



MRS & CO.
Chartered Accountants

An ISO Certified Co.

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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 Ghaziabad Branch of the Institute of Chartered Accountants of India, which comprise the Balance Sheet as at 31st March, 2019 the Statement of Income and Expenditure and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The 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 Ghaziabad Branch 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 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.

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 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making



Report on Other Requirements

Annexure A to Audit Report has been annexed.

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 as required by Chartered Accountant Act, 1949 have been kept by the Ghaziabad Branch of the Institute so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Income and Expenditure, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Income and Expenditure Account comply with the relevant Accounting Standards other than those mentioned in the basis for qualified opinion paragraph.

For MRS & Co.

Chartered Accountant

Firm Registration No.: 016610N



Ram Kumar Dhiman

Partner

Membership No.: 096852

Place: Ghaziabad

Date: 08/07/2019

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 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.

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

Basis for Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended 31st March 2019 give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance sheet, of the state of affairs of the Ghaziabad Branch as at 31st March 2019,
- b) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date; and
- c) in the case of the Cash Flow Statements, of the cash flow for the year ended on that date.

Except,:

1. As per INDAS 16, in case of subsequent recognition, an asset can be capitalized only if Future economic benefits from said expenditure increases and the cost of such expenditure is measurable. On 31st March 2019, building has been capitalized with Rs. 2,56,646/- (Rs. Two Lac Fifty Six Thousand six hundred forty six only) for the expenditure incurred on installation of tiles and fittings in the building premises. The expenditure on tiles and fittings although being measurable does not results in increase of future economic benefits and hence should have been treated as revenue expenditure.
2. Under the head of duties and liabilities, ineligible ITC have been booked as an asset for Rs.7,16,396/- (Rs. Seven Lac, Sixteen thousand three hundred ninty six only) The same should have been treated as revenue expenditure and thus should have hit the expense side of income and expenditure A/c resulting in reduction of profit.

