ICAI AUDIT REPORT 2016

Knock the 'T' of the CAN'T say iCAn

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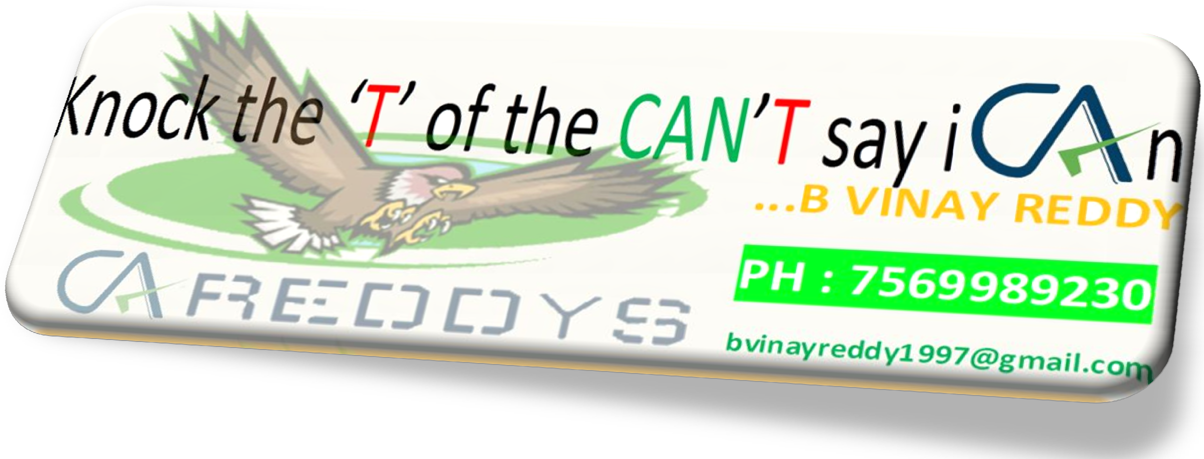

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Regards

CA REDDYS

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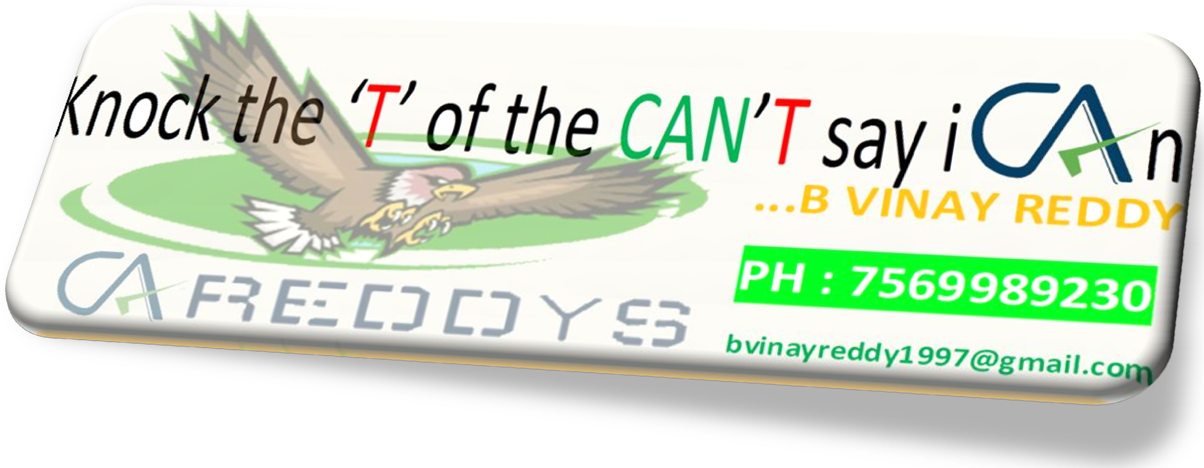

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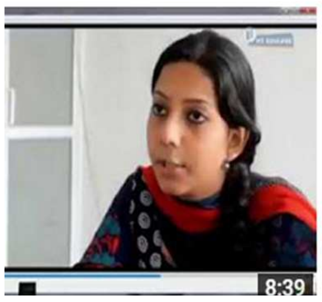

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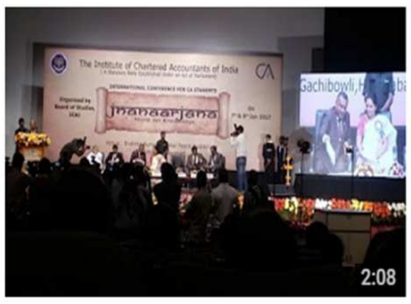

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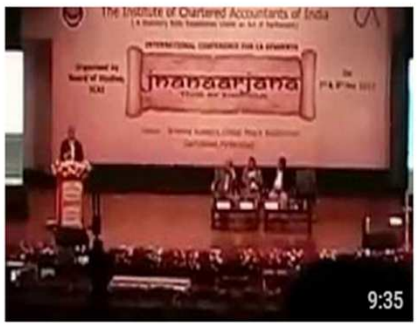

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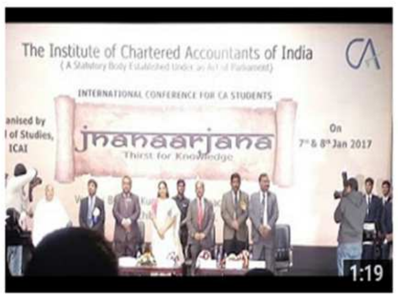

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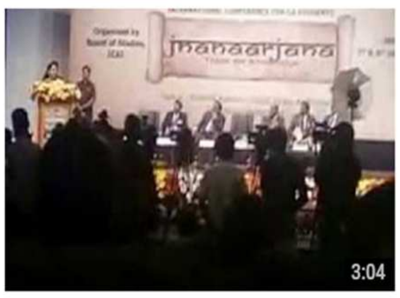

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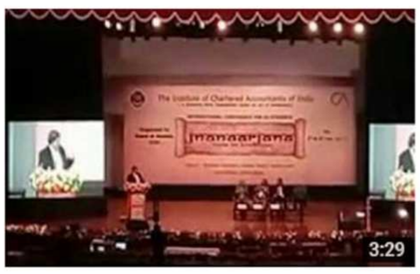

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ASA & Associates LLP **Hingorani M. & Co.**
chartered accountants **chartered accountants**

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INDEPENDENT AUDITOR'S REPORT

To the Council of
The Institute of Chartered Accountants of India

Report on the Financial Statements

We have audited the accompanying financial statements of The Institute of Chartered Accountants of India ("the Institute"), which comprise the Balance Sheet as at March 31, 2016, and the Income and Expenditure Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Institute's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Institute in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute. This responsibility also includes maintenance of adequate accounting records 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 judgements 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Institute has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

ASA & Associates LLP **Hingorani M. & Co.**
chartered accountants **chartered accountants**

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at March 31, 2016, and its surplus and its cash flow for the year ended on that date.

Other Matter

We did not audit the financial statements of the Institute's Decentralized Offices, Computer Centre, Students Associations, Regional Councils and their Branches (collectively known as Branches) whose financial statements reflect total assets of Rs. 39,259 lakhs, total revenues of Rs. 21,148 lakhs and net cash flows / (outflow) amounting to Rs. (1,090) lakhs are considered in the financial statements, have been audited by other auditors whose reports have been furnished to us by the Management. Our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these Branches are based solely on the reports of the other auditors.

Report on Other Regulatory Requirements

Further, we report that:

a) we have sought and 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 Accountants Act, 1949 have been kept by the Institute 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 account;

d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Accounting Standards issued by the Institute.

For ASA & Associates LLP
Chartered Accountants
Firm Reg. No: 009571N/N500006

Sd/-
CA. Parveen Kumar
Partner
Membership No. 088810

For Hingorani M. & Co.
Chartered Accountants
Firm Reg. No: 006772N

Sd/-
CA. Sanjay Kumar Narang
Partner
Membership No. 090943

Place: New Delhi
Date: September 16, 2016

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
BALANCE SHEET AS AT MARCH 31, 2016

(Rs. in lakhs)

	Notes	As at March 31, 2016	As at March 31, 2015
SOURCES OF FUNDS			
(1) Surplus and Earmarked Funds			
(a) Reserves and surplus	3	1,12,493	1,08,661
(b) Earmarked funds	4	29,199	25,799
		1,41,692	1,34,460
(2) Non-current liabilities			
(a) Other long-term liabilities	5	801	961
(b) Long-term provisions	6	8,291	5,530
		9,092	6,491
(3) Current liabilities			
(a) Other current liabilities	7	24,158	23,868
(b) Short-term provisions	6	328	250
		24,486	24,118
TOTAL		1,75,270	1,65,069
APPLICATION OF FUNDS			
(1) Non-current assets			
(a) Fixed Assets			
i) Tangible assets	8	51,939	48,885
ii) Intangible assets	9	23	30
iii) Capital work-in-progress		13,202	11,387
		65,164	60,302
(b) Assets held for earmarked fund & others	10	11,816	13,737
(c) Long-term loans and advances	11	3,721	3,724
(d) Other non-current assets	12	1,755	747
		82,456	78,510
(2) Current assets			
(a) Assets held for earmarked fund & others	10	80,636	72,657
(b) Inventories	13	1,243	1,700
(c) Cash and cash equivalents	14	5,085	6,027
(d) Short-term loans and advances	11	3,970	3,841
(e) Other current assets	15	1,880	2,334
		92,814	86,559
TOTAL		1,75,270	1,65,069

The accompanying notes 1 to 21 form an integral part of the financial statements.

Sd/	Sd/-	Sd/-	Sd/-
CA. Sudeep Shrivastava	**V. Sagar**	**CA. Nilesh Shivji Vikamsey**	**CA. M. Devaraja Reddy**
Joint Secretary	Secretary	Vice-President	President

As per our Report attached

For ASA & Associates LLP	**For Hingorani M. & Co.**
Chartered Accountants	Chartered Accountants
FRN: 009571N/N500006	FRN: 006772N
Sd/	Sd/-
CA. Parveen Kumar	**CA. Sanjay Kumar Narang**
Partner	Partner
M.No - 088810	M.No - 090943

Place: New Delhi
Date: September 16,2016

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2016

(Rs. in lakhs)

			Notes	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
I	**Income**				
	a)	Fees	16	**49,088**	47,802
	b)	Seminars		**5,943**	6,807
	c)	Other income	17	**11,393**	11,321
	Total Income			**66,424**	65,930
II	**Expenses**				
	a)	Seminars		**6,745**	6,797
	b)	Employee benefit expense	18	**13,569**	12,568
	c)	Printing and stationery		**6,967**	7,103
	d)	Depreciation and amortization expense	8, 9	**2,463**	2,348
	e)	Other expenses	19	**29,520**	26,449
	Total Expenses			**59,264**	55,265
III	**Net surplus before prior period adjustments (I-II)**			**7,160**	10,665
IV	Less: Prior period adjustments			**340**	256
V	**Net surplus after prior period adjustments**			**6,820**	10,409
VI	Appropriation to funds / reserves				
	a)	Education fund [See Note 2.4 (iii)]		**3,410**	5,027
	b)	Employees benevolent fund [See Note 2.4 (iv)]		**41**	39
	c)	Earmarked Fund (Net of expenses)		**2,171**	1,691
	d)	General reserve		**1,198**	3,652
		Total		**6,820**	10,409

The accompanying notes 1 to 21 form an integral part of the financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
CA. Sudeep Shrivastava	**V. Sagar**	**CA. Nilesh Shivji Vikamsey**	**CA. M. Devaraja Reddy**
Joint Secretary	Secretary	Vice-President	President

As per our Report attached

For ASA & Associates LLP	**For Hingorani M. & Co.**
Chartered Accountants	Chartered Accountants
FRN: 009571N/N500006	FRN: 006772N
Sd/-	Sd/-
CA. Parveen Kumar	**CA. Sanjay Kumar Narang**
Partner	Partner
M.No - 088810	M.No - 090943

Place: New Delhi

Date: September 16,2016

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rs. in lakhs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Cash Flow from Operating Activities		
Net surplus after prior period adjustments	6,820	10,409
Opening Bal of Reserve/Earmarked Fund of Students Associations	-	101
Adjustments for:		
Depreciation and amortisation	2,463	2,348
Assets discarded	94	58
Admission fees from new members	202	165
Interest income	(7,734)	(7,971)
Operating surplus before Working Capital changes	1,845	5,110
Adjustments for :		
(Increase) /Decrease in inventories	457	(676)
(Increase) /Decrease in loans & advances	81	(1,336)
Increase/(Decrease) in liabilities	170	1,691
Increase/(Decrease) in provisions	2,839	1,693
	5,392	6,482
Income Tax Deducted at Source (recoverable)	(207)	350
Cash generated from Operating activities (A)	5,185	6,832
Cash Flow from Investing Activities		
Purchase of fixed assets	(7,459)	(6,981)
Acquisition of Assets held for earmarked funds & others	(6,058)	(8,822)
Interest income received[3]	7,180	7,919
Capital receipts	209	125
Cash (used in) Investing activities (B)	(6,128)	(7,759)
Cash Flow from Financing Activities		
Donation received for buildings	1	68
Cash from Financing activities (C)	1	68
Net increase /(decrease) in cash and cash equivalents (A+B+C)	(942)	(859)
Cash and Cash Equivalents at beginning of the year	6,027	6,886
Cash and Cash Equivalents at closing of the year	5,085	6,027

Notes:

1) Cash and Cash Equivalents represent cash on hand and balances with banks (Refer Note. 14).

2) Figures in brackets represent outflows.

3) Interest includes interest from Assets held for earmarked funds & others.

Sd/-	Sd/-	Sd/-	Sd/-
CA. Sudeep Shrivastava	**V. Sagar**	**CA. Nilesh Shivji Vikamsey**	**CA. M. Devaraja Reddy**
Joint Secretary	Secretary	Vice-President	President

As per our Report attached

For ASA & Associates LLP	**For Hingorani M. & Co.**
Chartered Accountants	Chartered Accountants
FRN: 009571N/N500006	FRN: 006772N
Sd/-	Sd/-
CA. Parveen Kumar	**CA. Sanjay Kumar Narang**
Partner	Partner
M.No - 088810	M.No - 090943

Place: New Delhi
Date: September 16,2016

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. General Information

The Institute of Chartered Accountants of India ("the Institute"), having its Head Office at New Delhi, was established on 1st July 1949 under an Act of Parliament viz The Chartered Accountants Act, 1949 for the purpose of regulating the profession of Chartered Accountants in India. In terms of the said Act, the Council of the Institute is entrusted with the task of managing the affairs of the institute. For the purpose, the Council has constituted 5 Regional Councils, one each at Mumbai, Kolkata, Kanpur, Chennai & New Delhi, 18 Regional Offices and Decentralised Offices, 152 branches and one overseas office.

2. Summary of Significant Accounting Policies

2.1 Basis of Accounting

The financial statements that comprise Balance Sheet, Income & Expenditure Account and Cash Flow Statement together with notes, are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by the Institute. The financial statements are prepared under the historical cost convention on going concern and on accrual basis unless other wise stated. The accounting polices adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The presentation of financial Statements in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include useful life of fixed assets, employee benefits, contingent liabilities etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Cash Flow Statement

Cash flows are reported using indirect method, whereby net surplus is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Institute are segregated on the basis of their nature.

2.4 Appropriation to Reserves and Allocation to Earmarked Funds

i) Fee received from members for admission as fellow of the Institute is credited to Infrastructure Reserve Account.

ii) Donations received for buildings and for research are credited directly to the respective reserve account.

iii) 25% of the Distance Education Fee, not exceeding 50% of the net surplus of the year is transferred to Education Fund.

iv) 0.75% of Membership Fee (Annual and Certificate of Practice Fee) received during the year is transferred to the Employees' Benevolent Fund.

v) From the earmarked funds the following transfers are made to Education Reserve Account:

a)	From Accounting Research Building Fund	100% of cost of additions (net of deductions if any) to Building relating to Accounting Research Building.
b)	From Education Fund	50% of cost of additions (net of deductions if any) to other Fixed Assets

vi) Income from investments of Earmarked Funds is added to Earmarked Funds. The income is allocated based on opening balances of the respective Earmarked Funds on Weighted Average basis.

2. Summary of Significant Accounting Policies

2.5 Fixed Assets

i) Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses (if any). The cost of an asset includes the purchase cost of materials, including import duties if any and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. The cost of leasehold land includes the amounts paid for acquiring leasehold rights. Subsequent expenditure relating to tangible assets are capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Cost of Leasehold land is amortised over the primary lease period. Depreciation on all other tangible fixed assets are provided on a written down value method based on the estimated useful life at the following rates as approved by the Council of the Institute.

Class of Assets		**Rate of Depreciation**
i)	Buildings	5%
ii)	Lifts & Electrical Installations and Fittings	10%
iii)	Computers	60%
iv)	Furniture and Fixtures	10%
v)	Air conditioners & Office Equipments	15%
vi)	Vehicles	20%
vii)	Library Books	100%

ii) Intangible Assets

Intangible assets are stated at acquisition cost, less accumulated amortisation and accumulated impairment losses (if any). The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties (if any) and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life of three years.

iii) Capital Work in Progress

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any), under Capital work-in-progress. The cost includes the purchase cost including import duties and non-refundable taxes, any directly attributable costs .

2.6 Assets held for earmarked fund & others

Assets held for earmarked fund & others in the form of deposits with banks maturing after a period of twelve months from the date of balance sheet are classified as non-current and others are classified as current. These are available for use freely at the discretion of the council of the Institute except to the extent of total of the Earmarked and Employee benefit funds.

2. Summary of Significant Accounting Policies

2.7 Inventories

a) Inventory of publications, study materials, stationery and other stores are valued at lower of cost and net realisable value. Cost of inventory is determined on First In First Out (FIFO) method.

b) A provision of 100% is made on the cost of stock of old study material and Institute's publications older than one year. Further, a provision of 25% is made on the cost of remaining stock of BOS publications.

2.8 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and balances in savings and current accounts with banks.

2.9 Revenue recognition

i) Membership Fees :

a) One third of Entrance Fee collected at the time of admission of person as member is recognised as income in the year of admission and the balance is recognised in Infrastructure Reserve.

b) Annual Membership and Certificate of Practice Fee are recognised as income in the year in which they become due.

ii) Distance education fee are recognised over the duration of the respective courses. Fees for other courses is recognised in the period in which the services are rendered.

iii) Examination fee is recognised on the basis of conduct of the respective examinations.

iv) Subscription for the journal is recognised as income in the year in which they become due.

v) Income from sale of publication are recognised when the risk and rewards are transferred to the buyer which normally coincides with delivery of goods. Income includes consideration received or receivable, net of discounts and other sales related taxes (if any).

vi) Interest income from bank deposits and loans to employees are recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.10 Foreign Currency Transaction

Foreign currency transactions are recorded on initial recognition in the reporting currency ie., Indian Rupees using the exchange rates prevailing on the date of transactions. Monetary assets and liabilities in currencies other than the reporting currency remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items are included in the statement of income and expenditure.

2.11 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 recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. 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. Summary of Significant Accounting Policies

2.12 Employee benefits

i) Short term employee benefits

Short term employee benefits like salary, allowances, exgratia are recognised as expenses in the year in which the related services are rendered.

ii) Defined Contribution Plans

Defined contribution plans are those plans where the Institute pays fixed contributions to Provident fund managed by independent trust. Contributions are paid in return for services rendered by the employees during the year and recognised as expenses in line with salary and allowances. The Institute has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay/extend benefits to the Employees.

iii) Defined Benefits Plans

The Institute provides gratuity, post retirement pension and compensated absence to its employees. Gratuity liability is funded with Life Insurance Corporation of India. The liabilities towards compensated absence and post retirement pension are not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard (AS) - 15 Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of plan assets (for funded plans) together with adjustments for unrecognised past service costs. Past service costs is recognised immediately to the extent that the benefits are vested. All actuarial gains and losses are recognised in the Statement of Income and Expenditure in full in the year in which they occur.

2.13 Provisions, Contingent liabilities and Contingent assets

i) Provision

A provision is recognised when the Institute has 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.

ii) Contingent Liabilities and assets

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. Contingent assets are neither recognised nor disclosed.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED MARCH 31, 2016

3. Reserves and surplus

(Rs. in lakhs)

As at March 31, 2016	**Educa- tion**	**Infras- tructure**	**General**	**Others***	**Total**
Balance at the beginning of the year	**32,150**	**4,726**	**71,133**	**652**	**1,08,661**
Add : Appropriation from Statement of Income and Expenditure	-	-	**1,198**	-	**1,198**
	32,150	**4,726**	**72,331**	**652**	**1,09,859**
Transfer from / (to) General Reserve, Infrastructure Reserve and Other Reserve	-	20	(59)	39	-
Transfer from / (to) Earmarked Funds	**2,724**	(1)	(272)	(56)	**2,395**
Admission fees and allocated Entrance fees	-	**202**	-	-	**202**
Donation received for buildings	-	**1**	-	-	**1**
(Utilization)/Addition	-	120	(190)	106	36
Balance at the end of the year	**34,874**	**5,068**	**71,810**	**741**	**1,12,493**
As at March 31, 2015	Educa tion	Infrastruct ure	General	Others*	Total
Balance at the beginning of the year	29,739	4,571	67,826	604	1,02,740
Add : Opening balance of reserves of Student Associations		3	96		99
Add : Appropriation from Statement of Income and Expenditure	-	-	3,652	-	3,652
	29,739	4,574	71,574	604	1,06,491
Transfer from / (to) General Reserve, Infrastructure Reserve and Other Reserve	-	8	(96)	88	-
Transfer from / (to) Earmarked Funds	2,411	(60)	(174)	(1)	2,176
Admission fees and allocated Entrance fees	-	165	-	-	165
Donation received for buildings	-	68	-	-	68
(Utilization)/Addition	-	(29)	(171)	(39)	(239)
Balance at the end of the year	32,150	4,726	71,133	652	1,08,661

* Other Reserves are Reserves such as Library Reserves and Class Room Training Reserves.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED MARCH 31, 2016

4. Earmarked Funds

(Rs. in lakhs)

As at March 31, 2016	Research Funds	Accounting Research Building Fund	Education Fund	Medals and Prizes Funds	Students Scholarship Funds	Employees Benevolent Fund	Other Funds (Regional Council and Branches)	Total
Balance at the beginning of the year	1,920	667	18,726	184	112	487	3,703	25,799
Appropriation from Statement of Income and Expenditure	-	-	3,410	-	-	41		3,451
Transfer from/(to) Reserves and Surplus	-	-	(2,724)	-	-	-	329	(2,395)
Contribution received/Addition during the year	-	-	-	35	20	-	118	173
Interest Income during the year appropriated through Income & Expenditure Statement	174	60	1,695	17	10	44	259	2,259
Utilised during the year	-	-	-	(14)	(22)	-	(52)	(88)
Balance at the end of the year	2,094	727	21,107	222	120	572	4,357	29,199

As at March 31, 2015	Research Funds	Accounting Research Building Fund	Education Fund	Medals and Prizes Funds	Students Scholarship Funds	Employees Benevolent Fund	Other Funds (Regional Council and Branches)	Total
Balance at the beginning of the year	1,760	610	14,731	176	91	410	3,074	20,852
Add:opening balance of Earmarked Funds of Student Associations							2	2
Appropriation from Statement of Income and Expenditure	-	-	5,027	-	-	39	-	5,066
Transfer from/(to) Reserves and Surplus	-	-	(2,411)	-	-	-	235	(2,176)
Contribution received/Addition during the year	-	-	-	4	17	-	343	364
Income during the year	165	57	1,379	16	9	38	187	1,851
Payments during the year	(5)	-	-	(12)	(5)	-	(138)	(160)
Balance at the end of the year	1,920	667	18,726	184	112	487	3,703	25,799

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED MARCH 31, 2016

(Rs. in lakhs)

5. Other Long-term Liabilities	As at March 31, 2016	As at March 31, 2015
a) Fees received in advance		
i) Fees from students	793	952
ii) Journal subscription	8	9
Total	801	961

6. Provisions	As at March 31, 2016 Long-term	As at March 31, 2015 Long-term	As at March 31, 2016 Short-term	As at March 31, 2015 Short-term
Provisions for employee benefits :				
a) Post employment defined benefits				
i) Gratuity	-	-	66	-
ii) Pension	5,074	2,673	12	11
b) Other Long-term employee benefits	3,217	2,857	250	239
Total	8,291	5,530	328	250

7 Other Current Liabilities	As at March 31, 2016	As at March 31, 2015
a) Fees received in advance		
i) Examination fees	5,601	4,872
ii) Journal subscription	17	19
iii) Membership fees	1,575	1,296
iv) Education fees	8,267	8,656
v) Post Qualification Courses fees	67	108
vi) Certificate Courses fees	73	18
vii) Seminar fees and Other collections	789	1,171
	16,389	16,140
b) Expenses and other payables	5,371	5,653
c) Other liabilities		
i) Creditors for purchase of fixed assets	80	120
ii) Employees recoveries and employer's contributions	191	111
iii) Statutory dues	328	269
iv) Deposits	612	548
v) Others	1,187	1,027
	2,398	2,075
Total	24,158	23,868

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED MARCH 31, 2016

8. Tangible Assets

(Rs. in lakhs)

As at March 31, 2016	Freehold Land	Leasehold Land	Buildings	Lifts & Electrical Installation and Fittings	Computers	Furniture and Fixtures	Air Conditioner & Office Equipment	Vehicles	Library Books	Total
Cost at the beginning of the year	15,690	5,399	26,932	1,757	4,463	3,765	4,236	134	907	63,283
Additions	3,148	284	857	64	416	388	378	1	59	5,595
Deletions	(21)	-	-	(15)	(11)	(81)	(29)	-	-	(157)
Cost at the end of the year	18,817	5,683	27,789	1,806	4,868	4,072	4,585	135	966	68,721
Accumulated depreciation at the	-	499	4,325	873	3,958	1,535	2,219	82	907	14,398

beginning of the year										
Charge for the year	-	84	1,167	105	436	258	328	10	59	2,447
Deletions	-	-	-	(5)	(10)	(35)	(13)	-	-	(63)
Accumulated depreciation at the end of the year	-	583	5,492	973	4,384	1,758	2,534	92	966	16,782
Net book value at beginning of the year	15,690	4,900	22,607	884	505	2,230	2,017	52	-	48,885
Net book value at end of the year	18,817	5,100	22,297	833	484	2,314	2,051	43	-	51,939

As at March 31, 2015	Freehold Land	Leasehold Land	Buildings	Lifts & Electrical Installation and Fittings	Computers	Furniture and Fixtures	Air Conditioner & Office Equipment	Vehicles	Library Books	Total
Cost at the beginning of the year	15,541	4,485	24,517	1,645	4,045	3,459	3,878	105	829	58,504
Additions	149	914	2,415	135	528	356	424	30	78	5,029
Deletions	-	-	-	(23)	(110)	(50)	(66)	(1)	-	(250)
Cost at the end of the year	15,690	5,399	26,932	1,757	4,463	3,765	4,236	134	907	63,283
Accumulated depreciation at the beginning of the year	-	419	3,194	788	3,687	1,327	1,942	72	829	12,258
Charge for the year	-	80	1,131	96	376	236	324	11	78	2,332
Deletions	-	-	-	(11)	(105)	(28)	(47)	(1)	-	(192)
Accumulated depreciation at the end of the year	-	499	4,325	873	3,958	1,535	2,219	82	907	14,398
Net book value at the beginning of the year	15,541	4,066	21,323	857	358	2,132	1,936	33	-	46,246
Net book value at the end of the year	15,690	4,900	22,607	884	505	2,230	2,017	52	-	48,885

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED MARCH 31, 2016

9. Intangible Assets

(Rs. in lakhs)

As at March 31, 2016	Software	Total
Cost at the beginning of the year	637	637
Additions	9	9
Deletions	-	-
Cost at the end of the year	646	646
Amortisation at the beginning of the year	607	607
Charge for the year	16	16
Deletions	-	-
Amortisation at the end of the year	623	623
Net book value at the beginning of the year	30	30
Net book value at the end of the year	23	23

As at March 31, 2015	Software	Total
Cost at beginning of the year	595	595
Additions	42	42
Deletions	-	-

Cost at end of the year	637	637
Amortisation at beginning of the year	591	591
Charge for the year	16	16
Amortisation at end of the year	607	607
Net book value at beginning of the year	4	4
Net book value at end of the year	30	30

	As at March 31, 2016 Non-current	As at March 31, 2015 Non-current	As at March 31, 2016 Current	As at March 31, 2015 Current
10. Assets held for earmarked fund & others				
Fixed deposits with banks	11,816	13,737	80,636	72,657
	11,816	13,737	80,636	72,657
Assets held comprise:				
-Earmarked funds	11,816	13,737	17,383	12,062
-Employee benefits	-	-	8,619	5,780
-Others			54,634	54,815

(Rs. in lakhs)

	As at March 31, 2016 Non-current	As at March 31, 2015 Non-current	As at March 31, 2016 Current	As at March 31, 2015 Current
11. Loans and Advances				
a) Security Deposits	282	307	141	234
b) TDS Receivable	2,172	1,965	-	-
c) Other loans and advances				
i) Retirement benefit assets	-	-	-	19
ii) Loans and advances to Employees	746	854	538	454
iii) Other receivables	521	598	3,291	3,134
Total	3,721	3,724	3,970	3,841

	As at March 31, 2016	As at March 31, 2015
12. Other Non-current assets		
a) Interest accrued on fixed deposits with Banks	1,636	646
b) Interest accrued on loans to employees	119	101
Total	1,755	747
13. Inventories		
a) Publication and Study Materials	1,112	1,571
b) Stationery and Stores	131	129
Total	1,243	1,700
14. Cash and Cash equivalents		
a) Cash in hand	58	50

	b)	Balances with banks	5,027	5,977
		Total	5,085	6,027
15.	**Other Current Assets**			
	a)	Interest accrued on fixed deposits with Banks	1,870	2,314
	b)	Interest accrued on loans to employees	10	20
		Total	1,880	2,334

			For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
16.	**Fees**			
	a)	Distance Education	19,570	20,106
	b)	Class room training income	8,414	8,116
	c)	Examination	12,680	11,211
	d)	Membership	5,636	5,366
	e)	Students' registration	459	589
	f)	Entrance	71	52
	g)	Students' Association	344	401
	h)	Post Qualification Courses	560	472
	i)	Certificate Courses	1,354	1,489
		Total	49,088	47,802

(Rs. in lakhs)

			For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
17.	**Other Income**			
	a)	Publications	1,634	1,495
	b)	Interest on assets held for others	5,405	6,044
	c)	Interest on assets held for earmarked funds	2,259	1,851
	d)	Interest from loans to employees	70	76
	e)	Students' Newsletter	7	3
	f)	Journal Subscription	185	202
	g)	News Letters - Regional Councils and Branches	63	55
	h)	Campus Interview	567	486
	i)	Expert Advisory Fee	12	30
	j)	Provision no longer required written back	172	310
	k)	Others	1,019	769
		Total	11,393	11,321
18.	**Employee Benefit Expense**			
	a)	Salary, Pension and other allowances	12,690	11,597

	b)	Contribution to Provident and other funds	707	748
	c)	Staff Welfare Expenses	172	223
		Total	13,569	12,568
19.	**Other Expenses**			
	a)	Postage and Telephone	2,861	2,660
	b)	Rent, rates and taxes	4,026	3,611
	c)	Travelling and Conveyance - Domestic	2,105	1,714
	d)	Overseas Related :		
		i) Overseas Travelling	297	251
		ii) Membership fees for Foreign Professional Bodies	326	332
		iii) Others	23	28
	e)	Repairs and Maintenance	1,895	1,642
	f)	Publications	1,136	1,131
	g)	Professional fee paid to Consultants and Examiners	8,171	7,204
	h)	Class room training expenses	4,685	4,557
	i)	Advertisement and Publicity	413	405
	j)	Meeting Expenses	564	292
	k)	Merit Scholarship	131	94
	l)	Audit Fees :		
		i) Head Office	11	11
		ii) Other Offices	32	28
	m)	Payments from Earmarked Funds	88	160
	n)	Other Expenses	2,756	2,329
		Total	29,520	26,449

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

20. Additional information to the Financial Statements

20.1 Contingent liabilities and commitments

(Rs in Lakhs)

		As at March 31, 2016	As at March 31, 2015
i)	Claims against the Institute not acknowledged as debts	1,358	1,378
ii)	Capital commitments (net of advances)	4,744	8,084
iii)	Income Tax Demand - Intimation u/s 143 (1) (Refer Note 20.2)	4,142	-

20.2 For the Assessment Year 2014-15, an intimation has been received from the Income Tax Department raising a net demand of Rs 4142 lakhs,wherein the statutory claims made by the Institute have not been allowed. An appeal against the same has been filed before the First Appellate Authority which is pending as on date.The Institute has been advised that it has a good case and the demand is likely to get deleted.

20.3 Other Receivables in Note 11 Long term Loans & Advances include Rs 243.75 Lakh for Stamp duty refund receivable on cancellation of Principal and supplementary Agreements of acquiring property at nagpur which has been rejected by the Joint District Registrar (JDR),Nagpur.The Institute has filed two

Appeals before chief Controlling Revenue Authority, Pune under Section 53 of Maharashtra Stamp Act challenging the orders passed by JDR, Nagpur which are still pending. The Institute has been advised that it has a good legal case to receive the refund of stamp duty.

20.4 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.

20.5 Out of the fee received from the students towards Students Association fee, a sum of Rs.250 per student, in respect of students registered after 1st April, 2009, is remitted to Chartered Accountants Students Benevolent Fund.

20.6 Leasehold land value includes Rs. 6.17 Lakhs paid for the plot of land in Indraprastha Estate, New Delhi (adjacent to existing head office) allotted by Land and Development Authority, New Delhi for which execution of Memorandum of Agreement and Lease Deed is in progress.

20.7 The Institute had initiated a process for digitization of entire activities including members, students and other professional activities by undertaking a project referred as 'Project Parivartan'. For this purpose, Institute had appointed a global integrated service provider supervised by a globally reputed project management consultant at a total cost of Rs.3,981 lakhs. A sum of Rs 867 lakhs was incurred up to 31st March 2015.

As the integrated service provider did not carry out the development as per the requirement even after extended periods, Institute raised a dispute and cancelled the contract. Pending final settlement, Institute invoked and encashed the bank guarantee of Rs.295 lakhs in the month of June 2015 and the balance amount of Rs.572 lakhs (867 lakhs - 295 lakhs) was provided for in the financials for the year ended 31/03/2015.

During the year, service provider has sent a notice demanding settlement of the balance dues against hardware supplied and refund of the bank guarantee amount encashed by the Institute. However Institute has taken a stand that in absence of the requisite software, the hardware supplied was of no utility hence balance payment cannot be considered. Further the bank guarantee was encashed to mitigate the losses incurred on account of the cancellation of contract. Institute is now in the process of filing a counter claim.

20.8 Capital Work in Progress includes capital advances.

20.9 A piece of land measuring 225 sq. mtrs area of ICAI Bhawan Faridabad, had been acquired by DMRC in January 2013 for which, Faridabad branch had requested for another piece of land, adjacent to the branch in compensation against the acquisition by DMRC. The matter is currently under consideration by HUDA (Harayana).

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

21. Disclosure under Accounting Standards

21.1 Employee Benefits

Defined Contribution Plans

The Institute has recognised an amount of **Rs.432.46 Lakhs** for the year ended 31st March 2016 (Previous year Rs.327.65 Lakhs) towards contribution to Provident Fund.

Defined Benefit plans

The Institute has provided the following defined benefit plans to its employees

Gratuity : Funded
Post retirement Pension : Non-Funded
Compensated Absence: Non-Funded

Details of the Gratuity Plan are as follows **(Rs. in lakhs)**

Description	2015-16	2014-15	2013-14	2012-13
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at beginning of the year	**2,213**	2,057	1,957	1,386
b. Current service cost	**184**	167	147	135
c. Interest cost	**169**	154	171	108

	d. Actuarial (gain)/loss	(53)	32	(63)	467
	e. Benefits paid	(155)	(197)	(155)	(139)
	f. Obligation as at end of the year	2,358	2,213	2,057	1,957
2.	**Change in fair value of plan assets**				
	a. Fair value of plan assets as at beginning of the year	2,232	2,103	1,950	1,809
	b. Expected return on plan assets	191	184	174	167
	c. Actuarial gain/(loss)	6	3	10	11
	d. Contributions made by the Institute	78	239	91	105
	e. Benefits paid	(215)	(297)	(122)	(142)
	f. Fair value of plan assets as at end of the year	2,292	2,232	2,103	1,950
3.	**Reconciliation of fair value of plan assets and obligations**				
	a. Present value of obligation	2,358	2,213	2,057	1,957
	b. Fair value of plan assets	2,292	2,232	2,103	1,950
	c. Amount recognised in the balance sheet Asset/(Liability)	(66)	19	46	(7)
4.	**Expenses recognised during the year**				
	a. Current service cost	184	167	147	135
	b. Interest cost	169	154	171	108
	c. Expected return on plan assets	(191)	(184)	(174)	(167)
	d. Actuarial (gain)/loss	(59)	29	(73)	456
	e. Expenses recognised during the year	103	166	71	532
5.	**Investment details**	% invested	% invested	% invested	% invested
	a. Others - Funds with Life Insurance Corporation of India	100	100	100	100
		100	100	100	100

Details of the Gratuity Plan (Contd...)

	Description	2015-16	2014-15	2013-14	2012-13
6.	**Assumptions**				
	a. Discount rate (per annum)	7.92%	7.85%	9.10%	8.00%
	b. Estimated rate of return on plan assets (per annum)	8.85%	8.85%	9.00%	9.00%
	c. Rate of escalation in salary	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%
	d. Attrition Rate	5%	5%	5%	5%
	e. Mortality table	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

Details of the Post Retirement Pension Plans (Rs. in lakhs)

	Description	2015-16	2014-15	2013-14	2012-13
1.	Reconciliation of opening and closing balances of obligation				
	a. Obligation as at beginning of the year	2,684	1,406	1,489	1,065
	b. Interest cost	211	110	134	87
	c. Actuarial (gain)/loss	2,210	1,169	(215)	341
	d. Benefits paid	(19)	(1)	(2)	(4)

	e. Obligation as at end of the year	5,086	2,684	1,406	1,489
2.	**Reconciliation of fair value of plan assets and obligations**				
	a. Present value of obligation	5,086	2,684	1,406	1,489
	b. Amount recognised in the balance sheet Asset/(Liability)	(5,086)	(2,684)	(1,406)	(1,489)
3.	**Expenses recognised during the year**				
	a. Interest cost	211	110	134	87
	b. Actuarial (gain)/loss	2,210	1,169	(215)	341
	c. Expenses recognised during the year	2,421	1,279	(81)	428
4.	**Assumptions**				
	a. Discount rate (per annum)	7.90%	7.80%	9.00%	8.00%
	c. Rate of escalation in salary	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%
	d. Attrition Rate	5%	5%	5%	5%
	e. Mortality table	LIC 1996-98 Ultimate	LIC 1996-98 Ultimate	LIC 1996-98 Ultimate	LIC 1996-98 Ultimate

21.1 Employee Benefits (Contd..)

Details of the Compensated absences

			-	-	(Rs. in lakhs)
	Description	2015-16	2014-15	2013-14	2012-13
1.	**Reconciliation of opening and closing balances of obligation**				
	a. Obligation as at beginning of the year	2,857	2,359	2,239	1,954
	b. Current service cost	280	338	104	104
	c. Interest cost	216	175	199	158
	c. Actuarial (gain)/loss	115	259	(83)	102
	d. Benefits paid	(252)	(274)	(100)	(79)
	e. Obligation as at end of the year	3,216	2,857	2,359	2,239
2.	**Reconciliation of fair value of plan assets and obligations**				
	a. Present value of obligation	3,216	2,857	2,359	2,239
#	c. Amount recognised in the balance sheet Asset/(Liability)	(3,216)	(2,857)	(2,359)	(2,239)
3.	**Expenses recognised during the year**				
	a. Current Service Cost	280	338	104	104
	b. Interest cost	216	175	199	158
	c. Actuarial (gain)/loss	115	259	(83)	102
	d. Expenses recognised during the year	611	772	220	364
4.	**Assumptions**				
	a. Discount rate (per annum)	7.92%	7.85%	9.10%	8.00%
	c. Rate of escalation in salary	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%	Basic 3% : DA 6%
	d. Attrition Rate	5%	5%	5%	5%
	e. Mortality table	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

\# This pertains to Long Term Liability worked in respect of deferred leave only. Expected Short Term liability of Rs 250 Lakhs will be added to this figure.

21.2 Segment Reporting

The Institute's operations are confined to "furtherance of the profession of Chartered Accountancy" and predominantly spread in India. Hence all its operations fall under single segment within the meaning of Accounting Standard (AS) - 17 Segment Reporting.

21.3 Prior-period items

	For the Year Ended March 31, 2016 (Rs. in lakhs)	For the Year Ended March 31, 2015 (Rs. in lakhs)
Break up of Prior-period items		
i) Income	70	38
ii) Expenses	410	294
	410	294
	340	256

21.4 Previous year's figures have been re-grouped and re-classified where considered necessary to make them comparable with those of the current year.

Sd/	Sd/-	Sd/-	Sd/-
CA. Sudeep Shrivastava	**V. Sagar**	**CA. Nilesh Shivji Vikamsey**	**CA. M. Devaraja Reddy**
Joint Secretary	Secretary	Vice-President	President

As per our Report attached

For ASA & Associates LLP	**For Hingorani M. & Co.**
Chartered Accountants	Chartered Accountants
FRN: 009571N/N500006	FRN: 006772N
Sd/-	Sd/-
CA. Parveen Kumar	**CA. Sanjay Kumar Narang**
Partner	Partner
M.No - 088810	M.No - 090943

Place: New Delhi
Date: September 16,2016

V. SAGAR, Secy.
[ADVT.-III/4/Exty./248 (104)]

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