

**M.K. DANDEKER & CO.,**  
*Chartered Accountants*

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Kilpauk, CHENNAI - 600 010.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the **COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**Opinion**

1. We have audited the accompanying financial statements of **SOUTHERN INDIA REGIONAL COUNCIL REGION of THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA** ("the Institute"), which comprise the Balance Sheet as at March 31, 2019, the Income and Expenditure Account and Cash Flow Statement for the year ended March 31, 2019, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, we report that the aforesaid financial statements give information required by the Chartered Accountants Act, 1949 and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in case of the Balance Sheet, of the state of affairs of the Branch as at March 31, 2019;
  - b. in case of Income and Expenditure Account, of the surplus for the year ended on that date.
  - c. in case of cash flow statement, of the cash flows for the year ended on that date.

### **Basis for opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the institute in accordance with the Code of Ethics issued by ICAI together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Institute's Management is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Institute in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Chartered Accountants Act, 1949. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Institute 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.

In preparing the financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

5. Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditor's Responsibility**

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - report that the audit at the Regional level is not be able to conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained at the Region, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institutes ability to continue as a going concern

8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

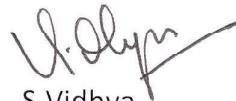
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

9. We further 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 as required by Chartered Accountant Act, 1949 have been kept by the Southern India Regional Council of the Institute so far as appears from our examination of those books.
  - c. the Balance Sheet, the Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Income and Expenditure Account comply with the relevant Accounting Standards.

Place: Chennai  
Date: 25<sup>th</sup> April, 2019

For M.K.Dandeker & Co  
( ICAI Regn.No.000679S)



S.Vidhya

Partner

Chartered Accountants

Membership No. 207420

**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, 2019**

LIABILITIES/SOURCES OF FUNDS	Schedule Number	As at	
		31 March 2019	31 March 2018
(Figures in rupees )			
<b>GENERAL RESERVE</b>	I	3,75,14,122	2,71,19,425
<b>OTHER RESERVES</b>	II	2,86,58,440	2,53,58,268
<b>EARMARKED FUNDS</b>	III	35,97,450	31,32,670
<b>CURRENT LIABILITIES</b>			
FEES RECEIVED IN ADVANCE	IV	40,71,874	25,56,139
CREDITORS FOR EXPENSES		56,83,395	37,34,199
<b>OTHER LIABILITIES</b>			
STATUTORY DUES-TAX DEDUCTED AT SOURCE		1,92,162	2,34,973
DEPOSITS- LIBRARY		27,21,810	26,44,560
OTHERS	V	3,59,310	4,32,882
<b>SUB TOTAL</b>		<b>1,30,28,550</b>	<b>96,02,753</b>
<b>INTER UNIT BALANCES:</b>			
CAPITAL GRANT	VI	4,28,21,246	3,73,46,039
GMCS CURRENT ACCOUNT		37,500	-
INTERUNIT TRANSACTIONS WITH DECENTRALIZED OFFICE, CHENNAI		26,46,612	15,38,991
CURRENT ACCOUNT (BRANCHES)		1,65,922	15,58,510
ICAI PUBLICATION STOCK TRANSFER ADJUSTMENT A/C		24,16,605	27,69,131
<b>SUB-TOTAL</b>		<b>4,80,90,884</b>	<b>4,32,12,672</b>
<b>TOTAL</b>		<b>13,08,89,447</b>	<b>10,84,25,787</b>

*As per our Report of Even Date*

**For M.K.Dandekar & Co.,**  
 CHARTERED ACCOUNTANTS  
 FRN : 00679S

-sd-  
**CA. VIDHYA S.**  
 Partner  
 M. No. 207420

-sd-  
**CA. JOMON K. GEORGE**  
 Chairman

-sd-  
**CA. DUNGAR CHAND U. JAIN**  
 Vice – Chairman

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**CA. JALAPATHI K.**  
 Secretary

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**CA. PAMPANNA B.E.**  
 Treasurer

-sd-  
**DR. P. T. GIRIDHARAN**  
 Additional Director

PLACE: Chennai  
 DATE: 25th April, 2019

**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, 2019**

ASSETS/APPLICATION OF FUNDS	Schedule Number	As at	As at
		31 March 2019	31 March 2018
(Figures in rupees )			
<b>NON CURRENT ASSETS:</b>			
<b>FIXED ASSETS</b>	VII		
GROSS BLOCK		4,07,68,058	3,92,85,466
LESS ACCUMULATED DEPRECIATION		2,86,75,710	2,77,55,725
<b>NET BLOCK</b>	(A)	<b>1,20,92,348</b>	<b>1,15,29,741</b>
<b>NON-CURRENT INVESTMENTS</b>			
FIXED DEPOSITS WITH BANKS		62,96,866	91,76,817
<b>SECURITY DEPOSITS</b>		60,050	60,050
	(B)	<b>63,56,916</b>	<b>92,36,867</b>
<b>CURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
FIXED DEPOSITS WITH BANKS			
EARMARKED INVESTMENTS	VIII	35,97,450	31,32,670
OTHER INVESTMENTS		3,78,56,632	3,22,67,550
<b>STOCK</b>			
STATIONERY AND OTHER CONSUMABLES		3,18,592	3,01,002
OUTRIGHT PURCHASES		1,13,022	-
<b>TDS RECEIVABLE</b>		4,32,166	2,10,512
<b>OTHER RECEIVABLES</b>	IX	56,03,616	24,75,361
<b>ADVANCES</b>	X	10,29,899	5,36,017
<b>CASH AND BANK BALANCES</b>			
BANK BALANCES	XI	5,94,64,584	3,91,82,230
CASH IN HAND		26,862	33,502
FRANKING MACHINE BALANCE		85	24,185
	(C)	<b>10,84,42,908</b>	<b>7,81,63,028</b>
<b>SUB TOTAL (A)+(B)+(C)</b>	(D)	<b>12,68,92,172</b>	<b>9,89,29,636</b>
<b>INTER UNIT BALANCES:</b>			
ICAI HEAD OFFICE CURRENT ACCOUNT		15,54,494	63,50,874
CURRENT ACCOUNT( BRANCHES)		26,176	17,266
ICAI PUBLICATION STOCK TRANSFER ACCOUNT		24,16,605	27,69,012
GMCS CURRENT ACCOUNT - HEAD OFFICE		-	3,59,000
<b>SUB TOTAL</b>	(E)	<b>39,97,275</b>	<b>94,96,152</b>
<b>TOTAL</b>	(D)+(E)	<b>13,08,89,447</b>	<b>10,84,25,787</b>

As per our Report of Even Date

**For M.K.Dandekar & Co.,**  
CHARTERED ACCOUNTANTS  
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Additional Director

PLACE: Chennai  
DATE: 25th April, 2019

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

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31st March , 2019**

PARTICULARS	Schedule Number	Year Ended	Year Ended
		31 March 2019	31 March 2018
(Figures in rupees )			
<b>INCOME</b>			
<b>GRANTS RECEIVED FROM HEAD OFFICE</b>			
REVENUE GRANT		1,42,00,370	1,27,00,346
MEMBERSHIP FEE GRANT		30,07,000	27,96,410
BRANCH ADMINISTRATION GRANT		3,07,000	3,04,000
AUDIT FEES GRANT		58,000	58,500
SPECIAL GRANT AND STUDENTS ASSOCIATION GRANT (INCLUDING ADHOC GRANT)		9,94,433	21,43,473
<b>SUB-TOTAL</b>		<b>1,85,66,803</b>	<b>1,80,02,729</b>
NEWS LETTER INCOME		5,80,621	5,00,000
SEMINAR INCOME	XII	3,32,54,917	4,09,48,349
GENERAL MANAGEMENT AND COMMUNICATION SKILLS COURSE INCOME		1,47,52,834	75,94,166
INTEREST ON INVESTMENTS AND INTEREST ON BANK BALANCES		47,88,845	48,63,577
OTHER INCOME	XIII	4,20,023	28,16,396
PROVISION NO LONGER REQUIRED AND WRITTEN BACK		7,72,335	-
INCOME FROM COACHING CLASSES		1,44,23,811	1,72,59,987
COMMISSION ON SALE OF PUBLICATIONS/EXAM FORMS	XIV	1,26,735	7,07,988
<b>TOTAL</b>		<b>8,76,86,924</b>	<b>9,26,93,191</b>

As per our Report of Even Date

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**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31st March , 2019**

PARTICULARS	Schedule Number	Year Ended	Year Ended
		31 March 2019	31 March 2018
(Figures in rupees )			
<b>EXPENDITURE</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
- SALARY,PENSION AND OTHER ALLOWANCES		1,36,12,383	1,28,27,134
-CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		9,04,118	9,86,688
- STAFF WELFARE EXPENSES		3,12,211	2,30,988
PRINTING, STATIONERY AND PHOTOCOPYING		3,46,332	3,46,096
NEWSLETTER EXPENSES		24,53,056	17,39,234
POSTAGE, TELEPHONE AND TELEGRAMS		3,92,628	4,43,472
RENT, RATES AND TAXES		24,30,998	29,11,180
REPAIRS AND MAINTENANCE		8,89,181	24,45,734
TRAVEL MEMBERS		16,92,144	17,81,918
TRAVEL STAFF		2,54,752	2,05,735
MAGAZINE AND PERIODICALS		2,28,993	2,37,316
AUDIT FEE		58,000	58,500
SEMINAR EXPENSES	XV	2,77,99,809	3,36,26,278
EXPENSE SUPPORT SERVICES		4,00,244	6,57,949
GENERAL MANAGEMENT AND COMMUNICATION SKILLS COURSE EXPENSES		63,49,544	27,58,119
OTHER EXPENSES	XVI	27,36,348	22,24,928
COACHING CLASSES EXPENSES		1,05,62,441	1,05,49,191
IMPAIRMENT LOSS ON FIXED ASSETS		2,82,626	-
<b>SUB - TOTAL</b>		<b>7,17,05,807</b>	<b>7,40,30,460</b>
DEPRECIATION		22,86,247	17,07,207
<b>TOTAL</b>		<b>7,39,92,055</b>	<b>7,57,37,668</b>
<b>SURPLUS/ DEFICIT</b>		<b>1,36,94,869</b>	<b>1,69,55,523</b>
Less: Transfer to Building Fund [Ref Note 2.11]		13,69,487	16,95,552
Less: Transfer to Coaching Class Reserve [Ref Note 2.11]		19,30,685	33,55,398
Balance transfer to General Reserve		1,03,94,697	1,19,04,573
<b>Significant Accounting Policies and Notes on Accounts</b>	XVII		

As per our Report of Even Date

**For M.K.Dandeker & Co.,**  
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PLACE: Chennai  
 DATE: 25th April, 2019



**SOUTHERN INDIA REGIONAL COUNCIL**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
 ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034  
**Cash Flow Statement for the Year Ended 31st March 2019**

(Amounts in Rupees)

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
<b><u>A. CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Surplus for the Year		1,36,94,869		1,69,55,493
Adjustments For:				
Add: Depreciation and amortisation	22,86,247		17,07,207	
Add: Impairment Loss on Fixed Assets	2,82,626			
Less: Provisions no longer required written back	(7,72,335)			
Less: Accrued Interest on investment and bank interest	(47,88,845)	(29,92,307)	(48,63,577)	(31,56,369)
<b>Operating Surplus Before Working Capital Changes</b>		<b>1,07,02,562</b>		<b>1,37,99,124</b>
(Increase)/decrease in stock of stationaries	(17,591)		5,252	
(Increase)/decrease in stock of Outright Purchases	(1,13,022)			
(Increase)/decrease in security deposit	-		(20,000)	
(Increase)/decrease In other current assets	(33,49,909)		(13,51,784)	
(Increase)/decrease in advances and prepayments	(4,93,882)		(10,88,589)	
(Increase)/decrease in inter unit balances with HO/DCO/Branches-Asset	54,98,877		18,79,743	
Increase/(decrease) in inter unit balances with HO/DCO/Branches-Liability	(5,99,994)		(8,91,878)	
Increase/(decrease) in fee received in advance	15,15,735		(19,89,824)	
Increase/(decrease) in creditors for Non-Capital items & provision for expenses	27,21,531		(9,81,878)	
Increase/(decrease) in statutory dues	(42,811)		(15,777)	
Increase/(decrease) in library deposits	77,250		96,500	
Increase/(decrease) in other current liabilities	(73,571)		(87,504)	
Increase/(decrease) in Reserves ( HO Adj Entry)	-		10,80,783	
		51,22,614		(33,64,856)
<b>Net Cash From Operating Activities</b>		<b>1,58,25,176</b>		<b>1,04,34,267</b>
<b><u>B. CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
(Acquisition) of fixed assets	(31,31,481)		(57,86,686)	
(Disposal) of fixed assets	-		57,261	
Investments in Earmarked funds	(4,64,781)		(7,37,150)	
Disposal of investments/realisation of interest on investments	20,79,713		19,47,489	
<b>Net Cash From Investing Activities</b>	(15,16,549)	(15,16,549)	(45,19,087)	(45,19,087)
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>				
Capital Receipts	4,64,781		7,37,150	
Capital Grant received from HO during the year	54,78,207		36,98,540	
<b>Net Cash From Financing Activities</b>		<b>59,42,988</b>		<b>44,35,690</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>2,02,51,614</b>		<b>1,03,50,871</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<b>3,92,39,916</b>		<b>2,88,89,045</b>
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>5,94,91,531</b>		<b>3,92,39,916</b>

Note: 1. Cash and Cash Equivalents represent Cash in Hand, Bank Balance and Franking Maching Balance [Refer Schedule - X]

2. The above Cash Flow Statement has been derived using the Indirect method prescribed in AS-3 issued by ICAI.

As per our Report of Even Date

**For M.K.Dandekar & Co.,**  
 CHARTERED ACCOUNTANTS  
 FRN : 00679S

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**DR. P. T. GIRIDHARAN**  
 Additional Director

PLACE: Chennai  
 DATE: 25th April, 2019

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

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March 2019

SCHEDULES	As at 31 March 2019	As at 31 March 2018
	(Figures in rupees)	
<b>SCHEDULE I</b>		
<b>GENERAL RESERVE</b>		
Opening Balance	2,71,19,425	1,13,12,278
Add: Adjustment entry passed at Head Office	-	39,02,601
Add: Transfer from Income and Expenditure account	1,03,94,697	1,19,04,546
<b>Total</b>	<b>3,75,14,122</b>	<b>2,71,19,425</b>
<b>SCHEDULE II</b>		
<b>OTHER RESERVES</b>		
<b>a) Building Fund Reserve</b>		
Balance as at 1st April.2018	60,11,404	71,56,658
Less: Adjustment entry passed at Head Office	-	(28,40,803)
Add: Transfer from Income and Expenditure Account [Refer Note No.2.11 (a)]	13,69,487	16,95,549
	<b>73,80,891</b>	<b>60,11,404</b>
<b>b) Coaching Class Reserve</b>		
Opening Balance as on 1st April.2018	1,93,46,864	1,59,72,481
Add: Adjustment entry passed at Head Office	-	18,985
Add: Transfer from Income and Expenditure Account [Refer Note No.2.11 (b)]	19,30,685	33,55,398
	<b>2,12,77,549</b>	<b>1,93,46,864</b>
<b>Total</b>	<b>2,86,58,440</b>	<b>2,53,58,268</b>
<b>SCHEDULE III</b>		
<b>EARMARKED FUNDS</b>		
Opening Balance as on 1st April.2018	31,32,670	23,95,521
Add: Addition during the year [Refer Note No. 4]	5,00,000	8,00,000
Add: Interest income less expenscs (Nct)	(35,219)	(62,851)
<b>Total</b>	<b>35,97,450</b>	<b>31,32,670</b>
<b>SCHEDULE IV</b>		
<b>FEES RECEIVED IN ADVANCE [Refer Note 2.4 (c) &amp; (d)]</b>		
Coaching Classes fees	31,90,094	25,51,839
Seminar fees	8,81,780	4,300
<b>Total</b>	<b>40,71,874</b>	<b>25,56,139</b>

Continued to page 2

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

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March 2019

SCHEDULES	As at 31 March 2019	As at 31 March 2018
	(Figures in rupees)	
<b>SCHEDULE -V</b>		
<b>OTHER LIABILITIES -CURRENT</b>		
TA/DA payable to Council Members	1,15,927	2,33,272
Fees Refundable to Students	30,100	19,600
Fees refundable to CPE Delegates	94,873	79,820
Payable to Staffs	22,348	98,690
Others	96,062	1,500
<b>Total</b>	<b>3,59,310</b>	<b>4,32,882</b>
<b>SCHEDULE -VI</b>		
<b>CAPITAL GRANT</b>		
<b>a) FOR CAPITAL ASSETS</b>		
Opening Balance	2,85,69,350	2,81,76,401
Add: Grant Received during the year [Refer Note No 5]	47,61,463	3,92,949
	<b>3,33,30,813</b>	<b>2,85,69,350</b>
<b>b) FOR BUILDING</b>	25,07,204	25,07,204
<b>c) FOR LIBRARY</b>		
Opening Balance	62,69,485	54,71,097
Add: Grant Received during the year	7,16,744	7,98,388
	<b>69,86,229</b>	<b>62,69,485</b>
<b>Total</b>	<b>4,28,24,246</b>	<b>3,73,46,039</b>
<b>SCHEDULE -VIII</b>		
<b>EARMARKED INVESTMENTS</b>		
In Term deposit with banks	35,49,266	29,36,941
Interest accrued	48,184	1,95,729
<b>Total</b>	<b>35,97,450</b>	<b>31,32,670</b>

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SOUTHERN INDIA REGIONAL COUNCIL  
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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March 2019

SCHEDULES	As at 31 March 2019	As at 31 March 2018
<b>(Figures in rupees)</b>		
<b>SCHEDULE IX</b>		
<b>OTHER RECEIVABLES</b>		
Customer Account-Seminar Member	15,000	55,450
Electronic Cash & Credit Ledger - GST [ Refer Note No. 3 ]	54,41,984	15,94,580
Others	1,46,632	8,25,331
<b>Total</b>	<b>56,03,616</b>	<b>24,75,361</b>
<b>SCHEDULE X</b>		
<b>ADVANCES</b>		
Prepaid expenses	4,65,626	2,52,770
Advance paid to vendors	3,47,344	20,143
Travel advance	1,74,079	1,77,714
Advances to staff	42,850	85,390
<b>Total</b>	<b>10,29,899</b>	<b>5,36,017</b>
<b>SCHEDULE XI</b>		
<b>BANK BALANCES</b>		
<b>SIRC of ICAI</b>		
<b>(i) In savings deposits with:</b>		
Bank of Baroda	58,506	52,340
Indian Bank	45,170	(5,24,076)
Punjab National Bank	1,01,307	6,15,165
Syndicate Bank	29,938	14,416
Yes Bank Account	3,09,437	1,62,705
Indian Bank- GMCS	52,527	93,76,930
<b>Regional Conference</b>		
Indian Bank- 49th Conference	-	6,88,353
<b>Students Association:</b>		
Bank of Maharastra- SICASA	2,40,277	4,45,426
<b>(ii) Term Deposits</b>		
Flexi Deposits with Banks	5,86,27,421	2,83,50,971
<b>Total</b>	<b>5,94,64,584</b>	<b>3,91,82,230</b>

*Continued to page 4*

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SCHEDULES FORMING PART OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31st March,2019

SCHEDULES	Year Ended	Year Ended
	31 March 2019	31 March 2018
	(Figures in rupees)	
<b>SCHEDULE XII</b>		
<b>SEMINAR INCOME</b>		
Seminars (Within SIRC Premises)	91,45,261	74,06,422
Seminars (Outside SIRC Premises)	35,08,413	89,56,172
49th Regional Conference Income	-	2,24,86,750
50th Regional Conference Income	2,02,13,993	-
Seminar income-Students	3,87,250	20,99,005
	<b>3,32,54,917</b>	<b>4,09,48,349</b>
<b>SCHEDULE XIII</b>		
<b>OTHER INCOME</b>		
Income Support Services	3,21,954	<b>16,41,015</b>
Receipts for library services	16,775	23,915
Sale of Publication Income	71,990	-
Other Income	9,304	11,51,466
<b>Total</b>	<b>4,20,023</b>	<b>28,16,396</b>
<b>SCHEDULE XIV</b>		
<b>COMMISSION ON SALE OF PUBLICATIONS/EXAM FORMS:</b>		
Institute / Board of Studies Publications	1,26,735	7,07,988
	<b>1,26,735</b>	<b>7,07,988</b>
<b>SCHEDULE XV</b>		
<b>SEMINAR EXPENSES</b>		
Seminars (Within SIRC Premises)	45,95,864	49,31,447
Seminars (Outside SIRC Premises -Other than Regional Conference)	30,12,730	60,61,095
49th Regional Conference ( Including Profit share to host branch)	-	2,09,26,096
50th Regional Conference ( Including Profit share to host branch)	1,94,69,471	-
Students Seminars Expenses (SICASA)	7,21,743	17,07,640
	<b>2,77,99,809</b>	<b>3,36,26,278</b>
<b>SCHEDULE XVI</b>		
<b>OTHER EXPENSES</b>		
CA Day & Month Expenses	2,00,654	2,89,743
International Yoga Day Expenses	6,050	11,385
Bank charges	69,741	56,903
Cricket Tournament	-	44,200
Administrative and Office Expenses	12,85,438	11,49,067
GST Expenses [Refer Note No. 3]	11,74,465	6,73,630
	-	-
<b>Total</b>	<b>27,36,348</b>	<b>22,24,928</b>

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**SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31st MARCH, 2019**

**SCHEDULE - VII : FIXED ASSETS**

Particulars	Rate of Depreciation	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
		Opening balance 01.04.2018	Additions during the year	Deletions during the year	As at 31.03.2019	Upto 01.04.2018	Deletions during the Year	For the year ended 31.03.2019	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
<i>(Figures in Rupees)</i>											
<b>ASSETS - SIRC</b>											
Buildings	5%	25,07,204	-	-	25,07,204	1,25,361		1,19,092	2,44,453	22,62,752	23,81,844
Furnitures and Fixtures	10%	86,30,307	8,93,329	5,79,215	89,44,421	51,68,969	4,10,806	3,88,173	51,46,336	37,98,085	34,61,338
Electrical Installations and Fittings	10%	28,68,206	4,73,469	4,96,365	28,45,310	19,64,490	4,12,860	94,606	16,46,236	11,99,074	9,03,716
Lift	10%	8,38,670	-	-	8,38,670	6,68,882		16,979	6,85,861	1,52,809	1,69,788
Office Equipment	15%	61,74,198	7,18,087	4,90,008	64,02,277	33,40,720	4,59,525	5,07,865	33,89,060	30,13,217	28,33,478
Air Conditioners	15%	24,92,402	4,80,350	-	29,72,752	16,58,886		1,53,821	18,12,708	11,60,044	8,33,516
Cycles	20%	1,326	-	-	1,326	1,326		-	1,326	-	-
Computers	60%	42,59,916	1,72,090	83,300	43,48,706	33,49,419	83,071	5,97,788	38,64,136	4,84,570	9,10,497
Library Books	100%	1,14,71,937	3,94,155	-	1,18,66,092	1,14,71,937		3,94,155	1,18,66,092	-	-
Intangible Assets	33%	41,300	-	-	41,300	5,736		13,767	19,503	21,797	35,564
<b>Total : Current Year</b>		<b>3,92,85,466</b>	<b>31,31,480</b>	<b>- 16,48,888</b>	<b>4,07,68,058</b>	<b>2,77,55,725</b>	<b>- 13,66,262</b>	<b>22,86,247</b>	<b>2,86,75,710</b>	<b>1,20,92,348</b>	<b>1,15,29,741</b>
<b>Total: Previous Year</b>		<b>3,40,46,152</b>	<b>57,86,686</b>	<b>(5,47,372)</b>	<b>3,92,85,466</b>	<b>2,65,38,629</b>	<b>(4,90,111)</b>	<b>17,07,208</b>	<b>2,77,55,725</b>	<b>1,15,29,741</b>	<b>75,07,523</b>

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**XVII. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019.**

**General Information**

The Southern India Regional Council of the Institute of Chartered Accountants of India ("SIRC of ICAI) was established on 1<sup>st</sup> April 19 52 vide Notification No 1-CA(2)/51 dated 22<sup>nd</sup> April 1951 for the purpose to serve the Members and Students in Southern Region.

SIRC of ICAI has 45 branches, 11 CPE Study Circles, 7 CPE Chapters, 7 CPE Study Groups and 34 CPE Study Circles to members in industry spread across the states of Andhra Pradesh Karnataka, Kerala, Tamil Nadu, Telengana, Union Territory of Pondicherry and the Lakshadeep.

**Summary of Significant Accounting Policies**

**1.1 Basis of Accounting**

The financial statements that comprising Balance Sheet, Statement of Income and Expenditure and Statement of Cash Flow together with Notes, are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by The Institute of Chartered Accountants of India.

**1.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

**2.1 Fixed Assets**

**a) Tangible Assets**

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), directly attributable expenditure on making the asset ready for its intended use. Other incidental expenses and interest on borrowings if any attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use are also capitalised.

**b) Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The cost of intangible assets comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities),

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directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings if any attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

## **2.2 Depreciation**

- a. Depreciation is provided on the written down value method at the following rates, as approved by the Council, based on the useful life of the respective assets.

Buildings	5%
Air-conditioner and Office Equipments	15%
Lifts, Electrical Installations and Furniture & Fixtures	10%
Vehicles	20%
Computers	60%

- b. Library Books are depreciated at the rate of 100% in the year of purchase.
- c. Intangible assets (Computer Software) are amortised over a period of three years.
- d. Depreciation on additions is provided on monthly pro-rata basis.

## **2.3 Inventories**

### **a) Consignment Basis**

The stock of publications and other items received from Head Office are accounted for sale on commission basis at transfer price.

### **b) Outright Purchases**

Inventories comprise of Institute Publications and other items are valued at the lower of cost calculated on first in first out ("FIFO") and the net realisable value after providing for obsolescence and other losses, where considered necessary

### **c) Stationery and Other Consumable stock**

Stock of stationery and other consumables are accounted at cost.

## **2.4 Revenue Recognition**

- a) Revenue Grants are recognized as per the revenue budgets approved by the Head Office.
- b) Capital Grants are recognized on receipt basis as per the guidelines issued by the ICAI in this regard.
- c) Receipt from Coaching Classes and GMCS are recognised on income on pro-rata basis considering the duration of the courses.
- d) Income from Seminars is recognised on completion of the programme.
- e) Interest on fixed deposits with banks is accounted proportionate basis. Income from earmarked investments of specific funds is credited to the respective fund account.



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**2.5 Investments**

Investments being Fixed Deposits with Banks are stated at year end value, including accrued Interest.

**2.6 Employee Benefits**

Provision for gratuity and leave encashment liability of employees of ICAI posted at SIRC is made at the Head Office.

**2.7 Segment Reporting**

SIRC operates in the Southern Region serving members and students. There are no separate reportable segments.

**2.8 Impairment of Assets**

The carrying value of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognized. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of income and expenditure.

**2.9 Provisions and Contingencies**

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 will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute, or is a present obligation that arises from past event but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised.

**2.10 Allocation of Expenses**

- (a) Expenses on printing of news relating to any Conference, Seminar, Workshop, coaching classes, advertisements or any other event in newsletter are allocated to concerned programmes, coaching classes batches on the basis of the actual space utilised in the Newsletter at the advertisement rates.
- (b) Expenses directly attributable to the activities of Seminar, Classes and Publications are charged to those heads of expenditure.

**2.11 Appropriation to Reserves**

- (a) 10% of the total surplus of the year is transferred to Building Fund Reserve as per the decision of the Regional Council.

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- (b) 50% of the Net Surplus of Coaching Classes is transferred to Coaching Class Reserve as per the decision of the Regional Council.

**3. Goods & Services Tax**

SIRC has a separate GST Registration Number. Tax remittances and Filing of Returns are done centrally at Head office. The balance outstanding pertains to incorporation of certain eligible input tax credit entries in the GST return which is being done.

GST expenses pertain to ineligible input tax credit directly related to students activities and proportionate expenses pertaining to student activities which cannot be claimed is being expensed off.

**4. Earmarked Funds**

During the year SIRC of ICAI has received Rs. 5.00 Lacs as endowment fund for holding annual memorial lecture in memory of late CA. S. Hariharan from M/s. SANDS Foundation as approved by SIRC of ICAI at its meeting held on 22-Feb-2019.

In all, SIRC is having 19 earmarked funds for holding memorial lectures and awards for meritorious performance of students and scholarship for deserving students of CA course aggregating to Rs.35.97 Lacs as at year end.

Interest earned during the year is Rs. 2.10 Lacs (Rs.1.95 lacs for preceding year) whereas the expenditure for meeting the objectives of these funds is Rs. 2.45 Lacs (Rs.2.58 lacs for preceding year)

Further, expenses relating to a particular Earmarked Fund is met out of accumulated interest of that fund only. As at the year-end, there is a surplus interest of Rs. 5.09 Lacs after adjusting income and expenditure of the current year.

**5. Capital Grant Received**

A sum of Rs.47.61 Lacs received during the year towards Capital grant pertains to Rs.0.44 Lacs for 2016-17 and Rs.47.17 Lacs for 2017-18.

6. Contingent Liabilities: Nil (Previous Year : Nil)

7. Capital Commitments: Nil (Previous Year : Nil)

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8. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

*As per our Report of even date*

**For M.K.DANDEKER CO**  
CHARTERED ACCOUNTANTS  
FRN : 00679S

-sd-  
**CA. VIDHYA S.**  
**Partner**  
M. No. 207420

-sd-  
**CA. JOMON K. GEORGE**  
**Chairman**

-sd-  
**CA. DUNGAR CHAND U.**  
**JAIN**  
**Vice – Chairman**

-sd-  
**CA. JALAPATHI K.**  
**Secretary**

-sd-  
**CA. PAMPANNA B.E.**  
**Treasurer**

-sd-  
**DR. P.T. GIRIDHARAN**  
**Additional Director**

Place : Chennai  
Date : 25<sup>th</sup> April , 2019