

## INDEPENDENT AUDITOR'S REPORT

To the Council of the Institute of Cost Accountants of India

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the attached financial statements of **Northern India Regional Council of the Institute of Cost Accountants of India** (hereinafter referred to as "the Council"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Income and Expenditure for the year ended March 31, 2025, and a summary of significant accounting policies and other explanatory information.

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, except for the possible effects of the matter described on the 'Basis for Qualified Opinion' of the state of affairs of the Council as at March 31, 2025, and its surplus, for the year ended on that date.

#### Basis for Opinion

We are independent of the Council in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As per Standard on Auditing ("SA") 701 on 'Communicating Key Audit Matters in the Independent's Auditor's Report', reporting of Key audit matters is mandatory for listed companies. Since Company is unlisted, hence reporting under SA 701 is not applicable to the Company.





## **Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Council's Managing Committee is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Council, in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Council 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively to ensure 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.

Those Managing Committee are also responsible for overseeing the Council'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

We report that:

- (a) Except for the possible effects of the matters described in the Basis for Opinion section above, we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (b) Except for the possible effects of the matters described in the Basis for Opinion section above, in our opinion, proper books of account as required by law have been kept by the Council so far as it appears from our examination of those books.
- (c) Except for the possible effects of the matters described in the Basis for Opinion section above, the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.
- (d) Except for the possible effects of the matters described in the Basis for Opinion section above, in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards.

For BHATIA & BHATIA

Chartered Accountants

ICAI Firm Registration Number: 003202N

  
R. BHATIA, (FCA)

Partner

Membership No.: 017572



Place: New Delhi

Date: 03-07-2025

UDIN: 25017572 BMKNSG1336

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. The basis for Preparation of Financial Statement**

The Financial Statements are prepared under the Historical Cost Convention, the applicable accounting standards issued by the Cost & Works Accountants Act 1959 as amended by the Cost and Works Accountants (Amendment) Act 2006 and are on accrual basis unless otherwise stated.

**2. Revenue Recognition**

The Institute recognizes significant income on the following basis:

**(a) Membership Subscription**

Membership Subscription is recognized in respect of the concerned year.

**(b) Tuition and other fees**

Revenue in respect of postal and oral tuition fees is recognized as and when a student is enrolled.

**(c) Sale of Publications**

Income from sale of publications is recognized when such publications are despatched to users for a price.

**(d) Examination fees**

Examination fees are recognized for those examination terms(s) which are relevant for the concerned financial year.

**(e) Others**

Others revenue from program he is recognised as in one such a activity is undertaken.

**(f) Interest**

Interest for the year due on deposits with banks is recognized on an accrual basis taken into account the amount and outstanding and the applicable rate income from the investments are recognised as and when the right to receive the payment is established.

**3. Expenditure**

Expenditure the expenditure is recognised on an approval basis except for examination for reimbursement, which is accounted on cash basis except in the following cases:

- (i) The Annual grants to the Chapters are recognized as and when disbursed.



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#### 4. Property, Plant and Equipment

Fixed Assets are stated at the cost of acquisition and construction less accumulated depreciation. The management is in the process of preparing the Fixed Assets Register. Physical verification of Fixed Assets has been conducted during the FY 2023-24 and shall be again conducted in the next accounting year.

#### 5. Depreciation

- Depreciation on fixed assets is provided on written down value method as per the Income-tax Act, 1961.
- The premium paid for the acquisition of the lease hold land is amortised over the period of the leaves the ground rent if any is recognised as expense and the year for which such charges are due or payable
- Any item valuing rupees 5000 or less should be depreciated at the rate 100% in the current financial year.
- In the case of the disposal or scrapping of assets no depreciation is charged in the year of such disposal or scrapping.
- Present Rate of Depreciation on W.D.V. Method
  - 1. Building - 10%p.a.
  - 2. Furniture & Fixture - 10%p.a.
  - 3. Library Books - 40%p.a.\*
  - 4. Office Equipment - 15%p.a.
  - 5. Generator - 15%p.a.
  - 6. Motor Car - 15%p.a.
  - 7. Lift - 15%p.a.
  - 8. Computer, Printer, UPS etc - 40%p.a.
  - 9. Computer Software - 40%p.a.

\*Library Books are depreciated at 100% in the year of purchase.

#### 6. Investments

Long term investments are stated at cost. However, when there is a decline other than temporary, in the value of the long-term investments, the carrying amount is reduced to recognise the decline.

#### 7. Inventories

The stock of publications and other items valued at cost except those which are donated obtained as aid. If the stock is worthy for sale or free distribution which are written off. All other stock is maintained at H.O.

#### 8. Impairment of Assets

The value of fixed assets is reviewed at each balance sheet date and is written down to the recoverable amount if it is less than the carrying amount.

#### 9. Prior Period Income and Expenditure

Prior period items which arise in the current period as a result of errors or omission in the preparation of financial statement in one or more prior periods are separately disclosed in the Income and Expenditure Account.



Rajesh Kumar



10. The ICMAI is registered under section 12A of the IT Act, 1961 and is entitled to exemptions under section 10(23A) read with section 11 of the IT Act, 1961 in view of this provisions for taxation has been made in the accounts. No provision for deferred tax liability assets is considered for the year.

#### 11. Employee Benefits

The short-term employee benefit is recognised as an expense when claimed during the period. An unclaimed amount is not provided.

Post-employment benefits such as P.F, Gratuity and Leave Encashment, etc. are provided as applicable to the Head Quarter, Respective Regional councils and Chapters.

#### B. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31-03-2025

1) a) The Northern India Regional Council of the Institute of Cost Accountant of India has obtained the Confirmations of Current Account balances of more than 50% of the Chapter & other receivables. There are some differences pointed out in the confirmation and the NIRC is in the process of the reconciliation of the same and the differences being very old shall be adjusted/ accounted for in the Current year if not able to reconcile. Details of Chapter Current Account Balances is on 31st March 2025 are mentioned below.

Details Of Chapter Current Account Balance as on 31st March 2025							
S.No.	Chapter Name	Opening Balance (Payable) /Receivable	Transaction during the year	Closing Balance (Payable) /Receivable	Receipt of Balance Confirmation	Amount as per balance confirmation received from chapter	Difference
1	Ajmer Bhilwara	23,883.00	-	23,883.00	No	-	23,883.00
2	Chandigarh	26,081.00	-	26,081.00	No	-	26,081.00
3	Dehradun	79,682.00	-	79,682.00	Yes	9,000.00	70,682.00
4	Faridabad	11,250.00	-	11,250.00	No	-	11,250.00
5	Ghaziabad	45,752.00	-	45,752.00	Yes	-	45,752.00
6	Gorakhpur	50,279.00	-	50,279.00	No	-	50,279.00
7	Gurgaon	16,143.00	-	16,143.00	Yes	21,856.00	5,713.00
8	Haridwar & Rishikesh	10,389.00	-	10,389.00	Yes	-	10,389.00
9	Jaipur	-586.00	-	-586.00	Yes	3,772.00	(4,358.00)
10	Jalandhar	-21700.00	-	-21700.00	Yes	-	(21,700.00)
11	Jammu	34,339.00	-	34,339.00	Yes	6,435.00	27,904.00
12	Kota	10,750.00	-	10,750.00	No	-	10,750.00
13	Lucknow	-176159.00	-	-176159.00	Yes	(2,87,436.00)	1,11,277.00
14	Noida	96,834.00	-	96,834.00	No	-	96,834.00
15	Patiala	9,000.00	-	9,000.00	Yes	-	9,000.00
16	Kanpur	-	-	-	Yes	27,962.00	(27,962.00)
17	Udaipur	-	-	-	Yes	(12,280.00)	12,280.00
18	Bhiwani	-	-	-	Yes	2,957.00	(2,957.00)



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	<b>Total</b>	<b>2,15,937</b>	<b>2,15,937</b>			<b>(2,27,734)</b>	<b>4,55,097</b>
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**b) Other Loan to Chapter of NIRC (Advance for Building to Chapter by Regional Council)**

S.N o.	Chapter Name	Opening Balance (Payable) /Receivable	Transaction during the year	Closing Balance (Payable)/ Receivable	Receipt of Balance Confirmation	Amount as per balance confirmation received from chapter	Difference
1	ALLAHBAD CHAPTER	15,00,000	-	15,00,000	Yes	15,00,000	-
2	JODHPUR CHAPTER	6,00,000	-	6,00,000	Yes	6,00,000	-
3	CHANDIGARH CHAPTER	62,553	-	62,553	No		62,553
4	FARIDABAD CHAPTER	2,00,000	-	2,00,000	No	2,00,000	-
5	NOIDA CHAPTER	35,000	-	35,000	No	-	35,000
6	KOTA CHAPTER	3,00,000	-	3,00,000	No	-	3,00,000
7	DEHRADUN CHAPTER	2,50,000	-	2,50,000	No		2,50,000
8	UDAIPUR CHAPTER	40,000	-	40,000	No	-	40,000
9	AJMER BHILWARA CHAPTER	2,00,000	-	2,00,000	Yes	2,00,000	-
10	KANPUR CHAPTER	3,00,000	-	3,00,000	No		3,00,000
	<b>Total</b>	<b>34,87,553</b>		<b>34,87,553</b>		<b>25,00,000</b>	<b>9,87,553</b>

Differences identified for other receivables are under reconciliation by NIRC and will be adjusted in the current year.

2) As per online dues status verified, the NIRC has the outstanding TDS demand of Rs. 60,580/- as mentioned below. These demands are more than 15 years old and not traceable, are being manually dealt with and will be discussed in the next RCM for its conclusion.

S.no.	Year	Total
1	2008-09	43,160
2	2007-08	17,420
<b>TOTAL</b>		<b>60,580</b>



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### 3) Statutory Dues:

- a) The Council has not provided for gratuity liability amounting to ₹52,77,542.35 in the books of accounts, as per the valuation report received from LIC of India, Pension and Group Schemes Department. This liability had also not been paid as of the date of our Audit Report. Furthermore, the valuation was conducted for 5 employees, whereas there are 6 employees in the organization. This is informed to us that it will be taken care by the HO of ICAI.
- b) EPFO payable outstanding for FY 2023-24 Includes Rs. 1,62,244 payable to EPFO as arrears and penalty u/s 7A vide letter DLCPM/17428/comp-II/3 dated 17 April 2023 which is in the process of reconciliation in the current year.
- c) In the 'Employer Contribution to EDLI Payable' account, the opening balance as per the books of NIRC is ₹6,910. However, as on 09.04.2024, the balance reflected is ₹1,846, resulting in a difference of ₹5,064.
- d) In the 'EDLI Inspection Charges Payable' account, the opening balance as per the books of NIRC is ₹4,107. However, as on 09.04.2024, the balance reflected is ₹725, resulting in a difference of ₹3,382.

4) Student convention fees is booked based on actual receipt in Bank and in Cash.

5) The management is in the process of preparing the Fixed Assets Register. Physical verification of Fixed Assets has been conducted during the FY 2023-24 and shall be again conducted in the next accounting year.

6) The following Balance Confirmations are pending for the year ended 31<sup>st</sup> March 2025 and the institute is in the process of reconciliation for the same:

- Confirmation of balances under Loans & Advances (Assets) as on 31.03.2025, specifically for Other Advance amounting to ₹15,488.
- Confirmation of the current account balances of the Head Office with the Regional Council and Chapters (Liabilities), as detailed below:

a) Current a/c CR-Membership fees (RC)/22410	- 800.00 Cr
b) Current a/c CR-Publication, form, prospectus (RC)/22413	- 1021409.00 Cr
c) Current a/c CR-RC (reimbursement of expenses)/22409	- 825084.00 Dr
d) Current a/c CR-RC (Students fees through IEPS)/22405	- 5446013.00 Cr
e) Current a/c CR-RC (Students fees-not through IEPS)/22407	- 6000.00 Cr
- The basis for the amount shown under 'Accrued Income' of ₹30,39,200 under Current Assets as on 31.03.2025.
- Confirmation from the sundry creditors as listed below:

a) Asstt. Director of Estates (Cash) (Vigyan Bhawan)	- ₹3,09,960
b) ICAR Convention Centre (Secretary, ICAR)	- ₹13,93,750



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c) Little More Ads	- ₹2,73,940
d) OM Sai Caterers	- ₹7,72,872
e) Professional Catering Services Pvt. Ltd.	- ₹12,66,588
f) Venus Conferences & Exhibitions Pvt. Ltd.	- ₹2,16,221

**For BHATIA & BHATIA**

Chartered Accountant

ICAI Firm Registration no. 003202N



**R. BHATIA, (FCA)**

Partner

Membership No. 017572



**Place of Signature: New Delhi**

**Date: 03-07-2025**

**UDIN: 25017572-BMKNSG1336**

**Signatories:**

- CMA Santosh Pant - Chairman, NIRC of ICAI
- CMA S.N Mittal- Vice Chairman, NIRC of ICAI
- CMA Rakesh Yadav- Secretary, NIRC of ICAI
- CMA Jeewan Chandra - Treasurer, NIRC of ICAI





Rakesh Yadav

