


AUDITOR'S REPORT

 **M.KUPPUSWAMY PSG & Co LLP**
Chartered Accountants

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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 financial statements of CHENGALPATTU District Branch of the Institute of Chartered Accountants of India ("the Branch"), which comprise the Balance Sheet as at March 31st 2025, the Statement of Income and Expenditure 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 Branch as at March 31, 2025 and its deficit 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the Code of Ethics issued by 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

Management is responsible for the preparation of these financial statements in accordance with the Chartered Accountants Act, 1949 that give a true and fair view of the state of affairs and financial performance of the Branch 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 Institute and for preventing and detecting frauds and other irregularities; selection



and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Institute'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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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 Institute 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 Legal and 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 Branch so far as appears from our examination of those books;
- c) Balance Sheet and Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.

For M.Kuppuswamy PSG & Co LLP
Chartered Accountants
Firm's Registration No.001616S



K.Varadharajan
Membership No.205132
UDIN : 25205132BMLHBZ2032

Place : Chennai
Date : May 14, 2025



CHECKLIST

1. Whether books are being maintained in the online Tally accounting package and financial statements are prepared from the same only.

Yes, Maintained in online tally software only.

2. Whether inter unit balances with Head Office/ Regional Councils/ Decentralized Offices/ Branches are duly reconciled. Details of unreconciled inter unit balances to be reported.

Particulars	As per Branch Books	As per HO Books	Remarks
S045-Current Account-Kanchipuram of SIRC-610117244	6,06,904 Cr.	41,58,887.86 Dr.	Branch has identified the differences and Head Office has yet to pass the entries in their books.
S045-Current Account-Delhi DCO-610117002	39,145 Dr.	30,62,660 Cr.	Branch has identified the differences and Head Office has yet to pass the entries in their books.
S045-Current Account-Chennai DCO-610117003	Nil	Nil	Reconciled
Regional Intra-inter unit A/c	6,49,035.37 Dr.	6,49,038.81 Cr.	Reconciled

3. Compliance of statutory dues i.e.

- a. Whether TDS compliances under Income Tax Act, 1961 has been done regularly within due dates and accurately. Any delay or non-compliance or notice received w.r.t TDS has been attended and financial exposure, if any, has been adequately recorded in books of accounts.

Yes

- b. Whether accounting at the respective unit is in compliance with CGST/SGST/IGST Act, 2017. Any delay or non-compliance in GST returns or show cause notice received has been attended to and any financial exposure has been adequately recorded in books of accounts.

Yes

- c. Whether provisions related to provident fund w.r.t. employees of the unit are duly complied with.

The Branch has outsourced this service and as per the information furnished the service provider has complied with PF & ESI Regulations.

- d. Whether provisions related to professional tax and related local labour law as applicable in concerned state are duly complied with.

Not Applicable



- e. Whether the concerned unit has complied with the requirements of Micro, Small and Medium Enterprises Development (MSMED), Act 2006.

Yes

4. Whether the concerned unit is complying with the Standard Operating Procedures (SOP).
Departure / non-compliance with SOP be reported.

Yes

5. (a) Whether the concerned unit is maintaining Fixed Assets Register and assets purchased / sold / discarded during the period are properly recorded in register.

Yes

- (b) Whether fixed assets purchased during the year have been allotted unique identification code and the same have been updated in Fixed Assets Register as well.

Yes

- (c) Whether fixed assets have been physically verified by management at reasonable intervals and any material discrepancies noticed on such verification, if any, have been properly dealt with in the books of accounts.

Verified by the Management on 15th February 2025

Random verification by Internal Auditor on 26th April 2025

- (d) Whether the capital items purchased by concerned unit are out of the capital grant released by Head Office and only for the purpose it was sanctioned. Provide details of exceptions.

Yes

- (e) Whether the title deeds of immovable properties are held in the name of the Institute. If not, provide the details thereof.

Yes, Lease hold Land title is in the name of the Institute



- (f) In case the branch is not having its own premises and carrying on its activity from rented / leased premises, verify whether the Rental / Leased Expenses are within specified limit i.e.

Particulars	Maximum permissible limit	Actual Rent Paid
Branches having membership strength more than 2500	Rs.1,50,000/- per month	Rs. 29,26,728/- for Four Flats of 12 months
Branches having membership strength 1001 Members to 2500 Members	Rs.1,05,000/- per month	--- NA ---
Branches having membership strength 501 to 1000	Rs.75,000/- per month	--- NA ---
Branches having membership strength 201 to 500	Rs.52,500/- per month	--- NA ---
Branches having membership strength upto 200	Rs.37,500/- per month	--- NA ---

6. (a) Whether the expenditure towards Seminar & Conference are properly accounted for and met out of the source generated by way of participation fee and Seminar/CPE Grant released by Head Office.

Yes

- (b) Whether separate ledger account is being maintained for each of the Seminar / Conference/ Workshop / any other program organized during the period.

Yes

- (c) Also, report whether such accounts are reconciled and not remained open for long and close within 60 days from the closure of such program.

No Such long pending

- (d) Whether any non-educational program/ activity is organized by the concerned unit and expenses recorded in books of accounts. If yes, provide program wise deficit generated from non-educational program / activities and total deficit from non self supporting non-educational program / activities.

Branch has conducted Yoga Day, CA Day and MSME Day as per HO instructions.

S No	Program	Program Date	Expenses met by Branch	Grant received from HO
1.	Yoga Day	22 nd June 2024	30,681/- (incl GST)	29,571/-
2.	CA Day	30 th June 2024 & 01 st July 2024	91,667/- (incl GST)	87,814/-
3.	MSME Yatra	11 th July 2024	12,000/- (incl GST)	11,466/-

- (e) Whether the amount recoverable in respect of any seminars & programs (like Advertisements, Sponsorship etc.) have been recovered within reasonable time, if not, aging analysis of such recoverable be given.

Yes



7. Whether the fund of the concerned unit is applied either directly or indirectly for making any payment to the members of the Managing Committee except to reimburse them any expenses incurred by them in connection with the business of the Managing Committee of concerned unit. If yes, provide details.

No

8. (a) Whether the unit has complied with the TA/DA/Lodging rules for domestic travel of Central Council Members and Co-opted Members, as approved by the Government of India.

Yes

- (b) Whether the unit has complied with the applicable travel rules for members of Regional Councils/Branch Managing Committees, as approved by the Head Office of ICAI.

Yes

- (c) In case of non-compliance, whether the excess amount of tariff, which is beyond the entitlement, is debited to the personal account of concerned member by concerned unit of ICAI.

No such non-compliance noticed

- (d) Details of such non compliances / amount outstanding for adjustment in such cases as on 31.03.2025. – NA-

9. (a) Whether investments are earmarked corresponding to funds to be earmarked for specific purpose and the same are in agreement. If not, mention the reason for the same.

No such investment in the book of the branch.

- (b) Whether such funds are utilized only for specific purposes for which the same are appropriated.

No Applicable

10. Whether all the revenue grants received and receivable as per the entitlement of the concerned unit duly accounted for in the books of accounts.

Yes, duly accounted

11. Whether Capital Grant is recognized only on receipt basis.

Yes, Accounted on Receipt basis



12. Whether material departure noticed while comparing the actual income and expenditure with the budget estimates approved by the Council. If yes, submit the report of the same.

Income**Rs. In Lakhs**

S.No	Particulars	Budget Estimates	Actuals	Variance %	Reason for Variance
1	Income Support Services	16.20	80.91	400	Includes Rs.39.58 Lakhs of 3 Mega career counselling programs, which was not included in the budget
2	Miscellaneous Income	0.15	1.23	720	Includes written back amount of Rs.0.65 Lakhs (as per HO Instructions) and Rs.0.41 Lakhs being Scrap Income

Expenses**Rs. In Lakhs**

S.No	Particulars	Budget Estimates	Actuals	Variance %	Reason for Variance
1	Seminar Expenses-Students	13.80	46.23	235	Includes Rs.39.58 Lakhs of 3 Mega career counselling programs, which was not included in the budget
2	Rent, rates & Taxes	24.32	34.58	42.19	Lease Rent paid to RLDA has not been included in the budget. Electricity Chgs of Rs.5.15 Lakhs (4 Flats) where budgeted in Class Room training programs.
3	Meeting Expenses	1.50	6.31	321	Foundation Laying ceremony exp. not considered while preparing Budget.
4	Other Expenses	0.25	3.65	1360	Foundation Laying ceremony exp. not considered while preparing Budget.
5	ITT Expenses	19.12	29.49	54.24	Faculty fees for practical classes were not included while preparing budget, However separate faculties were assigned for practical classes and honorarium paid. Further honorarium paid to member in addition to the budgeted figure of Rs.900 Rs.100 was extra paid for the last 2 batches

