repairs & Maintenance - Office equipments includes an amount Rs.76850 paid for purchase of Windows Operating System(OS), Antivirus & MS office during the reporting period. These amounts were not capitalised due to the reason that there were no identification of installations in the computer systems available.

b. Legal expenses includes amount of Rs. 2 lacs paid to advocate Mr. Khem Chand Mahaveer for Liberty Videocon Insurance case.

## INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

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

### NOTES FORMING PART OF FINANCIAL STATEMENTS

c. The above expenses include prior period expenses as mentioned below:

Particulars	2016-17	2015-16
Election expenses of South Zone	-	1,100
Travelling Expenses	5,476	47,500
Postage & Courier	5,608	-
Electricity Expenses	7,328	33,598
Telecommunication Expenses	1,550	-
Workshops, Seminar & Training expenses	1,66,698	-
<b>Total</b>	<b>1,86,660</b>	<b>82,198</b>

d. Previous year figures of Repairs & maintenance - office maintenance and office has been changed due to incorrect classification in the previous year. Such amounts were reclassified under appropriate accounting head in the reporting period

#### 16 - FINANCE COSTS

Particulars	2016-17	2015-16
Bank Charges	27,394	9,124
<b>Total</b>	<b>27,394</b>	<b>9,124</b>

17. 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.

18. The Management has consulted experts and has been advised that as it has been registered as a Company for promotion of Education and Training (otherwise than conduct of business for profit) under (Section 25 of the Companies Act, 1956), it would be treated as a Mutual Organisation and will not be liable to tax on annual subscriptions collected from members, so far as it pursues 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 for the year.

19. The Zones, Chapters and Units were served with notices to submit accounts for the monies entrusted to them for the purposes of the activities of Institute or collected by them on behalf of the Institute. Very few Chapters/Zones have submitted the audited accounts and /or Seminar Income & Expenditure Statement for the year 2016-17. Transactions of such Chapter/Zones have been incorporated in the consolidated accounts of IISLA wherever audited accounts received. Transactions in other cases have been accounted adhoc basis for others on the basis of bank account statement.

20. Extraordinary items in I&E includes amount paid to Ex Karnataka Chairman Rs. 69,260 for which no details were available. Further it includes amount paid to NCR chapter during 15-16 but was incorrectly accounted in the previous year. A sum of Rs.1,72,995/- paid towards re imbusement of expenses for the conduct of Extra Ordinary General Meeting held on 26.03.2016 at Kanpur forms the balance part of this item.

21. **Contingent liabilities:** There is a demand outstanding of Rs. 28,366 towards TDS default prior to 2014-15.(Previous Year : Rs.28366/-.)

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

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

### **NOTES FORMING PART OF FINANCIAL STATEMENTS**

**22.** The accounts for the period until 30.06.2012 were drawn up based on records and documents as had been recovered by the IRDA and possessed by the Institute from the IRDA 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.

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

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS****23. Demonetisation cash disclosures**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 required as per Notification G.S.R. 308(E) dated 30th March, 2017 given by Ministry Of Corporate Affairs are provided in below table:

Particulars	Specified Bank Notes		Other Denomination		Total Amount
	Numbers	Amount	Numbers	Amount	
Closing Cash in Hand as on Nov 8, 2016	-	-	6	420	420
(+) Permitted Receipts	-	-	10	20,000	20,000
(-) Permitted Payments	-	-	41	18,038	18,038
(-)Amount Deposited in Banks	-	-	-	-	-
Closing Cash in Hand as on Dec 30, 2016	-	-	5	2,382	2,382

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

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./-  
Lalit Gupta  
President  
DIN:00626039

Sd./-  
Mohinder Sharma  
Vice President  
DIN:07501510

Sd./-  
B Shivaprakash  
Secretary  
DIN:07102200

Sd./-  
Ashwani Agarwal  
Treasurer  
DIN:07102466

Hyderabad, dated this 28th day of August,2017