AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of The Institute of Chartered Accountants of India as at 31st March, 2009 and also the annexed Income and Expenditure Account and the Cash Flow Statement for the year ended on that date. The accounts of the Institute's Decentralized Offices, Computer Centers, Regional Councils and their Branches audited by other auditors and that their reports have been incorporated and duly considered while preparing our report. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. 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 purposes of our audit;

   b) The Balance Sheet, Income & Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   c) In our opinion, proper books of account are maintained in conformity with the requirements of the Chartered Accountants Act, 1949;

   d) In our opinion the Balance Sheet, Income & Expenditure Account and Cash Flow Statement comply with relevant Accounting Standards.

   e) In our opinion and to the best of our information and according to the explanations given to us, the statements together with the schedules attached and read with the Accounting Policies and Notes Forming Part of Accounts give a true and fair view in conformity with the Accounting Principles generally accepted in India:

      i) In the case of Balance Sheet, of the state of the Institute's affairs, as at 31st March, 2009;

      ii) In the case of Income & Expenditure Account, of the surplus for the year ended on that date; and

      iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Sd/-
CA. PRAMOD JAIN
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-90358

Sd/-
CA. GURMEET S. GREWAL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-82918

Place : New Delhi
Date : 29/9/2009

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

BALANCE SHEET AS AT MARCH 31, 2009

Rs. In Lacs

	Schedule		Amount As At 31/03/2009		Amount As At 31/03/2008
SOURCES OF FUNDS:					
Reserves and Surplus	I		24896.60		17650.62
Earmarked Funds	II		9152.98		6968.39
TOTAL			34049.58		24619.01
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	III	15747.23		12325.29	
Less: Depreciation and Amortisation		5275.28		4247.17	
Net Block			10471.95		8078.12
Capital Work in progress (including capital advances)			4324.02		1888.06
Investments:	IV				
Earmarked Fund Investments		9152.98		6968.39	
Employee Benefit Investments		2206.13		1631.58	
Other Investments		10290.74	21649.85	9322.86	17922.83
Current Assets, Loans & Advances :					
Inventories	V	679.84		718.52	
Cash & Bank Balances	VI	4072.47		1387.13	
Loans & Advances	VII	2507.16		1647.58	
Interest Accrured on Investments		2719.41		2113.91	
Sub - Total		9978.88		5867.14	
Less: Current Liabilities & Provisions					
Current Liabilities	VIII	10102.19		7422.03	
Provision for Employee Benefits		2272.93		1715.11	
Sub - Total		12375.12		9137.14	
Net Current Assets (Liabilities)			(2396.24)		(3270.00)
TOTAL			34049.58		24619.01

Statement of significant accounting policies XII

Notes forming part of Accounts. XIII

Schedules referred to above form an Integral Part of the Balance Sheet.

Sd/-
CA. RAVI PRAKASH MITTAL
ASSISTANT SECRETARY

Sd/-
T. KARTHIKEYAN
SECRETARY

Sd/-
CA. AMARJIT CHOPRA
VICE PRESIDENT

Sd/-
CA. UTTAM PRAKASH AGARWAL
PRESIDENT

As per our Report of even date attached

Sd/-
CA. PRAMOD JAIN
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER- 90358

Sd/-
CA. GURMEET S GREWAL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER- 82918

Place : New Delhi
Date: 29/9/2009

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31.03.2009

	Schedule	Amount Year ended 31/03/2009	Rs. in Lacs Amount Year ended 31/03/2008
INCOME			
Fees	IX	**20770.19**	13943.23
Seminars		**2454.68**	1634.12
Other Income	X	**2485.32**	2880.37
Prior Period Income		**25.16**	9.88
TOTAL		**25735.35**	18467.60
EXPENDITURE			
Salaries & Allowances		**3490.27**	2201.45
Printing & Stationery		**3041.53**	2777.57
Seminar Expenses		**2528.17**	1684.78
Other Operating Expenses	XI	**7502.56**	5728.55
Depreciation and Amortisation		**1057.91**	706.81
Prior Period Expenses		**59.87**	24.00
TOTAL		**17680.31**	13123.16
NET SURPLUS		**8055.04**	5344.44
Appropriation to Funds / Reserves :			
Education Fund [Policy No. III (c)]	XII	**2711.67**	1738.50
Employees Benevolent Fund [Policy No.III (d)]	XII	**21.69**	10.83
General Reserve		**5321.68**	3595.11
TOTAL		**8055.04**	5344.44

Statement of significant accounting policies XII
Notes forming part of Accounts. XIII
Schedules referred to above form an Integral Part of the Income and Expenditure Account

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MEMBERSHIP NUMBER-90358

Sd/-
CA. GURMEET S GREWAL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-82918

Place: New Delhi
Date : 29/9/2009

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2009

	(Amount Rupees in Lacs)			
	2008-2009		2007-2008	
A.Cash flows from operating activities				
Net Surplus		8055.04		5344.44
Adjustments for:				
Depreciation and Amortisation	1057.91		706.81	
Interest on investments	(1216.82)		(1085.69)	
		(158.91)	-------------	(378.88)
Operating surplus before working capital changes		7896.13		4965.56
(Increase)/Decrease in Inventories	38.68		(333.04)	
(Increase)/Decrease in Interest accrued on Investments	(605.50)		(864.56)	
(Increase)/Decrease in Loans & advances	(859.58)		(237.51)	
Increase/(Decrease) in Current Liabilities	2680.17		2248.94	
Increase/(Decrease) in Provision of Employee Benefits	557.82		(116.06)	
	-------------	1811.59	-------------	697.77
Net cash from operating activities		9707.72		5663.33
B.Cash flows from investing activities				
Acquisition of Fixed Assets including Capital Work in Progress (Net)	(5887.70)		(3136.06)	
Acquisition of Investments	(3727.02)		(4291.75)	
Interest on investments	1216.82		1085.69	
Income from Earmarked Funds Investments (Net of payments)	547.89		466.11	
Transitional Provision	0.00		(295.13)	
Capital Receipts	827.63		381.57	
Net Cash from Investing Activities	-------------	(7022.38)	-------------	(5789.57)
Net Increase/Decrease in cash and cash equivalents		2685.34		(126.24)
Cash and Cash equivalents at the beginning of year		1387.13		1513.37
Cash and Cash equivalents at the end of year-Refer Schedule No-VI		4072.47		1387.13

Note:

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

2.Enclosed Schedules I to XIII form an Integral Part of the Cashflow Statement

Sd/-
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As per our Report of even date attached

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CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-90358

Sd/-
CA. GURMEET S GREWAL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-82918

Place: New Delhi
Date : 29/9/2009

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE I

RESERVES AND SURPLUS

Rs. In Lacs

	EDUCATION		INFRASTRUCTURE		GENERAL		OTHERS *		TOTAL	
	Amount As At		Amount As At		Amount As At		Amount As At		Amount As At	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Opening Balance	6,353.52	5,529.35	1,663.84	1,465.90	9,435.47	6,275.81	197.79	156.43	17,650.62	13,427.49
Appropraition from Income & Expenditure A/C	-	-	-	-	5,321.68	3,595.11	-	-	5,321.68	3,595.11
Transitional Provision	-	-	-	-	-	(295.13)	-	-	-	(295.13)
Transfer from/(to) General Reserve,Infrastructure Reserve and Other Reserves	-	-	83.91	35.49	(147.37)	(71.55)	63.46	36.06	0.00	-
Transfers from/(to) Earmarked Funds	1,710.97	824.17	9.89	30.39	(192.87)	(68.77)	(13.92)	(0.06)	1,514.07	785.73
Admission Fees & allocated Entrance Fees	-	-	103.49	21.18	-	-	-	-	103.49	21.18
Donation received for Buildings	-	-	299.98	110.88	-	-	-	-	299.98	110.88
Net (Depletion)/Addtitions	-	-	-	-	-	-	6.76	5.36	6.76	5.36
Total	8,064.49	6,353.52	2,161.11	1,663.84	14,416.91	9,435.47	254.09	197.79	24,896.60	17,650.62

*Note:Other Reserves are Reserves such as Library Reserves and Class Room Training Reserves as appearing in the books of Regional Councils and Branches

THE INSTITUTE OF CHARTERED OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE II

EARMARKED FUNDS

Rs. in Lacs

	Opening Balances		Appropriation from Income & Expenditure Account		Transfer from/(to) Reserves and Surplus		Contribution received/Addition during the year		Income during the year		Payments during the year		Adjustments		Total	
	Amount As At		Amount As At		Amount As At		Amount As At		Amount As At		Amount As At		Amount As At		Amount As At	
	01.04.2008	01.04.2007	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	31.03.2009	31.03.2008
RESEARCH FUNDS	981.31	730.99	-	-	-	-	61.23	177.66	97.90	72.66	-	-	-	-	1,140.44	981.31
ACCOUNTING RESEARCH BUILDING FUND	358.26	325.77	-	-	-	-	-	-	36.51	32.49	-	-	-	-	394.77	358.26
EDUCATION FUND	4,668.62	3,413.78	2,711.67	1,738.50	(1,710.97)	(824.17)	-	-	475.73	340.51	-	-	-	-	6,145.05	4,668.62
MEDALS AND PRIZES FUNDS	137.07	126.64	-	-	-	-	8.13	5.40	9.64	11.03	(3.74)	(5.75)	-	(0.25)	151.10	137.07
STUDENTS SCHOLARSHIP FUNDS	41.91	38.46	-	-	-	-	27.95	0.55	4.27	3.84	(0.85)	(0.94)	-	-	73.28	41.91
EMPLOYEES BENEVOLENT FUND	120.45	106.82	21.69	10.83	-	-	-	-	12.27	10.65	(1.29)	(7.85)	-	-	153.12	120.45
OTHER FUNDS (REGIONAL COUNCILS AND BRANCHES)	660.77	552.07	-	-	196.90	38.44	320.11	60.54	40.31	22.04	(122.87)	(12.32)	-	-	1,095.22	660.77
TOTAL	6,968.39	5,294.53	2,733.36	1,749.33	(1,514.07)	(785.73)	417.42	244.15	676.63	493.22	(128.75)	(26.86)	-	(0.25)	9,152.98	6,968.39

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE III

FIXED ASSETS

Rs. In Lacs

ASSETS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost as at 1.4.2008	Additions during the year	Adjustments /Transfers / Sale	**Cost as at 31.3.2009**	Upto 1.4.2008	For the year	Adjustments Transfers/ /Sale	**Upto 31.3.2009**	**W.D.V as on 31.3.2009**	W.D.V as on 31.3.2008
A.Tangible Assets:										
1.Land - Free Hold	689.94	629.39	(0.95)	**1,318.38**	-	-	-	**-**	**1,318.38**	689.94
2.Land -Lease Hold	3,181.81	70.50	-	**3,252.31**	138.80	40.23	-	**179.03**	**3,073.28**	3,043.01
3.Buildings	2,830.07	1,052.95	-	**3,883.02**	688.44	102.91	-	**791.35**	**3,091.67**	2,141.63
4.Electric Installations & Fittings	366.83	153.30	(3.67)	**516.46**	150.76	28.86	(0.27)	**179.35**	**337.11**	216.07
5.Computers	2,060.73	741.52	(42.20)	**2,760.05**	1,469.34	548.32	(16.15)	**2,001.51**	**758.54**	591.39
6.Air Conditioners	472.66	71.48	(1.09)	**543.05**	210.47	45.29	(0.07)	**255.69**	**287.36**	262.19
7.Furniture & Fixtures	1,106.22	309.81	(11.09)	**1,404.94**	385.87	87.89	(8.69)	**465.07**	**939.87**	720.35
8.Lifts	108.40	5.02	-	**113.42**	49.50	6.17	-	**55.67**	**57.75**	58.90
9.Office Equipments	554.32	311.20	(16.63)	**848.89**	277.21	55.97	(4.62)	**328.56**	**520.33**	277.11
10.Vehicles	45.80	21.21	(0.12)	**66.89**	28.02	4.28	-	**32.30**	**34.59**	17.78
11.Library Books	441.57	59.97	-	**501.54**	441.57	59.97	-	**501.54**	**-**	-
B.Intangible Asset:										
Software	466.94	71.34	-	**538.28**	407.19	78.02	-	**485.21**	**53.07**	59.75
TOTAL	12,325.29	3,497.69	(75.75)	**15,747.23**	4,247.17	1,057.91	(29.80)	**5,275.28**	**10,471.95**	8,078.12
Previous Year Figures	10,676.96	1,671.79	(23.46)	12,325.29	3,554.08	706.81	(13.72)	4,247.17	8,078.12	-

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE IV

INVESTMENTS

		Amount As At 31/03/2009	Rs. in Lacs Amount As At 31/03/2008
A.LONG TERM INVESTMENTS (AT COST)			
Bonds			
(I) Government of India-8% (taxable) Bonds-2003		4750.00	4750.00
Others			
(II) Fixed Deposits with Scheduled Banks		3800.00	4991.37
B.CURRENT INVESTMENTS			
Others			
Fixed Deposits with Scheduled Banks		13099.85	8181.46
	Total Investments	21649.85	17922.83
ALLOCATED TO:-			
Earmarked Fund Investments		9152.98	6968.39
Employee Benefit Investments		2206.13	1631.58
Other Investments		10290.74	9322.86
	Total	21649.85	17922.83

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE V

INVENTORIES

	Amount As At 31/03/2009	Rs. in Lacs Amount As At 31/03/2008
Publications and Study Materials	**647.03**	689.14
Paper for Study Materials & Publications	**0.96**	2.34
Consumables Stores	**31.85**	27.04
Total	**679.84**	718.52

SCHEDULE VI

CASH AND BANK BALANCES

	Amount As At 31/03/2009	Rs. in Lacs Amount As At 31/03/2008
Cash in Hand	**25.38**	9.64
Cash at Bank	**4047.09**	1377.49
Total	**4072.47**	1387.13

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE VII

LOANS & ADVANCES (Considered Good)

Rs. in Lacs

	Amount As At 31/03/2009	Amount As At 31/03/2008
Loans and Advances-Staff	**612.76**	251.51
Interest Recoverable from Staff Loans	**111.25**	105.47
Security Deposits	**340.65**	64.16
ICAI Accounting Research Foundation	**210.50**	565.20
Accounts Receivables	**394.77**	231.26
Other - Advances & Pre-payments	**837.23**	429.98
Total	**2507.16**	1647.58

SCHEDULE VIII

CURRENT LIABILITIES

Rs. in Lacs

		Amount As At 31/03/2009		Amount As At 31/03/2008
Fees Received in Advance				
Examination Fees	**701.81**		870.54	
Journal Subscription	**50.39**		73.80	
Membership Fee	**513.78**		422.93	
Education Fee	**5013.33**		3887.95	
Post Qualification Courses (PQC)	**110.15**		108.28	
Certificate Courses	**17.50**		0.00	
Seminar Fees & Other Collections	**730.02**	**7136.98**	656.12	6019.62
Creditors for Expenses		**2,180.97**		929.11
Other Liabilities		**784.24**		473.30
Total		**10102.19**		7422.03

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE IX

FEES

		Rs. in Lacs
	Amount Year ended 31/03/2009	Amount Year ended 31/03/2008
Education	**13747.17**	8030.82
Examination	**2942.93**	3317.35
Membership	**3001.48**	1480.78
Students' Registration	**270.88**	427.76
Entrance	**28.52**	7.65
Students' Association	**250.89**	372.10
Post Qualification Courses (PQC)	**176.11**	194.60
Certificate Courses	**352.21**	112.17
Total	**20770.19**	13943.23

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE X

OTHER INCOME

	Amount Year ended 31/03/2009	Rs. in Lacs Amount Year ended 31/03/2008
Publications	**533.14**	554.15
Interest on Investments	**1,216.82**	1,085.69
Students' Newsletter	**10.51**	11.94
Income from Journal -- Subscription	**151.30**	159.53
News Letters	**68.32**	66.53
Campus Interview	**307.54**	529.11
Expert Advisory Fee	**12.65**	9.59
Interest on Staff Loans	**15.84**	16.43
Provisions no longer required written back	**2.23**	18.13
Excess Pension Fund Provision Written Back	**0.00**	288.46
Others	**166.97**	140.81
Total	**2485.32**	2880.37

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE XI

OTHER OPERATING EXPENSES

		Rs. in Lacs
	Amount Year ended 31/03/2009	Amount Year ended 31/03/2008
Postage ,Telephone & Telegrams	**960.49**	872.63
Rent Rates & Taxes	**665.60**	455.13
Travelling & Conveyance-Inland	**983.76**	669.66
Overseas Relations:		
-Travelling	**104.20**	122.04
-Membership Fee of Foreign Professional Bodies	**57.36**	57.31
-Other Expenses	**4.72**	11.06
Repairs & Maintenance	**547.61**	508.66
Publications	**243.80**	208.98
Fees & Expenses to Examiners,Consultants and Others	**1893.76**	1616.67
Class Room Training Expenses	**1185.35**	480.26
Advertisements and PRO	**386.89**	298.33
Office Meeting Expenses	**90.57**	82.93
Merit Scholarship	**21.42**	15.00
Audit Fee		
- Head Office	**3.31**	3.37
- Other Offices	**10.98**	9.07
Other Expenses	**342.74**	317.45
Total	**7502.56**	5728.55

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SCHEDULE XII

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES.

I ACCOUNTING CONVENTION

These accounts are drawn up on historical cost basis and have been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and are on accrual basis unless otherwise stated.

II REVENUE RECOGNITION

a. Membership Fee:-

(i) The Entrance Fee is collected at the time of admission of a person as a member and one third thereof is recognized as income in that year.

(ii) Annual Membership and Certificate of Practice Fee(s) are recognized in the year as and when these become due.

b. Distant Education and Post Qualification Course Fee are recognized over the duration of the course.

c. Examination Fee is recognized on the basis of conduct of examination.

d. Subscription for Journal is recognized in the year as and when it becomes due.

e. Revenue from Sale of Publication is recognized at the time of preparing the sale bill i.e. when the property in goods as well as the significant risks and rewards of the property get transferred to the buyer.

f. Income from Investments

i Dividend on investments in units is recognized as income on the basis of entitlement to receive.

ii. Income on Interest bearing securities and fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

III ALLOCATIONS/TRANSFER TO RESERVES & SURPLUS AND EARMARKED FUND

a. Admission Fee from Fellow Members and 2/3rd portion of the Entrance Fee from persons admitted as Members are taken to Infrastructure Reserve.

b. Donations received during the year for buildings and for Research purpose are accounted for directly under the respective Reserves Account.

c. 25% of the Distant Education Fee not exceeding 50% of the net surplus of the year is transferred to Education fund.

d. 0.75% of Membership Fee (Annual and Certificate of Practice Fee) received from the members during the year is allocated to the Employees' Benevolent Fund.

e. Transfer to Education Reserve from the following earmarked funds:-

i. From Accounting Research Building Fund	100% of the cost of additions (net of deductions) to Building relating to Accounting Research Building Fund.
ii. From Education Fund	50% of the cost of additions (net of deductions) to other Fixed Assets.

f. Income from investments of Earmarked Funds is allocated directly to Earmarked Funds on opening balances of the respective Earmarked Funds on the basis of weighted average method.

IV FIXED ASSETS/DEPRECIATION AND AMORTISATION

a. Fixed Assets excluding land are stated at historical cost less depreciation.

b. Free hold land is stated at cost. Leasehold land is stated at the amount of premium paid for acquiring the lease rights. The premium so paid is amortized over the period of the lease.

c. 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 conditioners & Office Equipments	15%
Lifts, Electrical Installations & Furniture & Fixtures	10%
Vehicles	20%
Computers	60%

d. Depreciation on additions is provided on monthly pro-rata basis.

e. Library Books are depreciated at the rate of 100% in the year of purchase.

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

V INVESTMENTS

a. Long term Investments are carried at cost and diminution in value, other than temporary is provided for.

b. Current investments are carried at lower of cost or fair value.

VI INVENTORIES

Inventories of paper, consumables, publications and study material are valued at lower of cost or net realizable value. The cost is determined on FIFO Method.

VII FOREIGN CURRENCY TRANSACTIONS

a. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount at the exchange rate prevailing on the date of transaction.

b. All incomes and expenses are translated at average rate. All monetary assets/liabilities are translated at the year end rates where as non-monetary assets are carried at the rate on the date of transaction.

c. Any income or expense on account of exchange rate difference is recognized in the Income and Expenditure Account.

VIII **EMPLOYEE BENEFITS.**

a. Short term employee benefits are charged off in the year in which the related service is rendered.

b. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined on the basis of actuarial valuation. The Actuarial valuation is done as per Projected Unit Credit Method. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Income & Expenditure Account and are not deferred.

c. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contribution to the Provident Fund Trust is charged to the Income and Expenditure Account for the period when the contribution to the respective fund is due.

IX **IMPAIRMENT OF ASSETS.**

a. The Carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted cost of capital.

b. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

X **PROVISIONS.**

A provision is recognized when an enterprise has a present obligation as a result of past events; 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. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

SCHEDULE XIII

NOTES FORMING PART OF THE ACCOUNTS

1. CONTINGENT LIABILITIES

1.1 The Assessment Order under Section 143 (3) has been passed by the Assessing Officer, for the Assessment Year 2006-07, wherein he has determined a tax liability of Rs. 1496.59 Lacs. The Institute is in Appeal against it with CIT (Appeals), New Delhi, which is pending adjudication.

1.2 The Institute has not been granted the exemption under section 10(23C) (iv) of the Income Tax Act since the Assessment Year 2006-07 and even the application for the grant of exemption for the Assessment Year 2009-10 onwards has been rejected by the department on May 20, 2009, therefore on the basis of uncertainty in this regard, there is a contingent liability of the Institute of the Income being taxed. The amount of contingent liability being not ascertainable has not been provided.

1.3 Rs. 286.75 Lacs in respect of claim (Previous year Rs. 84.44 Lacs) not acknowledged as debt by the Institute.

2. OTHER NOTES

2.1 There is an estimated amount of capital commitments (net of advances) – Rs.7136.32 Lacs (Previous Year Rs.4985.31 Lacs).

2.2 Free hold Land includes Rs.6.17 Lacs (Previous Year Rs.6.17 Lacs) relating to the land purchased and acquired at New Delhi from Land and Development Authority for which Registration is pending.

2.3 Loans and Advances include Interest free advance for a sum of Rs.210.50 Lacs (Previous year Rs.565.20 Lacs) to ICAI Accounting Research Foundation.

2.4 The disclosures required under Accounting Standards -15 (Revised) on "Employee Benefits" issued by the Institute of Chartered Accountants of India are given below:-

Defined Contribution Plan

Contribution to defined contribution plan, recognized i.e. Employer's Contribution to Provident Fund is charged off for the year.

Defined Benefit Plan

The Employees Gratuity Fund Scheme managed by the Life Insurance Corporation of India is a defined Benefit Plan. The Present Value of Obligation is determined on Actuarial Valuation using the Projected Unit Credit Method to build up the final obligation. The obligation for Leave Encashment and Pension is also recognized on the same basis as Gratuity.

Status of Defined Benefit Plan

Status of the defined benefit plan as required by Revised Accounting Standards -15 is as follows.

Rs. in Lacs

	Gratuity		Leave Encashment		Pension	
	(Funded)		(Un-Funded)		(Un-Funded)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Reconciliation of opening and closing balances of Defined Benefit obligation						
Defined Benefit obligation at beginning of the year	**643.03**	600.58	**704.13**	754.81	**851.81**	1224.62
Current Service Cost	**70.45**	51.52	**165.07**	79.86		
Interest Cost	**47.07**	46.4	**50.64**	58.66	**63.83**	97.83
Actuarial (gain)/loss	**12.19**	(14.32)	**74.28**	(146.04)	**310.54**	(467.24)
Benefits paid	**(30.6)**	(41.15)	**(57.98)**	(43.16)	**(1.42)**	(3.4)
Defined Benefits obligation at year end	**742.15**	643.03	**936.14**	704.13	**1224.76**	851.81
Reconciliation of opening and closing balances of fair value of plan assets						
Fair value of plan assets at beginning of the year	**559.49**	453.71	-	-	-	-
Expected return on plan assets	**54.93**	44.66	-	-	-	-
Actuarial gain/(loss)	**(1.39)**	3.04	-	-	-	-
Employer contribution	**95.25**	82.39	-	-	-	-
Benefits paid	**(32.93)**	(24.31)	**(57.98)**	(43.15)	-	-
Fair value of plan assets at year end	**675.35**	559.49	-	-	-	-
Reconciliation of fair value of assets and obligations			-	-	-	-
Fair value of plan assets as at 31st March, 2009	**675.35**	559.49	-	-	-	-
Present value of obligation as at 31st March,2009-Long Term	**742.15**	643.03	**936.14**	704.13	**1224.76**	851.81
Present value of obligation as at 31st March,2009-Short Term	-	-	**45.23**	75.64	-	-
Amount recognised in Balance Sheet as at 31st March,2009	**66.8**	83.54	**981.37**	779.77	**1224.76**	851.81
Expenses recognised during the year						
Current Service Cost	**70.45**	51.52	**165.07**	79.86	-	-
Interest Cost	**47.08**	46.4	**50.63**	58.66	**63.83**	97.83
Expected return on plan assets	**(54.93)**	(44.66)	-			
Acturial (gain)/loss	**13.59**	(17.36)	**74.28**	(146.04)	**310.54**	(467.24)
Short term liability	-	-	**45.22**	75.64	-	-
Net Cost	**76.19**	35.9	**335.21**	68.12	**374.37**	(369.41)
Actuarial assumptions						
Mortality Table	**LIC 1994-96 Ultimate**	LIC 1994-96 Ultimate	**LIC 1994-96 Ultimate**	LIC 1994-96 Ultimate	**LIC 1994-96 Ultimate**	LIC 1994-96 Ultimate
Attrition Rate	**05.00% p.a**	05.00% p.a	**05.00% p.a**	05.00% p.a	**05.00% p.a**	05.00% p.a
Imputed Rate of Interest	**07.50 % p.a**	08.00 % p.a	**07.50 % p.a**	08.00 % p.a	**07.50 % p.a**	08.00 % p.a
Salary Rise	**Basic:03:00 % p.a & D.A.: 06:00 % p.a.**	Basic:03:00 % p.a & D.A.: 06:00 % p.a.	**Basic:03:00 % p.a & D.A.: 06:00 % p.a.**	Basic:03:00 % p.a & D.A.: 06:00 % p.a.	**Basic:03:00 % p.a & D.A.: 06:00 % p.a.**	Basic:03:00 % p.a & D.A.: 06:00 % p.a.
Return on Plan Assets	**09.30 % p.a**	09.25 % p.a				
Remaining Working life	**18.23 Years**	17.46 Years	**18.23 Years**	17.46 Years	**18.23 Years**	17.46 Years
Investment Details	**100% invested in LIC**	100% invested in LIC	**981.37***	779.77	**1224.76***	851.81*

* Investments are maintained by the Institute.

2.5 Exemption in respect of Income Tax has been granted under Section 10(23C) (iv) of the Income Tax Act, 1961 up to the Assessment Year 2005-06. Application for renewal of exemption for the Assessment Year 2006-07 to 2008-09 is under consideration. Presently the application for grant of exemption for the Assessment Year 2009-10 onwards has been rejected on May 20, 2009 by the Income Tax Authorities. The Institute is of firm belief that the said exemption would be granted to it.

2.6 Only directly attributable expenses on the activities of Publications and Seminars have been charged to these heads of expenditure respectively and indirect expenditure on these activities is charged to functional heads of expenditure.

2.7 Prior period Income includes the following:-

	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
Others	25.16	9.88

Prior period expenses include the following:-

	2008-09	2007-08
Printing & Stationery	0.40	-----
Audit Fees	0.25	----
Publication Expenses	-----	0.30
Examination Expenses	0.96	2.59
Repairs & Maintenance	0.63	2.44
Travelling & Conveyance	6.21	1.23
Salary & Allowances	2.45	1.03
Consultancy Fee	0.17	----
Others	48.80	16.41
Total	59.87	24.00

2.8 The Institute operates pred ominantly in India and in one business segment i.e. furtherance of the profession of Chartered Accountancy.

2.9 Previous year figures have been re-grouped and re-classified wherever considered necessary to make it comparable with those of current year.

(T. Karthikeyan)
Secretary