

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Southern India Regional Council of the Institute of Chartered Accountants of India ("SIRC"), which comprise the Balance Sheet as at March 31, 2013, and the Income and Expenditure Account for the year then 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 Standards issued 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.

Auditor's 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 SIRC'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 information in the manner so required and give a true and fair view:

- (a) in the case of the Balance Sheet, of SIRC's state of affairs as at March 31, 2013;
- (b) in the case of the Income and Expenditure Account, of the Surplus for the year ended on that date;

Report on Other Legal and Regulatory Requirement

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 it 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 accounts;

For **ANIL NAIR AND ASSOCIATES**

Chartered Accountants

Firm's Registration Number: 000175S



SUNIL KRISHNAN

Partner

Membership Number: 203649



Place: Chennai

Date: April 25, 2013

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

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

BALANCE SHEET AS AT 31ST MARCH, 2013

LIABILITIES	Schedules	As At 31/03/2013		As At 31/03/2012	
(Figures in rupees)					
SOURCES OF FUNDS					
Capital reserve					
Building Fund Reserve					
Opening Balance		3,736,382		3,443,986	
Add: Transfer from Income & Expenditure Account		340,305		292,396	
Sub total			4,076,687		3,736,382
Coaching Class Reserve					
Opening Balance		12,485,801		11,826,950	
Add: Transfer from Income & Expenditure Account		647,755		658,851	
Sub total			13,133,556		12,485,801
Total Reserves			17,210,243		16,222,183
General Reserve					
Opening Balance		241,294		-	
Add: Transfer from Income and Expenditure Account		974,247		241,294	
			1,215,541		241,294
Earmarked Funds					
Opening Balance		1,514,174		1,156,674	
Additions		200,000		303,000	
Interest Income		191,296		106,922	
Less: Expenses		(179,478)		(52,422)	
Total Earmarked Funds			1,725,992		1,514,174
Current Liabilities					
Fees Received in Advance:					
Seminar Fee/Income Received in Advance	I	2,628,450		2,591,450	
Creditors for Expenses	II	865,666		3,458,314	
Other Liabilities	III	2,203,580		2,100,578	
Sub-total of Current Liabilities			5,697,696		8,150,342
Inter Unit Balances:					
Grant Received from Head Office:					
Capital Grant					
Opening Balance		19,504,704		18,508,680	
Less: Unapproved Grants				(21,000)	
Add: Grant Received during the year		1,663,790		1,017,024	
Sub-total			21,168,494		19,504,704
Library Grant					
Opening Balance		1,755,250		1,130,029	
Add: Grant Received during the year		1,340,097		625,221	
Sub total			3,095,347		1,755,250
			24,263,841		21,259,954
ICAI current account	IV	1,980,000		1,980,000	
Branch Current A/c		12,125		84,157	
ICAI publication payable account :					
Payable to ICAI on Publication				62,400	
Inter unit balances with RCs and CC and DOs		67,362		445,378	
Publication stock transfer account:					
Institute and Board of Studies publications		2,055,575		2,397,285	
Sub total		4,115,062	4,115,062	4,969,220	4,969,220
TOTAL			54,228,375		52,357,167

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

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

BALANCE SHEET AS AT 31ST MARCH , 2013

ASSETS	Schedules	As At 31/03/2013		As At 31/03/2012	
(Figures in rupees)					
APPLICATION OF FUNDS					
Fixed Assets: Net block	V		6,611,189		5,792,089
Earmarked Investments					
Term Deposit with Banks			1,448,616		1,213,002
Current Assets:					
Interest Receivable			226,745		2,214,468
Other Receivable	VI		149,314		708,304
Advances and Prepayments	VII		438,857		192,366
Cash and Bank Balances:					
Cash in Hand		1,693		28,217	
Cash at Bank	VIII	36,453,987		33,812,422	
Franking Machine Balance		46,352	36,502,032	36,176	33,876,815
Inter Unit Balances:					
ICAI Current Account:					
Grants and Amounts receivable from Head Office	IX	6,757,832		5,955,894	
Branch Current Account		38,215		6,944	
Publication Stock Transfer Account:					
Institute and Board of Studies Publications		2,055,575		2,397,285	
Total debit of Inter Unit Balances			8,851,622		8,360,123
TOTAL			54,228,375		52,357,167
Significant Accounting Policies	XII				



CA. D. PRASANNA KUMAR
Chairman

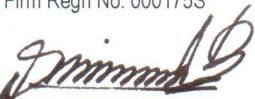


CA. P.R. SURESH
Vice-Chairman



CA. P.R. ARULOLI
Secretary

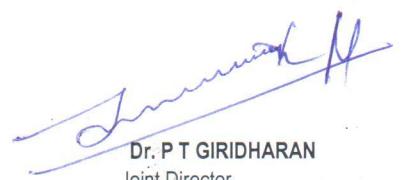
As per our Report of even Date
For ANIL NAIR & ASSOCIATES
Chartered Accountants
Firm Regn No. 000175S



CA. SUNIL KRISHNAN
Partner (M.No. 203649)



CA. GOPAL KRISHNA RAJU
Treasurer



Dr. P T GIRIDHARAN
Joint Director

Place : Chennai
Date : April 25, 2013



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

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

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2013

INCOME	Schedules	Year Ended 31/03/2013		Year Ended 31/03/2012	
<i>(Figures in rupees)</i>					
Grant received from Head Office					
Revenue grant				9,418,227	
Salary Grant		11,025,751		269,000	
Branch Administration Grant		276,000			
Membership Fee Grant		2,296,690	13,598,441	2,090,520	11,777,747
Audit Fees Grant		27,000		27,000	
Diamond Jubilee		0		300,000	
Public Relation Grant		50,000	77,000	38,592	365,592
Sub-total					
Newsletter advertisements			1,283,620		1,528,680
Seminar Income			30,092,922		22,741,550
GMCS Course Income			4,880,000		4,826,500
Interest on Investments			2,791,957		2,796,536
Grant for Orientation Programme (Chennai)			0		658,511
Grant for Orientation Programme (Bangalore)			0		750,000
CA Day/Diamond Jubilee Contribution			162,000		434,217
Coaching Class Income			6,788,250		6,202,420
Commission on Sale of Publications:					
Institute / Board of Studies Publications		931,621		1,030,261	
Examination Forms		394,485		460,410	
Sub-total			1,326,106		1,490,671
Other income	X		270,198		218,699
Prior Period Adjustments			3,691		-
TOTAL INCOME (A)			61,274,185		53,791,123

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

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

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2013

EXPENDITURE	Schedules	Year Ended	Year Ended
		31/03/2013	31/03/2012
<i>(Figures in rupees)</i>			
Staff Salary Expenses		11,025,751	9,418,227
Printing and Stationery		488,328	334,547
Newsletter		4,414,107	3,255,438
Postage, Telephone and Telegrams		210,863	242,560
Rent, Rates and Taxes		1,476,247	1,253,230
Repairs and Maintenance		1,165,537	809,032
Travel - Members		1,927,489	1,824,247
Magazines and Periodicals		86,637	111,169
Auditor's Remuneration		29,780	29,780
Seminar Expenses		25,962,395	22,133,757
GMCS Course Expenses		2,938,815	2,435,872
CA day / Diamond Jubilee Expenses		433,015	891,423
Coaching Class Expenses		5,852,575	5,323,565
Orientation Programme Exp - Chennai		-	658,511
Orientation Programme Exp - Bengaluru		-	750,000
Other Expenses	XI	675,389	683,391
ICAI Receivable Written Off (Old Dues)		46,234	370,261
Conference Receivables Written Off		-	250,000
Sub-total (Expenses before depreciation)		56,733,162	50,775,010
Prior year expenses		160,813	68,860
Depreciation	V	2,417,903	1,754,712
TOTAL EXPENDITURE (B)		59,311,878	52,598,582
(Deficit) / Surplus (A)-(B)		1,962,307	1,192,541
Transferred to Building Fund (10% of Seminar Income held within SIRC Premises)		340,305	292,396
Transferred to Coaching class reserves		647,755	658,851
Transferred to general reserve		974,247	241,294
Notes on Accounts	XII		

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CA. D. PRASANNA KUMAR
Chairman

[Signature]

CA. P.R. SURESH
Vice-Chairman

[Signature]

CA. P.R. ARULOLI
Secretary

As per our Report of even Date
For ANIL NAIR & ASSOCIATES
Chartered Accountants
Firm Regn No. 000175S

[Signature]

CA. SUNIL KRISHNAN
Partner (M.No. 203649)



[Signature]

CA. GOPAL KRISHNA RAJU
Treasurer

[Signature]

Dr. P T GIRIDHARAN
Joint Director

Place : Chennai
Date : April 25, 2013

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 2012-13

	FOR THE YEAR ENDED 31.03.2013		FOR THE YEAR ENDED 31.03.2012	
	<i>(Figures in Rupees)</i>			
Cash Flow from Operating Activities				
Net income	1,962,307		1,192,541	
Adjustments for:				
ADD: Depreciation	2,417,903		1,754,712	
LESS: Interest income	(2,791,957)		(2,796,536)	
Operating profit before working capital changes	1,588,253		150,717	
(Increase)/Decrease in current assets	1,987,723		(1,549,378)	
(Increase) / Decrease in Advances and Prepayments	(237,723)		188,652	
Increase in ICAI Current account	(801,938)		1,102,322	
(Increase) / Decrease in Current Liabilities and Provisions	(2,452,646)		(2,480,378)	
(Increase) / Decrease in Branch Current Account	(31,271)		9,316	
(Increase) / Decrease in ICAI Payable Account	(512,448)		354,639	
(Increase) / Decrease in Other Receivables	550,222		310,300	
(Increase) / Decrease in Earmarked Funds	(23,796)		54,500	
<i>Net cash from Operating Activities</i>		66,376		(1,859,310)
Cash flow from investing activities				
Purchase of Fixed Assets	(3,237,003)		(1,642,245)	
Interest Received	2,791,957		2,796,536	
<i>Net cash from Investing Activities</i>		(445,046)		1,154,291
Cash flow from financing activities				
Increase in Capital Grant	3,003,887		1,621,245	
<i>Net cash from Financing Activities</i>		3,003,887		1,621,245
Net Increase in Cash and cash equivalents		2,625,217		916,226
ADD: Cash and cash equivalents at the beginning the year		33,876,815		32,960,589
Cash and cash equivalents at the end of the year		36,502,032		33,876,815

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

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

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31/03/2013

Schedules	AS AT 31/03/2013	AS AT 31/03/2012
	(Figures in rupees)	
SCHEDULE I		
Seminar Fee / Income Received in Advance		
Coaching Classes Fee	1,271,450	1,590,000
GMCS Fees	1,300,000	968,000
Newsletter Advertisement Charges	57,000	33,150
Delegate Fees	-	300
Total	2,628,450	2,591,450
SCHEDULE II		
Creditors for Expenses		
Retention Money	74,661	74,661
Audit Fees	29,780	29,780
Coaching Class Expenses	-	958,678
Outstanding Expenses	761,225	1,101,936
43rd Regional Conference Payable	-	811,950
42nd Regional Conference Payable	-	-
SICASA Payable	-	220,000
Nagercoil CPE Study Circle	-	258,000
Other creditors	-	3,309
Total	865,666	3,458,314
SCHEDULE III		
Other Liabilities		
TDS Payable	73,770	55,768
Library Deposit	2,129,810	2,044,810
Total	2,203,580	2,100,578
SCHEDULE IV		
ICAI Current Account		
GMCS Course	1,980,000	1,980,000
Total	1,980,000	1,980,000

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

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

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31/03/2013

Schedules	AS AT 31/03/2013	AS AT 31/03/2012
	(Figures in rupees)	
SCHEDULE VI		
Other Receivables		
Sundry Debtors	-	200,000
Other Receivables (Bengaluru Orientation)	-	95,173
43rd Regional Conference	-	312,831
Investors Awareness Programme Receivable	81,376	
Newsletter Advertisement	67,938	100,300
Total	149,314	708,304
SCHEDULE VII		
Advances and Prepayments		
Advance Recoverable	8,768	
Prepaid Expenses	82,309	70,973
Orientation Programme at Visakhapatnam	229,554	-
Staff Advances	118,226	121,393
Total	438,857	192,366
SCHEDULE VIII		
Cash at Bank		
In Savings Deposits		
Bank of Baroda	24,719	24,579
Punjab National Bank	24,367	50,794
Syndicate Bank	1,643,959	2,326,331
Indian Bank	2,886,934	2,735,596
Corporation Bank (43rd Regional Conference)	-	559,306
	4,579,979	5,696,606
In Term Deposits		
With various Banks(Including Interest accrued)	31,874,008	28,115,816
Total	36,453,987	33,812,422
SCHEDULE IX		
Grant and Amount Receivable from Head Office		
ICAI Receivable - Repairs & Maintenance	566,412	566,412
ICAI Receivable - Pay Commission Arrears	-	664,060
ICAI Receivable - TDS	890,755	561,861
Revenue Grant Receivables	2,892,127	1,166,504
Orientation Programme at Bangalore	-	750,000
Commission on Sale of Publications	1,037,016	1,108,521
Mega CPE Programme	280,000	-
Other Receivables	6,374	32,920
Public Relation Grant (2010-11)	-	50,000
Public Relation Grant (2011-12)	-	38,592
Capital Grant (2011-12)	392,450	1,017,024
Elocution Quiz Contest - 2012	430,977	-
Capital Grant (2012-13)	15,553	-
Branch Employees Orientation programme	246,168	-
Total	6,757,832	5,955,894

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

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

SCHEDULES ATTACHED TO INCOME AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 2013

Schedules	Year Ended 31/03/2013	Year Ended 31/03/2012
	(Figures in rupees)	
SCHEDULE X		
Other Income		
Receipts for Library Services	15,868	12,478
Disposal of Obsolete Items	68,669	43,883
Sundry Income	185,661	162,338
Total	270,198	218,699
SCHEDULE XI		
Other Expenses		
Bank Charges	20,960	23,739
Conveyance	29,339	28,875
Website Expenses	267,694	184,146
Blood Donation Camp	63,064	61,477
Travel - Staff and Others	-	148,440
G P Kapadia Bust Expenses	159,200	-
Miscellaneous Expenses	135,132	198,122
Total	675,389	644,799

SOUTHERN INDIA REGIONAL COUNCIL
OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
 ICAI Bhawan 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034
 SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31/03/2013

Particulars	Rate of depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Opening balance 01.04.2012	Additions / (Deletions) during the Year	As at 31.03.2013	Upto 01.04.2012	For the Year	Total	As at 31.03.2013	As at 31.03.2012
ASSETS - SIRC									
Furnitures and Fixtures	10%	4,895,761	1,324,243	6,220,004	2,558,558	320,560	2,879,118	3,340,886	2,337,203
Electrical Installations and Fittings	10%	2,159,114	65,788	2,224,902	1,093,413	109,963	1,203,376	1,021,526	1,065,701
Lift	10%	838,670		838,670	519,183	31,949	551,132	287,538	319,487
Generator	10%	702,107		702,107	571,998	13,011	585,009	117,098	130,109
Office Equipment	15%	2,562,009	49,936	2,611,945	1,756,910	126,615	1,883,525	728,420	805,099
Air Conditioners	15%	1,710,200	31,710	1,741,910	1,063,061	100,316	1,163,377	578,533	647,139
Cycles	20%	1,326		1,326	1,325	1	1,325	1	1
Computers	60%	2,181,586	354,942	2,536,528	1,893,635	329,831	2,223,466	313,062	287,951
LCD Projectors	60%	219,093		219,093	171,649	28,466	200,115	18,978	47,444
Library Books	100%	6,900,474	1,340,097	8,240,571	6,900,474	1,340,097	8,240,571	6,406,042	5,640,134
Total		22,170,340	3,166,716	25,337,056	16,530,206	2,400,808	18,931,014	6,406,042	5,640,134
ASSETS - COACHING CLASSES									
Furnitures and Fixtures	10%	392,982	70,287	463,269	318,695	7,602	326,297	136,972	74,287
Electrical Installations and Fittings	10%	128,696		128,696	85,540	4,316	89,856	38,840	43,156
Office Equipment	15%	109,642		109,642	86,794	3,427	90,221	19,421	22,848
Air Conditioners	15%	33,532		33,532	21,868	1,750	23,618	9,914	11,664
Total		664,852	70,287	735,139	512,897	17,095	529,992	205,147	151,955
Grand total		22,835,192	3,237,003	26,072,195	17,043,103	2,417,903	19,461,006	6,611,189	5,792,089

[Handwritten Signature]

**SOUTHERN INDIA REGIONAL COUNCIL
OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
122 Mahatma Gandhi Road, Nungambakkam, Chennai – 600034**

**SCHEDULES TO AND FORMING PART OF ACCOUNTS FOR AS AT AND
FOR THE YEAR ENDED 31st MARCH 2013**

SCHEDULE – XII

Significant accounting policies and Notes on accounts

A. Statement of significant accounting policies

a. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India and are on accrual basis unless otherwise stated.

b. Revenue recognition

Interest on Fixed Deposits is recognized using time proportion basis taking into account the amount outstanding and the rates applicable. Income accruing from term deposits placed out of earmarked funds is credited directly to the respective earmarked fund. Grants are accounted based on advice received from ICAI, New Delhi.

c. Fixed assets and depreciation

- i. Fixed assets are stated at historical cost less accumulated depreciation.
- ii. Depreciation is provided on written down value method as per the rates prescribed by ICAI.
- iii. Depreciation on additions to fixed assets is provided on pro-rata basis.
- iv. Library books are depreciated at the rate of 100% in the year of purchase.

d. Employee retirement benefits as per AS-15 are provided for by ICAI, New Delhi

B. Notes on Accounts

- a. During the year 10% of Gross receipts from Seminars and Conference held at SIRC premises amounting to Rs. 3,40,305/- {previous year Rs. 2,92,396/-} has been transferred to Building Maintenance Fund account. On Rs. 16,20,767/-, out of the balance surplus amount of Rs. 6,47,755 {previous year Rs. 6,58,851} has been transferred to Coaching Class Reserves and Rs. 9,73,012/- has been transferred to General Reserve {previous year Rs. 241294/- respectively}.

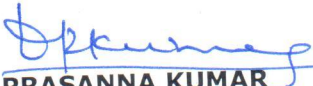
b. Earmarked Funds:

Particulars	As on 31/03/2013	As on 31/03/2012
Earmarked Funds	17,25,992	15,14,174
Earmarked Investments	14,48,616	12,13,002
Interest Accrued	2,77,376(*)	3,01,172(*)

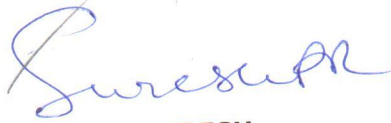
*Amount credited by bank in various Savings Bank accounts.



- c. Land and Building of SIRC of ICAI are accounted for at ICAI New Delhi, since ownership of these assets lies with ICAI.
- d. Previous year's figures have been re-grouped and re-classified wherever necessary to conform to current year's classification.



CA. D. PRASANNA KUMAR
Chairman



CA. P.R. SURESH
Vice - Chairman



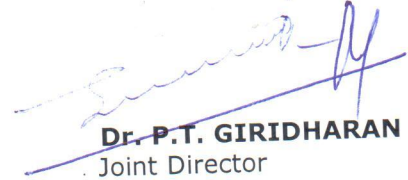
CA. P.R. ARULOLI
Secretary

As per our Report of even date

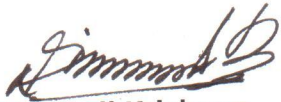
For ANIL NAIR & ASSOCIATES
Chartered Accountants
Firm Regn. No. 000175S



CA. GOPAL KRISHNA RAJU
Treasurer



Dr. P.T. GIRIDHARAN
Joint Director



CA. Sunil Krishnan
Partner (M.No. 203649)



Place: Chennai
Date : 25 April, 2013



Independent Auditor's Report

To the Members of SOUTHERN INDIA REGIONAL COUNCIL OF ICAI

Report on the Financial Statements

We have audited the accompanying financial statements of SOUTHERN INDIA REGIONAL COUNCIL OF Institute of Chartered Accountants of India (SIRC of ICAI) which comprise the Balance Sheet as at September 30, 2015, and the Income and Expenditure Account for the period then 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, financial performance in accordance with the Accounting Standards as prescribed by the Institute of Chartered Accountant of India (ICAI). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of effectiveness of council's internal control. 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.

Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 subject to the point No 2 (e) and 14 relating to conference accounts and Point No. 17 relating to the Banner Account, as discussed in notes forming part of Half yearly accounts as on 30.09.2015.



- a) in the case of the Balance Sheet, of the state of affairs of the Council as at September 30, 2015;
- b) in the case of the Income and Expenditure Account, of the **Deficit** for the period ended on that date;

Reports on other Legal Requirements:

We Report that:

- a) We have obtained all the information's 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 have been kept by the SIRC so far as appears from our examination of those books
- c) The Balance sheet and Income & Expenditure account of SIRC dealt with by this report are in arrangement with the books of accounts.

For SUNDARARAJAN ASSOCIATES

Chartered Accountants

FRN: 04997S

R.SUNDARARAJAN

Managing Partner

M.No.29814

Place: Chennai

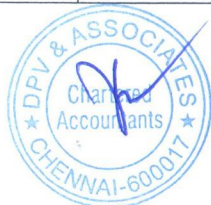
Date: 24.02.2016

Management audit Report for FY 2013-14 (Quarter Year IV) – SIRC of ICAI

S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
1	Whether Compliance Report on auditors' observations (of previous auditor's reports) is being submitted by the management. Compliance of the observations of auditor may also be sent.	<ul style="list-style-type: none"> → We have not received any Management audit report for FY 2012-13 prepared by Previous auditor → No related compliance report of SIRC furnished to us too → We have received the Compliance report in respect of our Management Audit Report given for Quarter year ended 30-06-2013 and Quarter year ended 30-09-2013 today (26.04.2014) 	>> Management Audit Report was not issued during the previous FY 2012-13 by the previous Auditor.	
2	Certify whether all the reports and formats etc., have been prepared strictly in accordance with the prescribed format as mentioned in the Accounting Manual. Whether Accounting Manual are duly complied with.	Accounting manual is very old; right from LTC related terms to Travel reimbursements, about dozen aspects remains un-updated; latest development in the past five or six years are available only vide stand-alone approval records of various levels; finality of each such communication/record is subjective	>> Accounting Manual sent by Head office in April has been forwarded. We will escalate this matter to H.O.	The Accounting manual which has been forwarded to us is the same old one. It reads the Income Tax provisions of FY 2008-09, non-existing accounting code number etc yet.
3	Certify whether the Accounting Standards are duly complied with while preparing the books of accounts.	Yes; by and large complied with subject to deviations, if any, pointed out in our Audit Report	>> We will take due care of the points given in the Auditors Report	
4	Certify whether all the statutory obligations / applicable laws and statues are duly complied with (i.e. TDS, Service Tax, VAT, Municipal Tax, Property Tax, P.F. etc.). Monthly Verification of Statutory Deductions	<p>TDS:</p> <p>a) TDS deduction on Commission payment to Bill desk @ 10 % has not been made to the</p>	>> We are coordinating with M/s Bill desk to get the payment and deposit the	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	and Remittances.	<p>tune of Rs. 24,906 /-</p> <p>b) TDS deduction on Commission payment to M/s. Busrex Online Services Limited @ 10 % has not been made to the tune of Rs. 17,280 /-</p> <p>Service Tax:</p> <p>ICAI, New Delhi has communicated in writing that the Head Office will deposit the Service Tax on centralized basis.</p> <p>Municipal Tax & Property Tax:</p> <p>Not Applicable as SIRC does not own any immovable property</p> <p>VAT:</p> <p>No Taxable sales – Not applicable</p>	<p>same.</p> <p>During the year TDS u/s 194C @ 2% amounting to Rs. 8,326/- was deducted and remitted to the Dept. on the Rs.4,16,229/- credited to Busrex Online Services in respect of Mass mails sent.</p>	
5	Whether the decisions of management committee are being properly minuted and duly signed.	Yes	>> Noted	
6	<p>Whether there is clear cut guidelines (with value limits in writing) in respect of</p> <p>→ Approval of purchases – Revenue / Capital</p> <p>→ Signing / placing of work orders / purchase</p>	Purchase policy of ICAI printed on plain paper (containing 19 Pages) has been provided to us; however the same has not been authorized by any competent Person.	>> What was received in soft form has been forwarded to auditors. Internally certified copy will be provided by us.	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	orders with contracting parties	As auditors we sincerely suggest SIRC to have review of pricing by Food Suppliers (Hotels), Accommodation Providers, AMC Service Providers, Cab Operators etc. at least once in six months. Such review by a competent committee should properly be recorded in minutes. Subject to quality compliance, always L1 vendor should be selected for forthcoming half year.	We will do the needful.	
7	Whether tendering process is being followed before incurring expenditure (i.e. Capital or Revenue), outsourcing services and before making any purchases	Purchase record files containing Purchase requisition, quotation from competitive Vendors, Comparison statements, Purchase invoices etc, are available in respect of capital purchases only	>> We have started following the advised practice for revenue items too	
8	Whether the systems and procedures followed for purchases (Capital & Revenue) are sound and whether purchases have been made based on the lowest quotations and / or the practices being followed.			
9	Whether proper justification is being recorded before incurring Capital Expenditures and major Revenue Expenditures.			
10	Whether necessary records such Purchase Requisition File, Quotation from competitive vendors, Issue Slips, Stock Register are being maintained.			
11	Verify that Capital Grant has not been accounted for on accrual basis. Further, verify whether Capital Items are being purchased only against the Capital Grant released and available for utilization.			



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
12	Submit utilization certificate of Capital Grant, Revenue Grant, CPE Grant (Seminar Grant), Building Grant, Bridge Loan and Library Grant received.	Verified the Utilization Certificates received from Internal Auditors; there is no mention in respect of Books. We understand that the Library grant is in reimbursement model, not by ad hoc grant followed by incurring of expense.	>> As it is not a grant, rather reimbursement, we hope that the compliance is in order.	
13	Whether there are assets which are no longer usable and discarded. A list of such items with particulars; date of acquisition, value, reasons for being unusable should be submitted and certified by the auditor. Similarly, a list of obsolete/immovable stocks with recommendations to be written-off should be certified.	Details of such assets have not been provided to us for verification. We could note that there are obsolete assets in the various parts of the premise; as the value of the same did not appear to influence our main report we have not dealt in this regard in our main report. It is claimed by SIRC right from September 2013 that Study on Impairment of Assets will be carried out; till date such exercise has not been started, though administrative developments are pointed out without starting any process in this respect	>> Expression of interest has been released for carrying out this assignment. Responses received are being placed before the Regional Audit Committee.	
14	Whether all the fixed assets are having unique identification number and properly recorded in the Fixed Assets Register (in hard copy). Whether the Fixed Assets are duly reconciled with books of accounts and physically verified. If yes, then submit the report of the same.	Fixed Assets Register are maintained in soft copy. Signed hard copies are not maintained. We note that each fixed asset is not reconciled with the books of accounts & the same is not physically verified too. No (verifiable / reconcilable) proper number control system has been	Observations/ suggestions will be implemented as soon as possible. The fixed assets have been numbered on the basis of the Asset Code	



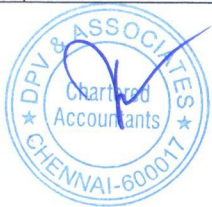
S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
		implemented	generated by the Fixed Assets Software.	
15	Whether Fixed Assets received directly from Head Office / Regional Council are recorded separately and reconciled. Further, the movements of Fixed Assets are being properly recorded.	No such fixed asset has been received directly from Head Office / Regional Council. As was observed in our report for HY ended 30.09.2013, FA movement register (In House and Beyond House) is not maintained in spite of our recommendation.	Fixed Asset Movement Register will be maintained as soon as possible.	
16	Whether the rate of depreciation as prescribed by the Institute, have been followed while charging depreciation on fixed assets.	Yes	>> Noted	
17	Fixed Assets Register as on 30/09/13 and 31/03/14 (along with Fixed Assets Schedule) duly authenticated by management and countersigned by auditor.	Fixed Asset Registers are not maintained in hard copy. We could not get proper printable version	We will do the needful w.e.f. Q1 of FY 2014-15.	
18	Whether physical verification of Assets, Publication Stock, Stationary items, Library Books and any other stocks maintained are done periodically. The certificate of physical verification must be given by the auditors along with the Financial Statement.	Complete Physical verification (other than on Fixed Assets) has been done for the period ended on 31-03-2014; Discrepancies has been noted and the same has been reported in the physical verification report. We are unhappy to note the unacceptable state of affair in respect of library books. Right from	Noted. The Central Library Software has been crashed and there is no	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
		second week of March 2014 the Library Stock Software has become inaccessible; official confirmation from central office confirms the non-availability any alternative arrangement for Data Retrieval and further updating. The physical stock taking carried out at year end, has just recorded the physically available books without reconciling, since no Stock Register is available for such reconciliation till date	stand alone Library software at SIRC. Efforts are on at Head Office to retrieve and restore the data.	
19	Whether proper budgetary control is exercised both with respect to revenue and capital expenditure. Submit a copy of Revenue Budget and Capital Budget along with actual revenue and capital expenditures. As per Regulation 197 of the Chartered Accountants Regulations 1988, the auditors shall compare the actuals of Income and Expenditure account with the Budget estimates and submit a report to the Council on material departures. This report is to be attached with the audit report.	Yes	>> Noted	
20	Whether the collections made by Branch towards Membership Fee, Students Fee, Computer Training Fee, etc., are recorded correctly in the register maintained for the purpose and deposited same day / next day in bank.	We could note that such activities are not carried out by SIRC	>> Such registers are maintained by the DCO	
21	Reconciliation of batch wise receipts of Coaching	Quarterly Reconciliation of batch	>> The batchwise	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	Classes, Crash Courses, Computer Coaching Classes, GMCS Courses, Workshops, Seminars and Conferences.	wise receipts of Workshops, Seminars and Conferences – For Quarter Year IV – have not been received	collections for CPE programmes were furnished in hard copy. With satisfactory internal cross checks all these receipts are reviewed.	
22	Whether all the bank accounts are reconciled and follow up action is being taken to recover the outstanding amounts, if any. Certificate of auditor on verification of bank reconciliation statement and balance confirmation of Debtors and Creditors.	Yes	>> Noted	
23	Whether there are any inoperative Bank accounts. If there are such accounts, since when they are inoperative and the amount of funds lying in the account. Also, whether necessary steps have been taken to close the inoperative Bank Accounts.	No inoperative bank accounts found	>> Noted	
24	Whether the surplus funds of the Branch are suitably invested in short term deposits or flexi deposits, so that the funds do not remain idle for long period of time.	Yes	>> Noted	
25	Whether balance of petty cash book reconciles with the bank and cash balance. Whether all the expenditures are duly billed and vouchers are having proper authorization.	Yes. But in case of journal voucher based accounting entries, no single journal voucher or its supporting records or attested internal note is available. In spite of our repeat advice in this regard right from our audit for HY ended 30.09.2013, SIRC avoids this basic record maintenance practice	>> We have started maintaining journal vouchers w. e. f. 01.04.2014.	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
		<p>even till dates, causing –</p> <ul style="list-style-type: none"> - avoidable oral explanation, - searching scattered evidences, - repeat explanation for different auditors, - loss of trail in future - avoidable dependency on specific personnel and the risk of system failing to respond in his/her absence 		
26	Whether follow up action is being taken to recover the dishonored cheques / drafts.	Yes, satisfactory follow up and recovery was found	>> Noted	
27	Whether the Capital Grant account and inter unit balances with Central Office, Regional Council, Decentralized Office and Branches are duly reconciled on quarterly basis. Whether balances have been called for from the concerned offices. If the reconciliation is not done for the period, the last date when the reconciliation was done. Submit details of balance in inter unit A/c with concerned offices of ICAI for the period under audit.	Quarterly reconciliations and confirmations from central office, Regional Councils, Decentralized Office and Branches have not been received by SIRC on its own; even after our serious follow up till the date of attesting the financial statement confirmations were being received in instalments. As this is not for the sake of audit, but for internal policy adherence, we strongly recommend for Inter Unit reconciliation once in three/six months.	>> We have arranged for confirmation of balance by year end. With effect from 2014-15, we will do the needful for quarterly balance confirmation and reconciliation.	
28	Earmarked Funds and Earmarked Investments are tallied and are equal. The details have been prepared	The Earmarked Funds and Earmarked Investments are not	Rectified to ensure such matching between the	In order to match the short fall in Fixed



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	and furnished as per schedules mentioned in the Accounting Manual. The balance amount of the income earned on investment and expenditure incurred out of that be suitably invested in order to make the earmarked funds and earmarked investment equal.	tallied. The difference could be due to reinvestment interest receivable and related errors in accounting thereof in previous years.	funds and investments	Deposits (investments) reclassification of accounts has been carried out.
29	Whether Stock Register of Stationary and Publication Stocks are properly maintained and physical verification is carried out.	Yes Few differences found out during year end stock taking of publication division were pointed out by us	>> Noted	
30	Whether proper inventories have been kept of the publication received from Central office from time to time and whether publication Account along with sale proceeds and stock statement are sent to Head Office on quarterly basis. It must also be ensured that AS – 2 has been complied with.	Quarterly reporting to Head Office found to be in order. We reserve our comments as to compliance with AS-2 at SIRC level, since the same is an agent working on commission basis to ICAI, not the owner of the publication division stock	>> Noted	
31	Title-wise reconciliation of publications printed/sent to Regional Councils and Branches/sold and discrepancies, if any, between physical and book balances.	At year end such reconciliation and correction of deficiencies carried out	>> Noted	
32	Whether proper records have been kept of issue of study materials, suggested answers, revision test papers etc., sent by Head Office.	Yes	>> Noted	
33	Whether the expenditure towards Seminar and Conference are properly accounted for and met out of the source generated by way of participation fee and seminar / CPE grant released by Head Office. Numerical reconciliation of seminar/conference	Specific preparation and analysis of Seminar wise Income & Expenditure statements are not carried out; regular books of accounts have basic data	>> Analysis of programwise income and expenditure is done at the level of EC and SIRC.	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	fees/expenses and review of seminar wise Income/Expenditure Account is being done. Furnish Seminar-wise details of Income & Expenditure.			
34	Whether there is adequate control over the mementoes and program kits distributed in seminar / conferences / any other programs. Whether authority has been specified for distribution of mementoes. Whether records of purchase, issue and balance of mementoes / kits are being maintained.	Yes. However regular/ immediate updating of Mementoes/Kits advised. Inward entries relating to these items should be with reference to cash payment voucher number and date.	>> Generally there is no delay in updating; yet, auditors advice as to voucher reference will be adhered to for ensuring transaction trail	
35	Whether the news letter published by the branch is self supporting and proper accounting has been done for ascertaining its actual cost. Submit details of income and expenditure of newsletter publication.	No. The news letter published by the branch is not self supportive. The income and expenditure for the quarter is as follows: <i>Income: Rs. 14,05,060/-</i> <i>Expenditure: Rs. 39,02,936/-</i> <i>Loss: Rs. 24,97,876 /-</i>	We have requested for a specific grant to publish newsletter.	
36	Whether salary and staff payments have been made according to rules and decisions of the Executive Committee from time to time.	Yes	>> Noted	
37	Whether accounts are computerized and sufficient Internal Control measures are being followed.	The accounts are computerized; however the following Internal Control deficiencies are found: Regarding Fixed Assets, Library Book Stock Software, Internal Control flaw in respect of CPE seminar Cash collection etc, detailed observations given in other parts of this report	>> We shall ensure adequate internal control measures during the current year (FY 2014-15)	
38	Identification of areas of weak controls and to suggest ways and means of streamlining the same. Please give	(i) Daily cash collections toward the seminars are not properly	>> We have gone through the workings	



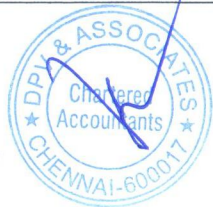
S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	<p>an independent and objective assessment and evaluation of each activity for better management control and financial discipline.</p>	<p>accounted in the books of accounts. A detailed analysis on the basis of carbon copy of receipts has been carried out by us for the Period 01-10-13 to 31-12-13, verifying about 11040 Receipt vouchers. There is shortage of cash of Rs. 1.42 lakh (i.e., Cash receipts as per receipt vouchers is Rs. 57,05,833; Cash receipt as per tally is Rs. 55,63,707). We reiterate our suggestion given in this regard during HY 1 audit itself, to prepare the Daily receipt summary (Excel) statements based upon the cash receipts and it should be duly authorized by the Maker and Authorized personnel. The tally entries shall be made based on such summary statements to avoid unnecessary time loss</p> <p>(ii) No single journal voucher is maintained, while about 40 % of accounting transactions are originated by journal vouchers only. In the absence of authorized journal vouchers and related workings/supporting vouchers, validity as well as rightness of journal entries are</p>	<p>relating to QY III and the observation of the auditors for QY IV on the basis of the same. Due to urgency during seminars our personnel have failed to mention the details of cash / cheque or even left blank as to cheque details in several cases. Hence there could not be cash shortage to the extent mentioned by auditors. However, the daily reconciliation with introduction of 'Maker – Checker' concept, as recommended by auditors has been introduced from April 2014.</p> <p>We have started to maintain journal vouchers with immediate effect.</p>	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
		not known and satisfactory.		
39	The fund of the branch shall not be applied either directly or indirectly for making any payment to the members of the Managing Committee except to reimburse them any expenses incurred by them in connection with the business of the Managing Committee, provided however, that no member of the Managing Committee shall be entitled to claim any traveling or other allowances.	Yes	>> Noted	
40	Whether expenditure on postage, freight and Rent Rates and Taxes have been properly accounted for.	Yes	>> Noted	
41	Whether all the revenue grants received and receivable as per the entitlement of the branch are duly accounted for in the books of accounts of the branch.	Yes	>> Noted	
42	Whether quarterly verification of Income and Expenditure Account and Balance Sheet is being carried out.	Yes	>> Noted	
43	Verification of Monthly Commission Calculations receivable from BOS.	No monthly commission arrangement found; but, the commission calculation in all applicable cases of sale of publications found to be in order	>> Noted	
44	Whether reconciliation of Postage and Courier is being done.	Yes	>> Noted	
45	Whether reconciliation of Stock Statements on quarterly basis is being done and submit reconcile statement.	Yes	>> Noted	
46	Whether fees received from members and students are	We could note that SIRC is not	>> Noted	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	properly reconciled both numerically and in terms of monetary value.	collecting any regular fees from Members and Students since the same falls under the purview of DCO-ICAI, Chennai		
47	Whether examiners bills are paid and are in order, as per the prescribed guidelines.	Not applicable	>> Noted	
48	Interest on Fixed Deposits and RBI Bonds received / receivable to be verified.	Yes	>> Noted	
49	Systems Audit for the purpose of Management suggesting changes like introduction or modification of existing Internal Controls Systems.	<p>i) Anti virus software is too poor; most of the computers were found with virus.</p> <p>ii) User wise password control for Tally Accounts not practiced; same username and password used by all personnel leaving no trail of actual person passing entry</p> <p>iii) No back up for Library Stock software based data; as the hard disk crashed in central office, no alternative is there till date for data retrieval</p> <p>iv) From Fixed Asset Register, no printer friendly report or no reader friendly report for softcopy readers could be taken out within reasonable time too</p>	>> We will do the needful immediately.	
50	Kindly get the following details from management and		>> Noted	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
	submit: a. Whether the branch is having its own land and building b. The detailed list of infrastructure facilities available with branch (i.e. Conference room, ITT Labs, etc. along with sitting capacity).	No Yes		
51	Whether all the Title Deeds of Property (in respect of Land, Building etc.) held with the Branch are in the name of Institute. Where the original title deeds are kept? Is it in the custody of the Head Office / concerned Regional Council / Decentralized Office / Branch? Whether it is in safe custody (i. e. in lockers).	No immovable property is owned by SIRC	>> Noted	
52	Audited statement of Receipt and Payment A/c of Branch Building, if any.	Not Applicable - As there is no Building owned by SIRC	>> Noted	
53	Whether all duties and taxes on property have been paid and properties are claim free. Whether the value of property as appearing in the Title deed and in the books of accounts is same.	Not Applicable - As there is no Building owned and managed by SIRC	>> Noted	
54	Submit the following along with audited accounts: a. Audited Accounts of Students' Association b. Audited Accounts of ITT Centres	Yet to be signed by SICASA office bearers Not applicable	>> We are coordinating with the office bearers of SICASA	
55	Other Remarks of the Auditor	Adherence to audit schedule with completed accounts and records may please be ensured by SIRC. Every quarter year audit was on the basis of confirmation cum invitation from	>> We will put all out efforts to ensure compliance (adequate care) to these suggestions.	



S. No.	Particulars	Auditor's Observation	Auditee's Comments	Auditor's Remarks on Auditee's Comments
		<p>SIRC as to readily available records and accounts. However as auditors we had to do discrete and delayed process only for want of completion of accounts and records.</p> <p>Especially even for inter branch confirmations, bank statements, DCO/HO confirmations, records relating to Regional Conference held before three months etc we had to repeat our advice for weeks or months together.</p> <p>SIRC may please ensure better environment for statutory audit on its simple accounts, by ensuring disciplined usual auditee practices</p>		

For **DPV & Associates**

Chartered Accountants

FRN 011688S

CA. Prasanna Krishnan. V

M.No.219100

Partner

Place: Chennai

Date: 09th May 2014

