



## INDEPENDENT AUDITOR'S REPORT

To the Council of the Institute of Chartered Accountants of India

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Southern Indian Regional Council of the Institute of Chartered Accountants of India (SIRC), which comprise the Balance Sheet as at March 31<sup>st</sup> 2022, the Income and Expenditure Account and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements are prepared in all material respects in accordance with the Chartered Accountants Act, 1949, and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the SIRC as at March 31<sup>st</sup>, 2022, its surplus and its cash flows for the year then ended.

#### Basis for Opinion

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 SIRC in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Financial Statements

The Management of SIRC is responsible for the preparation and fair presentation of these financial statements in accordance with the Chartered Accountants Act, 1949 that give a true and fair view of the state of affairs, financial performance and cash flows of SIRC in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the SIRC 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, the management is responsible for assessing the SIRC'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 the management either intends to liquidate the SIRC or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the SIRC's financial reporting process.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

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.

As part of an audit in accordance with SAs, we exercise professional judgement 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 SIRC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SIRC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SIRC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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 the management 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 Regulatory Requirements**

Further, 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 the SIRC so far as appears from our examination of those books;
- c) The Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

**FOR M. THOMAS & CO.,  
CHARTERED ACCOUNTANTS  
FRN 004408S**

-sd-

**CA. J.P.J. KAMALESH**

**Partner**

M. No. 201093

Place: Chennai – 600 004

Date: 12/05/2022

SOUTHERN INDIA REGIONAL COUNCIL THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034			
BALANCE SHEET AS AT MARCH 31, 2022			
Particulars	Schedule	As at March 31,	
		2022	2021
(₹ in Rupees)			
<b>SOURCES OF FUNDS</b>			
<b>i. SURPLUS AND EARMARKED FUNDS</b>			
a. Reserves and Surplus	1	11,49,91,343	10,38,55,221
b. Earmarked Funds	2	46,86,312	42,68,394
c. Grants -Interunit - Head Office	3	4,80,25,251	4,53,39,762
<b>ii. NON - CURRENT LIABILITIES</b>			
<b>iii. CURRENT LIABILITIES</b>			
a. Trade payables	4	12,12,187	25,18,223
b. Other current liabilities	5	75,64,630	38,42,896
c. Short-term provisions	6	16,99,151	31,82,427
<b>TOTAL</b>		<b>17,81,78,874</b>	<b>16,30,06,923</b>
<b>APPLICATION OF FUNDS</b>			
<b>i. NON - CURRENT ASSETS</b>			
a. Property, Plant and Equipment	7	1,20,76,867	1,27,17,146
b. Intangible assets		-	-
c. Capital work-in-progress		-	-
d. Non-current investments	8	58,21,881	70,44,659
e. Assets held for other funds			
f. Long-term loans and advances	9	60,050	60,050
g. Other non-current assets			
<b>ii. CURRENT ASSETS</b>			
a. Current investments	11	15,48,53,101	11,88,48,763
b. Assets held for other funds			
c. Inventories		-	1,65,811
d. Cash and cash equivalents	12	1,10,584	84,42,522
e. Short-term loans and advances	10	18,98,474	14,96,313
f. Other current assets	13	33,57,917	1,42,31,658
<b>TOTAL</b>		<b>17,81,78,874</b>	<b>16,30,06,923</b>
See accompanying notes forming part of the financial statements	22		
Note: Previous year's figures have been regrouped wherever necessary.			

Note: Previous year's figures have been regrouped wherever necessary.

For and on behalf of the Southern India Regional Council

As per our Report of even date

For **M.THOMAS & Co**  
CHARTERED ACCOUNTANTS  
FRN : 004408S

-sd-  
**CA. CHINA MASTHAN**  
**TALAKAYALA**  
Chairman

-sd-  
**CA. PANNA RAJ. S**  
Vice – Chairman

-sd-  
**CA. J.P.J. KAMALESH**  
Partner  
M. No. 201093

-sd-  
**CA. NARESH CHANDRA**  
**GELLI**  
Secretary

-sd-  
**CA. SUNDARARAJAN. R**  
Treasurer

-sd-  
**Dr. T. PARAMASIVAN**  
Additional Director (Tech)

Place: Chennai  
Date: 12-05-2022



**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 2022**

Particulars	Schedule	For the Year ended 31st March	
		2022	2021
<b>INCOME</b>		<b>(₹ in Rupees)</b>	
GRANTS RECEIVED FROM ICAI	14	2,02,80,840	2,08,97,574
NEWSLETTER INCOME		16,000	25,000
SEMINAR INCOME	15	3,12,86,703	1,31,85,588
ICITSS & AICITSS INCOME	16	2,35,78,825	1,97,52,075
INCOME SUPPORT SERVICES		-	2,76,584
INCOME FROM COACHING CLASSES		88,18,087	1,60,81,485
INTEREST ON INVESTMENTS AND INTEREST ON BANK BALANCES		71,09,452	65,65,619
OTHER INCOME	17	19,15,900	32,08,111
<b>TOTAL</b>		<b>9,30,05,807</b>	<b>7,99,92,036</b>
<b>EXPENDITURE</b>			
EMPLOYEE BENEFIT EXPENSES	18	1,94,01,911	1,77,34,890
PRINTING, STATIONERY & PHOTOCOPYING		2,77,111	1,15,342
POSTAGE , TELEPHONE & TELEGRAMS		2,82,669	5,37,320
RENT, RATES & TAXES		7,77,020	8,06,001
REPAIRS & MAINTENANCE		10,67,969	12,52,905
TRAVEL COUNCIL MEMBERS, STAFF & OTHERS		9,99,003	5,49,698
NEWSLETTER EXPENSES		14,39,279	9,49,230
MAGAZINES AND PERIODICALS		2,58,444	5,71,869
SEMINAR EXPENSES	19	1,89,03,173	76,99,241
COACHING CLASSES EXPENSES		92,65,637	86,36,430
ICITSS & AICITSS EXPENSES	20	1,51,29,688	93,84,802
OTHER EXPENSES	21	79,47,800	18,85,872
EXPENSE SUPPORT SERVICES		40,81,720	-
AUDIT FEES - Internal		60,000	50,000
AUDIT FEES - Statutory		80,000	60,000
<b>SUB-TOTAL</b>		<b>7,99,71,424</b>	<b>5,02,33,600</b>
DEPRECIATION	7	17,25,315	17,76,143
<b>TOTAL</b>		<b>8,16,96,739</b>	<b>5,20,09,743</b>
<b>SURPLUS/ (DEFICIT)</b>		<b>1,13,09,068</b>	<b>2,79,82,293</b>
Transfer to Building Fund (Ref. Significant Accounting Policies 2.14 a)		11,30,907	24,92,641
Transfer to Coaching Class Reserve (Ref. Significant Accounting Policies 2.14 b)		-	37,22,527
Appropriation to Earmarked Funds (Ref. Significant Accounting Policies 2.14 c)		1,72,946	2,60,912
Balance Transferred to General Reserve		<b>1,00,05,215</b>	<b>2,15,06,213</b>

For and on behalf of the Southern India Regional Council

As per our Report of even date

**For M.THOMAS & Co**  
 CHARTERED ACCOUNTANTS  
 FRN : 004408S

-sd-  
**CA. CHINA MASTHAN**  
**TALAKAYALA**  
 Chairman

-sd-  
**CA. PANNA RAJ. S**  
 Vice – Chairman

-sd-  
**CA. J.P.J. KMALESH**  
 Partner  
 M. No. 201093

-sd-  
**CA. NARESH CHANDRA**  
**GELLI**  
 Secretary

-sd-  
**CA. SUNDARARAJAN. R**  
 Treasurer

-sd-  
**Dr. T. PARAMASIVAN**  
 Additional Director (Tech)

Place: Chennai  
 Date: 12-05-2022

**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 2022**

Particulars	For the year ended 31st March	
	2022	2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>NET SURPLUS</b>	<b>1,13,09,068</b>	<b>2,79,82,293</b>
<b>ADJUSTMENTS FOR:</b>		
Depreciation and Amortisation	17,25,315	17,76,143
INTEREST ON INVESTMENTS	(71,09,452)	(65,65,619)
<b>OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES</b>	<b>59,24,931</b>	<b>2,31,92,817</b>
INCREASE/(DECREASE) IN Trade payables	(13,06,036)	
INCREASE/(DECREASE) IN Other current liabilities	37,21,734	(1,21,59,021)
INCREASE/(DECREASE) IN Short-term provisions	(14,83,276)	23,90,069
(INCREASE)/DECREASE IN Non-current investments	1,65,811	
(INCREASE)/DECREASE IN Long-term loans and advances		
(INCREASE)/DECREASE IN Short-term loans and advances	(4,02,161)	3,43,227
(INCREASE)/DECREASE IN Other current assets	1,08,73,741	(95,17,000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,74,94,744</b>	<b>42,50,092</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF FIXED ASSETS	(12,26,416)	(1,87,985)
ACQUISITION OF INVESTMENTS	(3,47,81,560)	(2,24,21,505)
PROCEEDS FROM DISPOSAL OF FIXED ASSETS	1,41,380	-
INTEREST ON INVESTMENTS	71,09,452	65,65,619
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(2,87,57,144)</b>	<b>(1,60,43,871)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
INCREASE IN GRANTS	26,85,489	13,83,236
Capital Receipts	2,44,972	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>29,30,461</b>	<b>13,83,236</b>
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(83,31,938)</b>	<b>(1,04,10,543)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>84,42,522</b>	<b>1,88,53,065</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>1,10,584</b>	<b>84,42,522</b>

For and on behalf of the Southern India Regional Council

As per our Report of even date

**For M.THOMAS & Co**  
 CHARTERED ACCOUNTANTS  
 FRN : 004408S

-sd-

**CA. CHINA MASTHAN**  
**TALAKAYALA**  
 Chairman

-sd-

**CA. PANNA RAJ. S**  
 Vice – Chairman

-sd-

**CA. J.P.J. KMALESH**  
 Partner  
 M. No. 201093

-sd-

**CA. NARESH CHANDRA**  
**GELLI**  
 Secretary

-sd-

**CA. S**  
 Treasurer

-sd-

**ARAJAN. R**

**Dr. T. PARAMASIVAN**

Additional Director (Tech)

Place: Chennai  
 Date: 12-05-2022

		(₹ in Rupees)	(₹ in Rupees)
Schedule 1		YEAR ENDED	YEAR ENDED
Sl.No.	Reserves and Surplus	31-03-2022	31-03-2021
1	<b>General Reserve</b>		
	Balance at the beginning of the year	6,67,71,787	4,52,65,574
	ADD/ (LESS): SURPLUS/ (DEFICIT)	1,00,05,215	2,15,06,213
		<b>7,67,77,002</b>	<b>6,67,71,787</b>
2	<b>Other Reserves:</b>		
	<b>a. Building Fund Reserve</b>		
	Balance at the beginning of the year	1,08,69,660	83,77,019
	Add: Transfer from Income and Expenditure Account	11,30,907	24,92,641
		<b>1,20,00,567</b>	<b>1,08,69,660</b>
	<b>b. Coaching Class Reserve</b>		
	Balance at the beginning of the year	2,62,13,774	2,24,91,247
	Add: Transfer from Income and Expenditure Account	-	37,22,527
		<b>2,62,13,774</b>	<b>2,62,13,774</b>
	<b>Reserves and Surplus - Grand Total</b>	<b>11,49,91,343</b>	<b>10,38,55,221</b>
Schedule 2		YEAR ENDED	YEAR ENDED
Sl.No.	Earmarked Funds	31-03-2022	31-03-2021
1	<b>Earmarked Funds</b>		
	Balance at the beginning of the year	42,68,394	40,07,482
	Add: Additions during the year (Ref. Notes on Accounts 3.4)	2,44,972	-
	Add: Transfer from Income and Expenditure Account	1,72,946	2,60,912
	<b>Grand Total</b>	<b>46,86,312</b>	<b>42,68,394</b>
Schedule 3		YEAR ENDED	YEAR ENDED
Sl.No.	Grants -Interunit - Head Office	31-03-2022	31-03-2021
1	<b>Capital Grant</b>		
	Balance at the beginning of the year	3,44,63,093	3,44,63,093
	Add: Grant Received during the year	36,73,482	-
	Less: Grant reversed (Ref. Note on Accounts 3.5 (c))	(13,44,572)	
		<b>3,67,92,003</b>	<b>3,44,63,093</b>
2	<b>Building Grant</b>		
	Balance at the beginning of the year	25,07,204	25,07,204
		<b>25,07,204</b>	<b>25,07,204</b>
3	<b>Library Grant</b>		
	Balance at the beginning of the year	83,69,465	69,86,229
	Add: Grant Received during the year	3,56,579	13,83,236
		<b>87,26,044</b>	<b>83,69,465</b>
	<b>Grants - Grand Total</b>	<b>4,80,25,251</b>	<b>4,53,39,762</b>
Schedule 4		YEAR ENDED	YEAR ENDED
Sl.No.	Trade Payables	31-03-2022	31-03-2021
1	Creditors for Expenses	12,12,187	25,18,223
	<b>Total</b>	<b>12,12,187</b>	<b>25,18,223</b>
Schedule 5		YEAR ENDED	YEAR ENDED
Sl.No.	Other Current Liabilities	31-03-2022	31-03-2021
1	Fees Received in Advance (FRA)	36,23,113	3,19,000
2	Council Control Account	5,308	55,251
3	Payable to Staff	30,147	68,194
4	Statutory Dues - Tax Deducted at Source	4,57,371	4,12,144
5	Library Deposits	27,55,452	27,64,452
6	Fees Refundable to students	11,700	1,25,400
7	Others	29,388	82,421
	<b>Inter Unit Balances</b>		
1	Chengalpattu Branch	11,107	
2	Coimbatore Branch	6,22,156	-
3	Hubli Branch	5,310	
4	Chennai DCO	13,578	-
5	Tirunelveli Branch	-	16,034
	<b>Total</b>	<b>75,64,630</b>	<b>38,42,896</b>

Schedule 6		YEAR ENDED	YEAR ENDED
Sl.No.	Short Term Provisions	31-03-2022	31-03-2021
1	Provision for Expenses	16,99,151	31,82,427
	<b>Total</b>	<b>16,99,151</b>	<b>31,82,427</b>

Schedule 8		YEAR ENDED	YEAR ENDED
Sl.No.	Non Current Investments	31-03-2022	31-03-2021
1	Fixed Deposits	58,21,881	70,44,659
	<b>Total</b>	<b>58,21,881</b>	<b>70,44,659</b>

Schedule 9		YEAR ENDED	YEAR ENDED
Sl.No.	Long Term Loans & Advances	31-03-2022	31-03-2021
1	Security Deposits	60,050	60,050
	<b>Total</b>	<b>60,050</b>	<b>60,050</b>

Schedule 10		YEAR ENDED	YEAR ENDED
Sl.No.	Short Term Loans & Advances	31-03-2022	31-03-2021
1	TDS Receivable	14,04,546	5,64,871
2	Seminar Members	-	10,430
3	Others Receivable	1,23,259	2,08,637
4	Prepaid Expenses	3,66,240	6,81,845
5	Advance Paid to Vendors	4,429	20,530
6	Advance to Staff	-	10,000
	<b>Total</b>	<b>18,98,474</b>	<b>14,96,313</b>

Schedule 11		YEAR ENDED	YEAR ENDED
Sl.No.	Current Investments	31-03-2022	31-03-2021
1	<b>In Term deposit with Banks</b>		
	<b>a. Reserve Fund Investments</b>		
	Coaching Class Reserve Fund Investments	2,62,13,774	2,24,91,247
	Building Fund Investments	1,08,69,660	83,77,019
	<b>b. Others</b>		
	General Investments	10,96,77,956	8,07,96,939
	Interest Accrued	35,88,370	30,13,291
	<b>c. Earmarked Fund Investments</b>		
	Earmarked Fund Investments	44,98,757	41,56,978
	Interest Accrued	4,584	13,289
	<b>Total</b>	<b>15,48,53,101</b>	<b>11,88,48,763</b>

Schedule 12		YEAR ENDED	YEAR ENDED
Sl.No.	Cash and cash equivalents	31-03-2022	31-03-2021
1	Cash on Hand	16,217	44,612
2	Balances with banks	94,367	83,97,910
	<b>Total</b>	<b>1,10,584</b>	<b>84,42,522</b>

Schedule 13		YEAR ENDED	YEAR ENDED
Sl.No.	Other Current Assets	31-03-2022	31-03-2021
1	GST (Input Tax Credit)	11,37,514	14,77,137
2	Council Control Account	1,71,691	1,67,696
	<b>Inter Unit Balances</b>		
1	ICAI Head Office	20,48,712	1,25,36,872
2	Chennai DCO	-	49,133
3	Pondicherry Branch	-	820
	<b>Total</b>	<b>33,57,917</b>	<b>1,42,31,658</b>



Schedule 14		YEAR ENDED	YEAR ENDED
Sl.No.	Grants Received from Head Office	31-03-2022	31-03-2021
1	Revenue Grant	1,69,83,000	1,72,00,000
2	Membership Fee Grant	29,30,340	27,64,600
3	Branch Administration Grant	3,07,500	3,07,500
4	Audit Fee Grant	60,000	60,000
5	Grants from Board of Studies	-	5,65,474
	<b>Total</b>	<b>2,02,80,840</b>	<b>2,08,97,574</b>

Schedule 15		YEAR ENDED	YEAR ENDED
Sl.No.	Seminar Income	31-03-2022	31-03-2021
1	Seminar Income	71,52,889	61,26,002
2	52nd Regional Conference Income	-	70,12,436
3	53rd Regional Conference Income (Ref. Notes on Accounts 3.5.a)	2,26,11,191	-
4	Seminar Income - Students	15,22,623	47,150
	<b>Total</b>	<b>3,12,86,703</b>	<b>1,31,85,588</b>

Schedule 16		YEAR ENDED	YEAR ENDED
Sl.No.	ICITSS & AICITSS Course Income	31-03-2022	31-03-2021
1	Orientation Course	83,34,000	75,96,000
2	Information Technology Training	39,44,925	35,64,450
3	Advanced Information Technology Training	38,14,900	31,82,625
4	Management and Communication Skills	74,85,000	54,09,000
	<b>Total</b>	<b>2,35,78,825</b>	<b>1,97,52,075</b>

Schedule 17		YEAR ENDED	YEAR ENDED
Sl.No.	Other Income	31-03-2022	31-03-2021
1	Miscellaneous Income	1,41,932	1,27,681
2	Profit on sale of Fixed Asset	20,618	-
3	Sale of Scrap	14,850	-
4	<b>Prior Period Income</b>		
	Reconciliation of ITC available and availed in 20-21, Pertaining to 19-20 (Rs. 27,81,760 Cr. Less Rs. 4,22,395 Dr.)	-	23,59,365
	Write back of old balances	-	10,900
	Interest on Short Term FD	-	7,10,165
	GMCS Fee for FY 2020-21	17,38,500	-
	<b>Total</b>	<b>19,15,900</b>	<b>32,08,111</b>

Schedule 18		YEAR ENDED	YEAR ENDED
Sl.No.	Employee Benefit Expenses	31-03-2022	31-03-2021
1	Salary and Other allowances	1,89,55,817	1,75,88,530
2	Staff Welfare Expenses	4,46,094	1,46,360
	<b>Total</b>	<b>1,94,01,911</b>	<b>1,77,34,890</b>

Schedule 19		YEAR ENDED	YEAR ENDED
Sl.No.	Seminar Expenses	31-03-2022	31-03-2021
1	Seminars Expenses (Other than Regional Conference)	12,66,986	10,30,083
2	52nd Regional Conference	-	65,58,982
3	53rd Regional Conference (Ref. Notes on Accounts 3.5.a)	1,71,73,091	-
4	Students Seminars Expenses	4,63,096	1,10,176
	<b>Total</b>	<b>1,89,03,173</b>	<b>76,99,241</b>

Schedule 20		YEAR ENDED	YEAR ENDED
Sl.No.	ICITSS & AICITSS Course Expense	31-03-2022	31-03-2021
1	ICITSS - Orientation Course	56,10,138	36,93,584
2	ICITSS - Information Technology Course	29,11,605	22,73,707
3	AICITSS - Advanced Information Technology Course	26,02,936	13,82,614
4	AICITSS - Management and Communication Skills Course	40,05,009	20,34,897
	<b>Total</b>	<b>1,51,29,688</b>	<b>93,84,802</b>

Schedule 21		YEAR ENDED	YEAR ENDED
Sl.No.	Other Expenses	31-03-2022	31-03-2021
1	<b>Administrative and Office Expenses</b>		
	a. Amount written off due to HO reconciliation (Ref. Notes on Accounts 3.5 (c))	38,62,503	-
	b. Other Administrative and Office Expenses	13,75,537	9,00,254
2	GST Expenses	20,55,766	4,37,448
3	Meeting Expenses	5,76,557	2,62,706
4	<b>Prior Period Expenses</b>		
	Internal Audit Fees	-	50,000
	Refund of Fees for cancelled programs of SICASA	-	1,25,400
	Interest Accrued - Medal & Prizes Fund	-	98,334
	Council Members Travelling Expenses	-	9,100
	TDS	-	2,630
	GST Liability	48,573	-
	Stay Expenses	28,864	-
	<b>Total</b>	<b>79,47,800</b>	<b>18,85,872</b>

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

Schedule 7  
(Amount in Rs.)

ASSETS	Rate of Depreciation	G R O S S B L O C K				DEPRECIATION AND AMORTISATION				N E T B L O C K	
		Cost as at 01.04.2021	Additions during the year	Adjustments/ Transfers/ Sale	Cost as at 31.03.2022	Upto 01.04.2021	For the year	Adjustments/ Transfers/ Sale	Upto 31.03.2022	W.D.V. as on 31.03.2022	W.D.V. as on 31.03.2021
<b>A: Tangible Assets:</b>											
Buildings	5%	25,07,204			<b>25,07,204</b>	4,65,072	1,02,107		<b>5,67,179</b>	<b>19,40,025</b>	20,42,132
Electrical Installations	10%	28,61,692	-	(3,73,230)	<b>24,88,462</b>	18,76,612	98,508	(3,08,789)	<b>16,66,331</b>	<b>8,22,131</b>	9,85,080
Computers & Accessories	60%	44,78,666	2,08,219	(1,48,481)	<b>45,38,404</b>	43,12,380	1,69,387	(1,44,528)	<b>43,37,239</b>	<b>2,01,165</b>	1,66,286
Air Conditioners	15%	39,47,954	-	(3,74,629)	<b>35,73,325</b>	23,58,206	2,38,462	(3,33,610)	<b>22,63,058</b>	<b>13,10,267</b>	15,89,748
Furniture & Fixtures	10%	1,06,25,615	8,799	(2,09,780)	<b>1,04,24,634</b>	60,82,084	4,55,496	(1,78,285)	<b>63,59,295</b>	<b>40,65,339</b>	45,43,531
Lifts	10%	8,38,670			<b>8,38,670</b>	7,14,894	12,378		<b>7,27,272</b>	<b>1,11,398</b>	1,23,776
Office Equipments	15%	78,30,858	8,99,543	(9,740)	<b>87,20,661</b>	45,64,265	5,39,122	(9,268)	<b>50,94,119</b>	<b>36,26,542</b>	32,66,593
Vehicles	20%	1,326			<b>1,326</b>	1,326	-		<b>1,326</b>	-	-
Library Books	100%	1,24,26,709	1,09,855		<b>1,25,36,564</b>	1,24,26,709	1,09,855		<b>1,25,36,564</b>	-	-
<b>B: Intangible Assets:</b>					-				-		
Software		44,300			<b>44,300</b>	44,300			<b>44,300</b>	-	-
<b>Total</b>		<b>4,55,62,994</b>	<b>12,26,416</b>	<b>(11,15,860)</b>	<b>4,56,73,550</b>	<b>3,28,45,848</b>	<b>17,25,315</b>	<b>(9,74,480)</b>	<b>3,35,96,683</b>	<b>1,20,76,867</b>	<b>1,27,17,146</b>
<b>Previous Year</b>		<b>4,53,75,009</b>	<b>1,87,985</b>	-	<b>4,55,62,994</b>	<b>3,10,69,704</b>	<b>17,76,143</b>	-	<b>3,28,45,846</b>	<b>1,27,17,146</b>	<b>1,43,05,304</b>



## **22. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> March 2022.**

### **1.0. GENERAL INFORMATION**

- 1.1.** The Southern India Regional Council (SIRC) of the Institute of Chartered Accountants of India (ICAI) was established on 1<sup>st</sup> April 1952 vide Notification No 1-CA (2)/51 dated 22<sup>nd</sup> April 1951.

These financial statements are prepared pursuant to Regulation 138 of The Chartered Accountant Regulations, 1988, for incorporation in the books of Head Office viz., ICAI

### **2.0. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1. Basis of Preparation**

The financial statements, comprising of Balance Sheet, Income and Expenditure Account and Cash Flow Statement 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.

#### **2.2. 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 period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

#### **2.3 Cash and Cash Equivalents**

Cash comprises cash on hand and balances in savings bank account held with banks.

#### **2.4 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net surplus is adjusted for the effects of transactions of non-cash nature. The cash flows from operating, investing and financing activities of the Institute are segregated based on the available information.

#### **2.5 Property Plant and Equipment (PPE)**

PPEs are carried at cost less accumulated depreciation and impairment loss if any. The cost of PPE 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, if any, attributable to acquisition of assets up to the date the asset is ready for its intended use are also capitalised.

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

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

---

## **2.6. Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and impairment loss, 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), directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, if any, attributable to acquisition of asset up to the date the asset is ready for its intended use.

## **2.7 Depreciation / Amortisation**

- a) Depreciation is provided on the written down value method at the following rates (p.a.), as approved by the Council of ICAI, 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%, irrespective of the month of purchase, in the year of purchase.
- c) Intangible assets comprising Computer Software is amortised on straight line basis over a period of three years.
- d) Depreciation on additions is provided from the date the asset is put to use.

## **2.8 Revenue Recognition**

- a) Income from Coaching Classes is recognised when services are rendered and related costs are incurred. (Ref. Note on Accounts 3.5(b)(i))
- b) Management and Communication Skills Course (MCS), Orientation Course (OC), Information Technology course (IT) and Advanced Information Technology course (AIT) are recognised as income on receipt of the amount from Head Office.
- c) Income from Seminars is recognised when the seminars are conducted.
- d) Interest on fixed deposits with banks is recognised on time proportion basis. Income from earmarked investments of specific funds is recognised in / credited to the Income & Expenditure Account in line with Head Office policy. (Refer Notes on Accounts 3.5.(b)(ii))



## **2.9 Grants from Head Office**

- a) Revenue Grants are recognized on accrual basis 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.

## **2.10 Investments**

Investments being Fixed Deposits with Banks are stated at period end value, including accrued interest.

## **2.11 Employee Benefits**

Provision for provident fund, gratuity fund, compensated absence, long service awards, pension scheme and post-employment medical benefits are accounted at the Head Office of ICAI.

## **2.12. Segment Reporting**

SIRC operates in the Southern Region as one organisation serving both members and students of ICAI. Hence there are no separate reportable segments.

## **2.13 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 SIRC of ICAI, 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.

## **2.14 Appropriation to Reserves**

- (a) 10% of the total surplus of the period is transferred to Building Fund Reserve, as per the decision of the Regional Council.
- (b) 50% of the Net Surplus of Coaching Classes is transferred to Coaching Class Reserve, as per the decision of the Regional Council.
- (c) Net Interest on Earmarked Investments is appropriated to the respective Earmarked funds.



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

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

### 3.0 NOTES ON ACCOUNTS

#### 3.1. Goods & Services Tax

SIRC has a separate GST Registration Number. The GST expenses pertaining to ineligible input tax credit directly relating to exempted income from student activities and reversal of proportionate GST Input Tax Credit as per Rule 42 of the CGST Rules 2017, pertaining to Exempt Income from student activities which cannot be claimed, are accounted as an expense.

#### 3.2. Earmarked Funds

SIRC has 18 funds for holding memorial lectures, awarding prizes for meritorious CA students and for granting scholarships for CA students.

#### 3.3. Capital Grants

An amount of Rs. 36,73,482/- was received during the period as Capital Grant from the Head Office. Capital grant claim for the capital expenses incurred for the year 2021-22 is to be submitted to Head Office and the same would be recognised on receipt of funds as per the policy in this regard.

#### 3.4. Building Fund

An amount of Rs. 2,44,972/- in the savings bank account was brought into the books of accounts upon reconciliation. The same is shown under Earmarked Funds.

#### 3.5. Other matters

##### a) 53<sup>rd</sup> Regional Conference of SIRC of ICAI

Income and Expenditure Account		Amount (Rs.)
Particulars		
<b>Income</b>		
<b>Seminar Income</b>		
1.From members	90,93,134	
2. Non-Members	28,813	
3. Sponsors	1,34,72,766	2,25,94,713
Interest from Savings bank account		16,478
<b>Total Income</b>		<b>2,26,11,191</b>

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

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

<b><u>Expenditure</u></b>		
Seminar Kit and Mementoes	79,75,220	
Hall rent & Catering Expenses	46,78,071	
Software, website and charges for virtual presentation	14,74,149	
Travelling & Accommodation Expenses	6,84,881	
Printing and Stationeries	3,97,294	
Bank charges	2,58,373	
Kit Distribution Expenses	6,59,110	
Manpower/Cost for outsource Staff & Honorarium - Registration	2,80,456	
Audit Fees: Internal & Statutory	20,000	
Entertainment Programme Expenses	3,71,440	
Press Release & Advertisement Expenses	2,53,264	
Misc. Expenses	1,20,833	<b>1,71,73,091</b>
<b><i>Excess of income over expenditure</i></b>		<b>54,38,100</b>
<b>Total Expenditure</b>		<b>2,26,11,191</b>
<b><u>Appropriation of Surplus</u></b>		
<b>75% of Surplus to Coimbatore branch accounted under Expense Support Services</b>		<b>40,78,575</b>
<b>Balance Surplus of SIRC</b>		<b>13,59,525</b>
<b>Total Surplus</b>		<b>54,38,100</b>

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

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

**b) Effect of change in Accounting policy of SIRC of ICAI in line with ICAI Policy**

**(i) Note on 2.8. (a) Revenue Recognition (Income from Coaching Classes)**

In the previous year (2020-21), coaching class income was accounted on receipt basis in respect of the coaching classes started in the particular year itself. For the coaching classes scheduled to commence in the succeeding financial year, receipts are treated as fees received in advance.

To bring the revenue recognition policy in line with that of ICAI, in the current year (2021-22), income from coaching classes is recognised when services are rendered and related costs are incurred. The impact of the above change in accounting policy has resulted in reduction of income from coaching classes by Rs. 36,23,113/- and consequently the surplus is reduced to that effect.

**(ii) Note on 2.8. (d) Revenue Recognition (Income from earmarked investments)**

Due to change in Accounting Policy with respect to interest on Earmarked fund, an amount of Rs. 1,82,946/- is included under "Interest on Investments and Interest on Bank Balances" in the income and expenditure account and an amount of Rs. 10,000/- is expensed off out of this interest earned and balance is appropriated to the respective earmarked funds. Accordingly, an amount of Rs. 2,60,912/- (net interest) is shown under "Interest on Investments and Interest on Bank Balances" in the previous year and the income is increased to the said effect.

**c) Inter Unit Reconciliation with Head Office**

A detailed exercise was carried out in connection with inter unit reconciliation of Head Office, the impact of Rs. 52,07,075/- is effected to the following ledgers:

Sl. No.	Ledger Head	Amount (Rs.)
1	Administrative and Office Expenses ( <b>Ref: Schedule 21</b> )	Rs. 38,62,503
2	Capital Grant ( <b>Ref: Schedule 3</b> )	Rs. 13,44,572
<b>Grand Total</b>		Rs. 52,07,075

The breakup of the Head Office ledger is as follows:

Sl. No.	Particulars	Amount (Rs.)
1	Opening Balance of Head Office (Amount Receivable)	Rs. 1,25,36,872
2	Claims made	Rs. 3,01,42,785
3	Amount Received from HO	Rs. 3,54,23,843
4	Amount written Off	Rs. 52,07,075
5	Balance Amount Receivable from HO	Rs. 20,48,712

**d) Prior Period Income and Expenses**

An amount of Rs. 17,38,500/- and Rs. 77,437/- has been accounted as a prior period income & Prior period expenses respectively during the year as detailed in Sch 17 and Sch 21.



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

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

**a) Details of Write Off / Write Back**

Sl. No.	Particulars	Amount (Rs.)
1	Creditors Written Back	96,178
2	Stock / Debtors Written Off	2,74,272

**b) Discontinuance of Printing of physical copies of Newsletter**

During the current year, from August 2021 onwards, the printing of physical copies of monthly newsletter has been discontinued and only e-newsletters are published as per the directions of the ICAI Head Office.

**3.4. Contingent Liabilities:** Nil(Previous year: Nil)

**3.5. Capital Commitments:** Nil (Previous year: Nil)

**3.6. Previous year's figures have been regrouped / rearranged wherever considered necessary.**

For and on behalf of the Southern India Regional Council

As per our Report of even date

**For M.THOMAS & Co**  
CHARTERED ACCOUNTANTS  
FRN : 004408S

-sd-  
**CA. CHINA MASTHAN**  
TALAKAYALA  
Chairman

-sd-  
**CA. PANNA RAJ. S**  
Vice – Chairman

-sd-  
**CA. J.P.J. KMALESH**  
Partner  
M. No. 201093

-sd-  
**CA. NARESH CHANDRA**  
GELLI  
Secretary

-sd-  
**CA. SUNDARARAJAN. R**  
Treasurer

-sd-  
**Dr. T. PARAMASIVAN**  
Additional Director (Tech)

Place: Chennai

Date: 12-05-2022