



Independent Auditors' Report

Report on Financial Statements

We have audited the accompanying financial statements of Southern India Regional Council of the Institute of Chartered Accountants of India ("SIRC"), which comprise the Balance Sheet as at 31st March 2014, and the Income and Expenditure Account for the period ended, and a summary of significant accounting policies and other explanatory information.

Regional Council's Responsibility for the Financial Statements

SIRC is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the Accounting Policies prescribed by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by SIRC, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon give the necessary information and give a true and fair view:

a) in the case of the Balance Sheet, of the state of affairs of SIRC as at 31st March 2014;



- b) in the case of the Income and Expenditure Account, of **Surplus** for the year ended on that date.

Report on Other Legal and Regulatory Requirements:-

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 account have been kept by SIRC so far as appears from our examination of those books;
- c) the Balance Sheet and the Income and Expenditure Account of SIRC dealt with by this Report are in agreement with the books of account.

For *DPV & Associates*

Chartered Accountants

FRN 011688S



CA. Prasanna Krishnan. V

M.No.219100

Partner

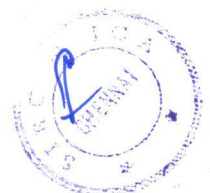
Place: Chennai

Date: 09th May 2014

SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034
BALANCE SHEET AS AT 31ST MARCH 2014

LIABILITIES/ SOURCES OF FUNDS	Schedule	As at	
		31-Mar-14	31-Mar-13
(Figures in Rs.)			
SOURCES OF FUNDS			
Capital reserve			
Building Fund Reserve			
Balance as at 1st April		40,76,687	37,36,382
Add: Transfer from income and expenditure account		11,38,250	3,40,305
Sub Total		52,14,937	40,76,687
Coaching Class Reserve			
Opening Balance as on 1st April		1,31,33,556	1,24,85,801
Add: Transfer from income and expenditure account		4,81,981	6,47,755
Sub Total		1,36,15,537	1,31,33,556
General Reserve			
Opening Balance		12,15,541	2,41,294
Add: Transfer from income and expenditure account		61,85,042	9,74,247
Sub Total		74,00,583	12,15,541
Earmarked funds			
Opening balance		17,25,992	15,14,174
Additions		-	2,00,000
Interest income		1,61,436	1,91,296
Less: Expenses		- 59,492	-1,79,478
Total earmarked funds		18,27,936	17,25,992
Current liabilities			
Seminar fee/income received in advance	I	15,30,500	26,21,000
Creditors for expenses	II	66,61,343	8,73,116
Other liabilities	III	27,48,549	22,03,580
Sub total of current liabilities		1,09,40,392	56,97,696
Inter unit balances:			
Grant received from head office:			
Capital grant			
Opening Balance		2,11,68,494	1,95,04,704
Less: Unapproved Grants		-	-
Add: Grant Received during the year		-	16,63,790
Add: Grant Receivable		-	-
Sub total		2,11,68,494	2,11,68,494
Library grant			
Opening Balance		30,95,347	17,55,250
Add: Grant Received during the year		7,00,551	13,40,097
Add: Grant Receivable during the year		-	-
Sub total		37,95,898	30,95,347
ICAI current account	IV	35,79,912	19,80,000
Branch current account		3,72,065	12,125
ICAI publication payable account :			
Payable to ICAI on Sale of Exam Forms		-	-
Inter unit balances with RCs and CC and DCOs		7,53,985	67,362
Publication stock transfer account:			
Institute and Board of Studies publications		19,31,020	20,55,575
Sub total of inter unit balances		66,36,982	41,15,062
TOTAL		7,06,00,759	5,42,28,375

Continued to page 2



SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034
BALANCE SHEET AS AT 31ST MARCH 2014

ASSETS / APPLICATION OF FUNDS	Schedule	As at	
		31-Mar-14	31-Mar-13
(Figures in Rs.)			
APPLICATION OF FUNDS			
Fixed Assets: Net block	V		66,11,189
Earmarked Investments			
Term deposit with banks		14,13,002	
ADD: Interest accrued on Earmarked Investments		4,14,934	14,48,616
Current Assets:			
Interest receivable	VI		2,26,745
Other receivable	VII		1,49,314
Advances and prepayments			4,38,857
Cash and bank balances:			
Cash in hand	VIII	1,17,708	1,693
Cash at bank		4,61,41,275	3,64,53,987
Franking machine balance		21,400	46,352
Inter Unit Balances:			
ICAI current account:			
Grants and amounts receivable from head office	IX	89,26,494	67,57,832
Branch current account		20,546	38,215
Publication stock transfer account:		19,31,020	20,55,575
Total debit of inter unit balances		1,08,78,060	88,51,622
TOTAL		7,06,00,759	5,42,28,375
Significant Accounting Policies and Notes on Accounts	XII		

As per our Report of even Date

For DPV & Associates

Chartered Accountants
 Firm Regn No. 00116685



CA. PRASANNA KRISHNAN. V
 M.No. 219100
 Partner

Place : Chennai
 Date : May 09, 2014



CA. P.V. RAJARAJESWARAN
 Chairman



CA. NARESH CHANDRA GELLI V.
 Vice-Chairman




CA. COTHA S SRINIVAS

Secretary



Dr. P.T. GIRIDHARAN
 Joint Director



CA. ADUSUMILLI VENKATESWARA RAO
 Treasurer

SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034.
INCOME AND EXPENDITURE FOR THE PERIOD ENDED 31ST MARCH 2014

INCOME	Schedule	Period ended	
		31-Mar-14	31-Mar-13
(Figures in Rs.)			
Grant from Head Office			
<u>Revenue grant</u>			
Salary grant		1,24,94,744	1,10,25,751
Branch administration grant		2,76,000	2,76,000
Membership fee grant		25,26,820	22,96,690
Audit fees grant		35,000	27,000
Public Relation Grant		-	50,000
Sub-total			1,36,75,441
Newsletter advertisements		14,05,060	12,83,620
Seminar income			
44th Regional Conference Income		-	2,26,43,822
45th Regional Conference Income		1,76,80,000	-
Other Seminars (Within SIRC Premises)		1,13,82,500	34,03,050
Other Seminars (Outside SIRC Premises)		66,65,292	40,46,050
		3,57,27,792	3,00,92,922
GMCS course income		1,48,38,000	48,80,000
Grant for Orientation Programme - Visakhapatnam		7,50,000	-
Grant for Orientation Programme - Kodaikanal		8,10,400	-
Grant for Mega Career Counselling Prog		84,568	-
Grant for FRRB Programme		30,000	-
Grant for National Conference		2,00,000	-
Grant for Vaidyanath Memorial Lecture		3,000	-
Interest on investments		35,54,778	27,91,957
Other income	X	57,973	2,70,198
CA Day Grant		10,000	1,62,000
		2,03,38,719	1,62,000
Provision No longer required Written Back		81,028	-
Coaching class income		71,57,000	67,88,250
Commission on sale of publications:			
Institute / Board of Studies publications		10,72,591	9,31,621
Examination forms		2,52,435	3,94,485
Sub-total			13,26,106
Prior period adjustments		18,000	3,691
Retention Money Income Written Back		74,661	-
TOTAL INCOME (A)		8,14,59,850	6,12,74,185

Continued to page 2



**SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034.

INCOME AND EXPENDITURE FOR THE PERIOD ENDED 31ST MARCH 2014

EXPENDITURE	Schedule	Period ended	
		31-Mar-14	31-Mar-13
(Figures in Rs.)			
Staff salary expenses		1,24,94,744	1,10,25,751
Printing and stationery		3,97,881	4,88,328
Newsletter Expenses		39,02,936	44,14,107
Postage, telephone and telegrams		3,77,292	2,10,863
Rent, rates and taxes		16,98,663	14,76,247
Repairs and maintenance		10,35,515	11,65,537
Travel - Members		29,38,549	19,27,489
Magazines and periodicals		1,31,401	86,637
Audit fee		39,326	29,780
Orientation Programme Expenses - Visakhapatnam		7,50,000	-
Orientation Programme Expenses - Kodaikanal		8,10,400	-
		2,45,76,707	2,08,24,739
Seminar Expenses			
44th Regional Conference Expenses		-	1,88,14,956
45th Regional Conference Expenses		1,74,93,147	-
Other Seminars (Within SIRC Premises)		67,56,142	29,01,299
Other Seminars (Outside SIRC Premises)		76,49,977	42,46,140
		3,18,99,266	2,59,62,395
GMCS course expenses		71,20,317	29,38,815
CA day expenses		3,45,175	4,33,015
Coaching class expenses		66,75,019	58,52,575
Other expenses			92,24,405
ICAI Receivable Written Off (Old Ones)			6,75,389
			46,234
Sub-total (Expenses before depreciation)		7,16,56,922	5,67,33,162
Prior period expenses		2,13,721	1,60,813
Depreciation		17,83,934	24,17,903
			-
TOTAL EXPENDITURE (B)		7,36,54,577	5,93,11,878
(Deficit) / Surplus (A)-(B)		78,05,273	19,62,307
Less: Transfer to building fund (Refer Notes on Accounts)		11,38,250	3,40,305
Less: Transfer to Coaching Class Reserve		4,81,981	6,47,755
Balance transfer to General Reserve		61,85,042	9,74,247
Significant Accounting Polices and Notes on Accounts	XII		

As per our Report of even Date

For DPV & Associates

Chartered Accountants
Firm Regn No. 0011668S

CA. PRASANNA KRISHNAN V.
M.No. 219100
Partner

Place : Chennai
Date : May 09, 2014

CA. P.V. RAJARAJESWARAN
Chairman

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Treasurer

**SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31-MAR-2014

Schedules	As at 31-Mar-14	As at 31-Mar-13
	(Figures in Rs.)	
SCHEDULE I		
Fee / Income received in advance		
Coaching classes fees	12,10,700	12,64,000
Newsletter Income	-	57,000
GMCS fees	3,12,500	13,00,000
Seminar fees	7,300	-
Total	15,30,500	26,21,000
SCHEDULE II		
Creditors for expenses		
Retention money	-	74,661
Coaching Class Expenses	9,02,808	7,450
GMCS Payable	72,186	-
Outstanding expenses	11,88,559	7,61,225
45th Regional Conference Payable	20,27,470	-
Other creditors	24,70,320	29,780
Total	66,61,343	8,73,116
SCHEDULE III		
Other liabilities		
TDS Payable	2,88,988	73,770
Library deposit	22,59,560	21,29,810
Advance for Endowment	2,00,001	-
Total	27,48,549	22,03,580
SCHEDULE IV		
ICAI Current Account		
GMCS Course	9,92,000	19,80,000
Excess of Revenue Grant Received	24,26,607	-
Benevolent Fund collection	1,08,350	-
Provident Fund	49,027	-
Medicclaim Advance	3,928	-
Total	35,79,912	19,80,000

Continued to page 2



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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31-MAR-2014

Schedules	As at 31-Mar-14	As at 31-Mar-13
(Figures in Rs.)		
SCHEDULE VI		
Other receivables		
Others	30,561	-
Investors' Awareness Programme Receivable	1,23,842	81,376
Orientation Programme - Visakhapatnam	3,52,660	-
DCO Receivable	1,09,430	-
Southern India Chartered Accountants Students' Association	1,58,000	-
45th Regional Conference Receivables	23,45,000	-
Sponsorship Receivable - (Metro Regional Conference)	10,00,000	-
Sponsorship Receivable - Aarambh (Women's Conference)	50,000	-
Newsletter advertisement	51,000	67,938
Total	42,20,493	1,49,314
SCHEDULE VII		
Advances and prepayments		
Prepaid expenses	2,90,464	82,309
Advance paid to vendors	2,235	-
Orientation Programme at Visakhapatnam	-	2,29,554
Sundry Debtors	2,32,257	8,768
Staff advances	1,62,932	1,18,226
Other Advances	40,050	-
Total	7,27,938	4,38,857
SCHEDULE VIII		
Cash at bank		
In savings deposits		
Bank of Baroda	22,188	24,719
Punjab National Bank	1,44,960	24,367
Indian Bank	23,49,123	28,86,934
Syndicate Bank	34,49,563	16,43,959
Yes Bank	16,586	-
45th Regional Conference Account (Andhra Bank)	50,57,793	-
Sub Total	1,10,40,213	45,79,979
In term deposits		
With various Banks	3,51,01,062	3,18,74,008
Sub Total	3,51,01,062	3,18,74,008
Total	4,61,41,275	3,64,53,987

Continued to page 3



SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31-MAR-2014

Schedules	As at 31-Mar-14	As at 31-Mar-13
(Figures in Rs.)		
SCHEDULE IX		
Grant and amount receivable from Head Office		
Opening balance	-	-
ICAI Receivable - CA Day Grant	10,000	-
Mega Career Counselling Programme Grant	84,568	-
Branch level National Debate Competition	40,775	-
Branch level National Elocution Competition	19,160	2,915
Revenue Grant Receivables	20,37,250	20,37,250
Orientation Programme for Branch Employees	2,46,168	2,46,168
Library Grant Receivable 2013-14	1,900	-
Career Counselling Programme	4,000	-
Mass Mail for Direct Tax programme	4,018	4,018
Grant for CPE programmes	4,10,000	2,80,000
Commission on Sale of Publications	16,29,616	10,37,016
ICAI Receivable - Elocution Competition	5,19,477	-
ICAI Receivable - Orientation Programme at Kodaikanal	8,10,400	-
ICAI Receivable - National Debate Competition	1,58,297	-
Renovation of SIRC building	8,54,877	8,54,877
Car Hire charges for Central Council Member	2,356	2,356
New Branch Inauguration	19,366	-
ICAI receivable - TDS	10,03,257	8,90,755
Capital Grant (2009-10 & 2010-11)	5,66,412	5,66,412
Capital Grant Receivable	3,92,450	3,92,450
Capital Grant Receivable 2012-13	15,553	15,553
ICAI Receivable - Newsletter Advt (BOS)	20,000	-
ICAI Receivable - Annual Function	66,506	-
ICAI Receivable - Student Activity Calendar (BOS)	7,088	-
ICAI Receivable - V. Sankar Aiyer Memorial Lecture	3,000	-
Other Receivables	-	4,28,062
Total	89,26,494	67,57,832

Continued to page 4



SOUTHERN INDIA REGIONAL COUNCIL

ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034

**SCHEDULES ATTACHED TO INCOME AND EXPENDITURE
FOR THE PERIOD ENDED 31-MAR-2014**

Schedules	Period ended 31-Mar-14	Period ended 31-Mar-13
(Figures in Rs.)		
SCHEDULE X		
Other income		
Receipts for library services	15,298	15,868
Disposal of Obsolete Items	35,904	68,669
Excess of Provisions made last year reversed	5,020	-
Sundry Income	1,751	1,85,661
Total	57,973	2,70,198
SCHEDULE XI		
Other expenses		
Bank charges	17,784	20,960
Professional fees	3,00,000	
Conveyance	39,809	29,339
Website expenses	2,63,938	2,67,694
Blood donation camp	73,875	63,064
Freight, Office expenses, etc.	3,45,032	2,94,332
Total	10,40,438	6,75,389



SOUTHERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034
SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31-MAR-2014

SCHEDULE - V : FIXED ASSETS

Particulars	Rate of depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Opening balance 01.04.2013	Additions / (Deletions) during the Year	As at 31.03.2014	Upto 01.04.2013	For the Year	Total	As at 31.03.2014	As at 31.03.2013
<i>(Figures in Rupees)</i>									
ASSETS - SIRC									
Furnitures and Fixtures	10%	62,20,004	54,751	62,74,755	28,79,118	3,37,072	32,16,190	30,58,565	33,40,886
Electrical Installations and Fittings	10%	22,24,902	68,039	22,92,941	12,03,376	1,05,294	13,08,670	9,84,271	10,21,526
Lift	10%	8,38,670		8,38,670	5,51,132	28,754	5,79,886	2,58,784	2,87,538
Generator	10%	7,02,107		7,02,107	5,85,009	11,710	5,96,719	1,05,388	1,17,098
Office Equipment	15%	26,11,945	56,537	26,68,482	18,83,525	1,13,463	19,96,988	6,71,494	7,28,420
Air Conditioners	15%	17,41,910	70,050	18,11,960	11,63,377	94,661	12,58,038	5,53,922	5,78,533
Cycles	20%	1,326		1,326	1,325	1	1,326	-	1
Computers	60%	25,36,528	2,97,499	28,34,027	22,23,466	2,34,324	24,57,790	3,76,237	3,13,062
LCD Projectors	60%	2,19,093		2,19,093	2,00,115	11,387	2,11,502	7,591	18,978
Library Books	100%	82,40,571	8,17,261	90,57,832	82,40,571	8,17,261	90,57,832	-	-
Total		2,53,37,056	13,64,137	2,67,01,193	1,89,31,014	17,53,927	2,06,84,941	60,16,252	64,06,042
ASSETS - COACHING CLASSES									
Furnitures and Fixtures	10%	4,63,269	1,74,175	6,37,444	3,26,297	15,148	3,41,445	2,95,999	1,36,972
Electrical Installations and Fittings	10%	1,28,696		1,28,696	89,856	3,884	93,740	34,956	38,840
Office Equipment	15%	1,09,642	87,669	1,97,311	90,221	9,488	99,709	97,602	19,421
Air Conditioners	15%	33,532		33,532	23,618	1,487	25,105	8,427	9,914
		7,35,139	2,61,844	9,96,983	5,29,992	30,007	5,59,999	4,36,984	2,05,147
Grand total		2,60,72,195	16,25,981	2,76,98,176	1,94,61,006	17,83,934	2,12,44,940	64,53,236	66,11,189



SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
122, MAHATMA GANDHI ROAD, NUMGAMBAKKAM, CHENNAI - 600 034.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2013-14

	FOR THE YEAR ENDED 31.03.2014		FOR THE YEAR ENDED 31.03.2013	
	<i>(Figures in Rupees)</i>			
Cash Flow from Operating Activities				
Net income	78,05,273		19,62,307	
Adjustments for:				
ADD: Depreciation	17,83,934		24,17,903	
LESS: Interest income	(35,54,778)		(27,91,957)	
Operating profit before working capital changes	60,34,429		15,88,253	
(Increase)/Decrease in current assets	14,032		19,87,723	
(Increase) / Decrease in Advances and Prepayments	(2,89,081)		(2,37,723)	
Increase in ICAI Current account	(21,68,662)		(8,01,938)	
(Increase) /Decrease in Current Liabilities and Provisions	52,42,696		(24,52,646)	
(Increase) / Decrease in Branch Current Account	17,669		(31,271)	
(Increase) / Decrease in ICAI Payable Account	26,46,475		(5,12,448)	
(Increase) / Decrease in Other Receivables	(40,71,179)		5,50,222	
(Increase) / Decrease in Earmarked Funds	(2,77,376)		(23,796)	
<i>Net cash from Operating Activities</i>		71,49,003		66,376
Cash flow from investing activities				
Purchase of Fixed Assets	(16,25,981)		(32,37,003)	
Interest Received	35,54,778		27,91,957	
<i>Net cash from Investing Activities</i>		19,28,797		(4,45,046)
Cash flow from financing activities				
Increase in Capital Grant	7,00,551		30,03,887	
<i>Net cash from Financing Activities</i>		7,00,551		30,03,887
Net Increase in Cash and cash equivalents		97,78,351		26,25,217
ADD: Cash and cash equivalents at the beginning the year		3,65,02,032		3,38,76,815
Cash and cash equivalents at the end of the year		4,62,80,383		3,65,02,032



XII. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31-03-2014

A) SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The accounts are drawn up on accrual basis using historical cost convention.

2. Revenue Recognition

Income from Revenue Grants is accounted for on accrual basis as per the revenue budgets approved by the Head Office.

Income and expenditure in respect of Coaching Classes, GMCS Classes, seminars, programmes, workshops, conferences, etc. are accounted for on accrual basis.

3. Allocation of Newsletter printing expenses

Expenses on printing of announcements relating to any Conference, Seminar, Workshop or any other event in newsletter are allocated to concerned programmes, on the basis of the actual space utilised in the Newsletter at the advertisement rates.

4. Income from Interest

(a) Interest on fixed deposits with banks is accounted for at the rates applicable to each such deposit on time proportionate basis.

(b) Income from earmarked investments of specific funds is credited to the respective fund account.

5. Termination/Retirement Benefits

Provision for gratuity and leave encashment liability is made at Head Office.

6. Fixed Assets/Depreciation

i. Fixed Assets are stated at their original costs less depreciation.

ii. Depreciation on additions is provided on pro rata basis.

iii. Library books are depreciated @ 100% in the year of purchase.

iv. Intangible Assets (Software) are amortized equally over a period of three years.

v. Fixed Assets, other than library books are depreciated on the written down value method at the following rates as per the guidelines of HO:

Air-conditioner and Office equipments	15%
Lifts, Electrical Installations and Furniture & Fixtures	10%
Computers	60%

7. Investments

Investments are stated at cost, including cost of acquisition and accrued interest thereon.



8. Provisions

A provision is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which, a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

9. Provision for Income-tax

Provision for Income-tax and other direct taxes, applicable if any, is made at Head Office.

10. Provision for Service-tax

Registration and Deposit of Service Tax, applicable if any, is done at Head Office.

B) NOTES ON ACCOUNTS

1. Contingent Liabilities: As on 31-3-2014 : Nil (As on 31-3-2013 : Nil)
2. Capital Commitment : As on 31-3-2014 : Nil (As on 31-3-2013 : Nil)
3. Disclosure of Prior Period Income and Expenses.

	As at 31-03-2014	As at 31-03-2013
a) Prior Period Income	18,000	3,691
b) Prior Period Expenses	(213,721)	(160,813)
c) Prior Period (Net)	(195,721)	(157,122)

4. SIRC operates in the Southern Region and there is only one reportable segment i.e. furtherance of the profession of Chartered Accountancy.
5. The stock of publications which are accounted at transfer price, are received from Head Office for sale on commission basis. It is neither an asset nor a liability of SIRC. Publication stock of the ICAI has been shown after reconciling actual stock received from Head Office with the half yearly consignment ledger sent by the Head Office.
Stationery items are expensed as and when purchased.
6. As at 31/03/2014, 658 Nos. of delegate kit bags of 45th Regional Conference were held, as custodian, to be distributed among the delegates of the Conference. The same has been expensed in the books of accounts.
7. Expenses directly attributable to the activities of Seminar and Publications are charged to these heads of expenditure and indirect expenditure on these activities is charged to functional heads of expenditure.
8. The balance of Ernakulam branch of SIRC of ICAI which shows Rs. NIL in the books of SIRC as on 31/03/2014 is subject to confirmation.

As per decision of the SIRC, the share of Bangalore branch of SIRC of ICAI in the surplus of 44th Regional Conference has already been paid and accordingly, the balance of Bangalore branch shows Rs. NIL in the books of SIRC as on 31/03/2014.

9. Impairment of Assets

A study on impairment of assets was carried out internally. During the year, a cycle valued at Re. 1/- which is no longer usable, has been written off as result of the exercise. A detailed exercise for impairment is under process.



10. Extra ordinary items

During the year, Retention money amounting to Rs. 74,661/- which has become time barred has been written back.

11. Transfer to reserves

During the year 10% of Gross receipts from Seminars and Conference held at SIRC premises amounting to Rs. 11,38,250/- {previous year Rs. 3,40,305/-} has been transferred to Building Maintenance Fund account. Out of the balance of surplus amounting to Rs.66,67,023/-, Rs. 4,81,981/- has been transferred to Coaching Class Reserves and Rs. 61,85,042/- has been transferred to General Reserve {previous year Rs. 6,47,755 and Rs.9,74,247/- respectively}.

12. Earmarked Funds:

Particulars	As on 31-03-2014	As on 31-03-2013
Earmarked Funds	18,27,936	17,25,992
Earmarked Investments	14,13,002	14,13,002
Interest Accrued	4,14,934(*)	3,12,990(*)

*Amount credited in various bank accounts.

13. Land and Building of SIRC of ICAI are accounted for at Head Office, since ownership of these assets lies with ICAI.

14. Previous period/ year's figures have been regrouped and rearranged wherever necessary to make them comparable.

CA. P.V. RAJARAJESWARAN
Chairman

**CA. NARESH CHANDRA
GELLI V.**
Vice - Chairman

As per our Report of even date

For DPV & Associates
Chartered Accountants
Firm Regn. No. 011688S

CA. Prasanna Krishnan V.
M. No. 219100
Partner

CA. COTHA S SRINIVAS
Secretary

Dr. P.T. GIRIDHARAN
Joint Director

**CA. ADUSUMILLI
VENKATESWARA RAO**
Treasurer

Place : Chennai

Date : 9th May 2014