



AUDITORS' REPORT

TO THE MEMBERS OF INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS

1. We have audited the attached Balance Sheet as at 31.03.2007 and the Income & Expenditure Account for the year ended on that date, annexed thereto, of Indian Institute of Insurance Surveyors and Loss Assessors, which we have signed under reference to this report. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial reports based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 is not applicable to the company, as it is a company licensed to operate under section 25 of the Companies Act, 1956.
4. *Reference is invited to note no.9 regarding non-provision of tax, pending filing of necessary applications for exemption of income of the Institute.*
5. Subject to the above, we report that:
 - a) 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) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;

Satyanarayana & Co.

CHARTERED ACCOUNTANTS

5-5-88/5, AMAR MANSION,
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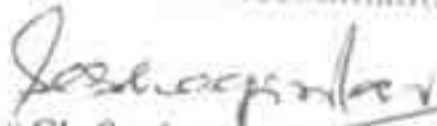
CH. SESHAGIRI RAO RES : 278 41 188

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- c) The Balance Sheet and the Income and Expenditure Account dealt with by this report is in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Income and Expenditure Account dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e) On the basis of written representations received from the Directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section 274 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereto and Statement of Significant Accounting Policies give in the prescribed manner the information required by the Companies Act 1956, and also give a true and fair view in conformity with the accounting principles generally accepted in India in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2007 and in the case of the Income and Expenditure Account, of the surplus of income over expenditure, for the year ended on that date.

for Satyanarayana & Co.,
Chartered Accountants



Ch Seshagiri Rao

Partner

Membership No. 18523



Place : Hyderabad

Date : 1/09/2007

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
BALANCE SHEET AS AT 31.03.2007

	SCHEDULE	AS AT	AS AT
		31.03.07	31.03.06
		Rs	Rs
A SOURCES OF FUNDS			
Corpus Fund	1	22,436,500	-
Surplus carried form Income & Exp. Account		10,108,370	
Current Liabilities and Provisions	2	5,978,740	32,231,528
Total 'A'		38,523,610	32,231,528
B APPLICATION OF FUNDS			
Fixed Assets		-	-
<u>Current Assets, Loans and Advances</u>			
Cash and bank balances	3a	36,298,513	32,129,407
Accrued interest	3b	2,225,097	
Miscellaneous Expenditure (To the extent not written-off or adjusted)	4	-	102,121
Total 'B'		38,523,610	32,231,528
Accounting Policies & Notes to Accounts	5		

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For SATYANARAYANA & CO
Chartered Accountants

Seshagiri
CH SESHAGIRI RAO 1/9/07
Partner
Membership No. 18523



Hyderabad, dated: 1/09/2007

Director

[Signature]

Director

[Signature]

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
 INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	YEAR ENDED	YEAR ENDED
		31.03.07	31.03.06
		Rs	Rs
A INCOME			
Annual Fees received from prospective members	1	7,728,000	-
Interest received		316,864	-
Interest accrued	3b	2,225,097	-
		10,269,961	-
B EXPENDITURE			
Bank Charges		3,290	-
Audit Fees		56,180	-
		59,470	-
Excess of income over expenditure		10,210,491	-
(-) Preliminary Expenditure written-off		102,121	-
Balance excess of income over expenditure		10,108,370	-
(-) Pre-operative Expenses written-off			-
Balance carried to Balance Sheet		10,108,370	-
Accounting Policies & Notes to Accounts	5		

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet. This is the Income and Expenditure Account referred to in our report of even date.

For and on behalf of the Board of Directors

For SATYANARAYANA & CO
 Chartered Accountants

CH SESHAGIRI RAO
 Partner



Hyderabad, dated : 1/09/2007

Director

Director

[Handwritten signatures of two directors]

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

SCHEDULE 1

Statement showing transfer of balances to corpus and income for 2006-07

Particulars	Amount (Rs.)
Opening Balance as on 01.04.2006	22488200
Add: Deposits during 2006-07	8700028
	31188228
Less: Refunds during 2006-07	1023728
Amount to be transferred (recognised)	30164500
Amount to be transferred to Corpus	22436500
Amount to be transferred to Income	7728000
	30164500

(3)

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

	AS AT 31.03.07 Rs	AS AT 31.03.06 Rs
SCHEDULE 2		
CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities:		
Advance towards Entry and Membership Fees	5,894,500	32,091,228
Audit Fees Payable	56,180	56,120
Professional Charges Payable	28,060	84,180
	5,978,740	32,231,528
b. Provisions:		
Income tax	-	-
SCHEDULE 3		
CURRENT ASSETS, LOANS & ADVANCES		
a. Cash and Bank Balances		
i. Cash on hand	-	-
ii. Balances with scheduled banks-in savings accounts	6,098,513	22,526,879
iii. Cheques on hand	-	9,602,528
iv. FDRs with ICICI Bank	20,200,000	
v. FDR with Syndicate Bank	10,000,000	
	36,298,513	
b. Accrued Interest		
i. Accrued interest on ICICI FDRs	1,795,822	
ii. Accrued interest on Syndicate Bank FDR	429,275	
	2,225,097	
	38,523,610	32,129,407
SCHEDULE 4		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a. Preliminary Expenses		
Preliminary & Preoperataive Expenses	-	-
Less: Written-off during the year	-	-
b. Pre-operative Expenses		
Audit Fees		56,120
Professional Charges		84,180
Bank Charges		210
	102,121	
	102,121	140,510
		38,389
Less: Interest earned		
	102,121	102,121
	102,121	-
Less: Written-off during the year		
	-	102,121

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

These accounts have been prepared under historical cost convention and on the accounting principles of going concern. Accounting Policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

2. Revenue Recognition

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

3. Fixed Assets and Depreciation Accounting

Fixed Assets are stated at cost less depreciation. Depreciation on fixed assets is normally provided on straight-line method as per the classification and on the basis of schedule XIV of the Companies Act, 1956. The company is not holding any Fixed Assets as on the date of Balance Sheet.

B. NOTES FORMING PART OF THE ACCOUNTS FOR YEAR ENDED 31st MARCH, 2007.

1. The Indian Institute of Insurance Surveyors and Loss Assessors (Institute) is incorporated on 04.10.05 under section 25 of the Companies Act, 1956.
2. The First Council of the Institute is formed on 04.10.2005.
3. The Institute is incorporated to regulate the profession of Surveyors and Loss Assessors through education and training and to facilitate introduction of best practices amongst its members and to disseminate technical information amongst its members to upgrade their skills and knowledge.

5. IRDA has agreed to bear and absorb the expenditure incurred up to the formation of first elected Council and hence the expenses of incorporation and subsequent pre-operative expenses are borne by IRDA and not reported in the financial statements.
6. The amounts collected from the members on application towards one-time entry fees and annual membership fees have been transferred to Corpus Fund and to Annual Membership fees respectively during the year.
7. Income of the Institute during the year represents annual membership fees and interest earned on bank deposits.
8. Schedules, Notes to accounts and Statement on Accounting Policies form an integral part of the Balance Sheet.
9. Since the Institute is incorporated under Section 25 of the Companies Act, 1956, and being a non-profitable organization, no provision for tax is considered necessary, pending completion of formalities. However, steps are being taken to file necessary application for exemption from tax and for getting approvals under Section 80G of the Income Tax Act, 1961.

For Satyanarayana & Co.,
Chartered Accountants


Ch Seshagiri Rao

Partner

Membership No. 18523

Place : Hyderabad

Date : 1/09/2007



FOR AND ON BEHALF OF THE BOARD


Director


Director