

**NINETEENTH  
ANNUAL REPORT  
2017-18**



**ICAI Accounting Research Foundation**

**BOARD OF DIRECTORS (As on Date)**

1. CA. Naveen N D Gupta, Chairman (President, ICAI)
2. CA. Prafulla P. Chhajed (Vice-President, ICAI)
3. CA. M. Devaraja Reddy
4. CA. Tarun Jamnadas Ghia
5. CA. Babu Abraham Kallivayalil
6. CA. Atul Kumar Gupta
7. CA. Ranjeet Agarwal
8. CA. K Sripriya
9. Sh. V. Sagar
10. CA. K. Rahman Khan
11. CA. Amarjit Chopra
12. CA. Bhavna G. Doshi
13. CA. Deepak Gupta
14. CA. (Dr.) Sunil Gulati

**AUDIT COMMITTEE**

1. CA. Amarjit Chopra, Chairman
2. CA. Tarun Jamnadas Ghia, Member
3. CA. Atul Gupta, Member
4. CA. Sripiya K., Member
5. CA. Babu Abraham Kallivayalil, Member

**STATUTORY AUDITORS**

M/s. Gupta Nayar & Co  
Chartered Accountants  
Shop No. 44, Park Plaza Market  
CSC No. 6, Sector – 9  
Rohini, Delhi – 110085.

**REGISTERED OFFICE**

ICAI Bhawan, Indraprastha Marg,  
New Delhi – 110002

**BANKER**

Bank of India,  
Bahadurshah Zaffar Marg,  
Hans Bhawan, Delhi – 110002.

# CONTENTS

• Notice	1
• Directors' Report	8
• Auditor's Report	24
• Financial Statement	27





## **ICAI ACCOUNTING RESEARCH FOUNDATION**

(CIN: U73200DL1999NPL097935)

Regd. Office: ICAI Bhawan, Indraprastha Marg, New Delhi - 110002

Email: [arf@icai.in](mailto:arf@icai.in) | Web: [www.icaiarf.org](http://www.icaiarf.org)

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### **NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting ('AGM') of the members of ICAI Accounting Research Foundation (ICAI ARF) will be held on 29th September, 2018 (Saturday) at 4:00 PM, at the Registered Office of the Company, ICAI Bhawan, Indraprastha Marg, New Delhi – 110002 to transact the following business:

#### **Ordinary Business:-**

##### **ITEM NO. 1**

To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2018, the Statement of Income & Expenditure and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Statutory Auditors thereon.

##### **ITEM NO. 2**

To appoint a Director in place of CA. Babu Abraham Kallivayalil (DIN 06564400) under Clause 28(b) of the Articles of Association, who retires from office by rotation and being eligible, offers himself for re-appointment.

##### **ITEM NO. 3**

To appoint a Director in place of CA. Atul Kumar Gupta (DIN 01052730) under Clause 28(b) of the Articles of Association, who retires from office by rotation and being eligible, offers himself for re-appointment.

##### **ITEM NO. 4**

To appoint a Director in place of CA. Ranjeet Kumar Agarwal (DIN 00641814) under Clause 28(b) of the Articles of Association, who retires from office by rotation and being eligible, offers herself for re-appointment.



## ANNUAL REPORT 2017-18

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### ITEM NO. 5

To appoint a Director in place of CA. K. Rahman Khan (DIN 01088160) under Clause 28(d) of the Articles of Association, who retires from office by rotation and being eligible, offers himself for re-appointment.

### ITEM NO. 6

To appoint a Director in place of CA. Amarjit Chopra (DIN 00043355) under Clause 28(d) of the Articles of Association, who retires from office by rotation and being eligible, offers himself for re-appointment.

### ITEM NO. 7

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Gupta Nayar & Co., Chartered Accountants as the Statutory Auditors of the ICAI ARF to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the ICAI ARF at a remuneration of Rs. 60,000/- inclusive of out of pocket expenses, etc.”

### **Special Business:-**

### ITEM NO. 8

**To appoint CA. Prafulla P Chhajed (DIN 0544734) as a Director in the Company under Clause 28(a) of Articles of Association**

CA. Prafulla P. Chhajed is the Vice-President of ICAI. He is a fellow of the ICAI with more than 20 years of professional experience. He has been elected to the Central Council for two consecutive terms (i.e. 2013-16 and 2016-19). As a Council Member, he has served as the Chairman of Committee for Professional Accountants in Business & Industry and Committee on Banking, Insurance, Pension & Financial Markets in 2017-18 and Professional Development Committee, Committee on Public Finance & Government Accounting and Committee on Corporate Social Responsibility in 2016-17.

He has represented the profession on the International front at several global meetings and conferences including at the ‘Public Sector Financial Management Committee (PSMFC)’ of



## ANNUAL REPORT 2017-18

The Confederation of Asian and Pacific Accountants (CAPA). His articles on Taxation and Investments have been published in well-known Marathi daily 'Maharashtra Times' for 15 years besides in other Publications.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), CA. Prafulla P. Chhajed, (DIN 0544734) who was appointed as an Additional Director of the Company on February 12, 2018 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation".

### ITEM NO. 9

**To appoint CA. Bhavna G Doshi (DIN 00400508) as a Director in the Company under Clause 28(d) of Articles of Association**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), CA. Bhavna G Doshi (DIN 00400508) who was appointed as an Additional Director of the Company on March 28, 2018 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation".

### ITEM NO. 10

**To appoint CA. Deepak Gupta (DIN 00136941) as a Director in the Company under Clause 28(d) of Articles of Association**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), CA. Deepak Gupta (DIN 00136941) who was appointed as an Additional Director of the Company on March 28, 2018 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation".



### ITEM NO. 11

#### **To appoint CA. (Dr.) Sunil Gulati (DIN 00014534) as a Director in the Company under Clause 28(d) of Articles of Association**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), CA. (Dr.) Sunil Gulati (DIN 00014534) who was appointed as an Additional Director of the Company on March 28, 2018 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation”.

By Order of the Board of Directors  
for ICAI Accounting Research Foundation

**Place:** New Delhi

**Date:** 13<sup>th</sup> September, 2018

**(CA. Naveen N D Gupta)**

**Chairman**

### **NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto. Brief profiles of the Directors proposed to be reappointed / appointed are enclosed.





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### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO. 8**

The Board of Directors appointed CA. Prafulla P. Chhajed (DIN 0544734) as an Additional Director of the Company with effect from 12th February 2018 under section 161 of the Companies Act, 2013. CA. Prafulla P. Chhajed holds office only up to the date of the forthcoming Annual General Meeting of the Company.

CA. Prafulla P. Chhajed is the nominee of the Council on the board of the company by virtue of his being the Vice-President of ICAI, as per clause 28(a) of Articles of Association.

He is the Vice President of The Institute of Chartered Accountants of India for the term 2018-19. With more than 20 years of continuous and dedicated professional service to the cause of accountancy profession, he was elected Vice-President of the Institute by 23rd Council on February 12, 2018.

CA. Prafulla P. Chhajed is noted for his work as Chairman of Committee for Professional Accountants in Business & Industry, and Committee on Banking, Insurance, Pension & Financial Markets in 2017-18, and Professional Development Committee, Committee on Public Finance and Government Accounting and Committee on Corporate Social Responsibility in 2016-17.

Except CA. Prafulla P. Chhajed, no other directors of the company are concerned or interested in the proposed resolution.

#### **ITEM NO. 9**

The Board of Directors appointed CA. Bhavna G Doshi (DIN 00400508) as an Additional Director of the Company with effect from March 28, 2018 under section 161 of the Companies Act, 2013. CA. Bhavna G Doshi holds office only up to the date of the forthcoming Annual General Meeting of the Company.

CA. Bhavna G Doshi is on the board of the company as per clause 28(d) of Articles of Association.



## ANNUAL REPORT 2017-18

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CA. Bhavna Doshi, an independent consultant, specialises in the fields of taxation (direct and indirect) and regulatory matters and has wide experience in allied fields including accounting, corporate restructuring, valuation. She serves as independent director on Boards of several listed companies.

She has served as an elected member of the Council of the Institute of Chartered Accountants of India (ICAI) for four terms and has chaired Accounting Standards Board, Research, Vision 2021 and other Committees of ICAI. She was also member of a group supporting Tax Administration Reform Commission chaired by Dr Parthsarathy Shome. She has contributed extensively in the field of indirect taxes, especially, VAT and GST implementation in the country.

She has served as a member of the Government Accounting Standards Advisory Board set up by the Controller and Auditor General of India. She was a Member of Compliance Committee of International Federation of Accountants, headquartered in New York.

She was President of the Indian Merchants' Chamber and is actively associated with its activities. She is a regular faculty at programs organized by professional institutes and business chambers and also delivers lectures abroad. Woman and child empowerment are very close to her heart and she takes out time for social activities

Except CA. Bhavna G Doshi, no other directors of the company are concerned or interested in the proposed resolution.

### ITEM NO. 10

The Board of Directors appointed CA. Deepak Gupta (DIN 00136941) as an Additional Director of the Company with effect from March 28, 2018 under section 161 of the Companies Act, 2013. CA. Deepak Gupta holds office only up to the date of the forthcoming Annual General Meeting of the Company.

CA. Deepak Gupta is on the board of the company as per clause 28(d) of Articles of Association.

CA. Deepak Gupta is a seasoned professional with more than 37 years of experience in the field of Accounting, Audit, Finance and Company Law matters. He is amongst the founding members of the ICAI Accounting Research foundation. He was member of the Central Council of the Institute for the term 1998-2001 and worked in many Committees during that period.

Except CA. Deepak Gupta, no other directors of the company are concerned or interested in the proposed resolution.



## ANNUAL REPORT 2017-18

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### ITEM NO. 11

The Board of Directors appointed CA. (Dr.) Sunil Gulati (DIN 00014534) as an Additional Director of the Company with effect from March 28, 2018 under section 161 of the Companies Act, 2013. CA. (Dr.) Sunil Gulati holds office only up to the date of the forthcoming Annual General Meeting of the Company.

CA. (Dr.) Sunil Gulati is on the board of the company as per clause 28(d) of Articles of Association.

CA. (Dr.) Sunil Gulati is an experienced professional with over 25 years of experience in profession, having specialization in Assurance and Taxation practice. He was a member of Central Council of The Institute of Chartered Accountants of India (2001-2004, 1992-95) and chaired many Committees including Continuing Educational Professional Committee and Committee for Members in Industry during that period.

He has also made significant contribution to the Hospitality sector and has been associated with the Federation of Hotel & Restaurant Associations of India (FHRAI), the Apex Body of the four Regional Associations representing the Hospitality Industry. He has been a member of the Managing Committee of FHRAI for several years.

Except CA. (Dr.) Sunil Gulati, no other directors of the company are concerned or interested in the proposed resolution.

By Order of the Board of Directors  
for ICAI Accounting Research Foundation

**Place:** New Delhi

**Date:** 13<sup>th</sup> September, 2018

**(CA. Naveen N D Gupta)**

**Chairman**



### DIRECTORS' REPORT

#### TO THE MEMBERS OF ICAI ACCOUNTING RESEARCH FOUNDATION

The Directors have pleasure in presenting the Nineteenth Annual Report of the ICAI Accounting Research Foundation (ICAI ARF), together with the Audited Balance-Sheet, Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended 31st March 2018.

ICAI ARF was established in January, 1999 by the Institute of Chartered Accountants of India, as a Section 25 company (now section 8 Company) and a core research body to promote research in the areas of accounting, auditing, capital markets, fiscal policies, monetary policies and other related disciplines. ICAI ARF believes that proper research inputs are necessary condition for raising the level of corporate governance, management, accounting and financial reporting. High quality research projects based on practical experience with theoretical extrapolations would also provide valuable inputs in formulation of policies and implementation thereof at macro and micro levels.

#### PERFORMANCE HIGHLIGHTS:

ICAI ARF has completed another successful year, 2017-18, in establishing it as a core research body in the areas of Accounting, Auditing, Fiscal Laws and Policy, Corporate and Economic Laws and Policies, Economics, Financial Management, Financial Services, Capital and Money Markets and other related disciplines.

Recognizing the impetus required for promoting quality research in the country, the Board has adopted and pursued a multi-pronged action plan to support research projects of contemporary national and international significance in the areas related to accountancy profession. ICAI ARF has extended an open invitation to undertake research to various institutions, research bodies, research scholars and the practitioners.

New value added projects will continue to be the fundamental part of subsistence of ICAI ARF. Accordingly, ICAI ARF reaffirms its commitment to continue undertaking the research projects that would add value and help in spreading, promoting and advancement of various disciplines in the fields of accountancy, auditing, fiscal laws and policy, corporate and economic laws and policies, economics, financial management, financial services, capital and money markets, management information and control systems and other allied fields.

#### RESEARCH PROJECTS:

The main objective of the establishment of ICAI ARF is to undertake, conduct, foster, promote and provide aid and facilities for prosecuting core, fundamental, empirical, applied and other kinds of research work, projects and studies. The research work undertaken by ICAI ARF has been divided amongst two branches of research, viz., (1) Basic Research, and (2) Applied Research.



A status update of major research projects completed during the year and presently undertaken / implemented under basic and applied research is outlined hereunder along with particulars of proposals that are under consideration:

### **1. BASIC RESEARCH:**

Basic research is designed to add to an organized body of scientific knowledge and does not necessarily produce results of immediate practical value. It is concerned with formulation of a theory or a contribution to theory. The ICAI ARF involves in carrying out basic research projects pertaining to subjects requiring enquiring into problems and issues significant to accounting and auditing and allied disciplines such as economics, finance and business laws through outsourcing research projects by inviting applications from research bodies/scholars and providing them financial assistance. The following research projects was completed during the year:

#### **1.1 Analysis of issues on Mandatory Reporting under IFRS in India by Dr. Shigufta Uzma, Associate Professor, NIT, Rourkela**

The researcher aims to carry out the analysis on the aspects related to Mandatory Reporting under IFRS in India.

### **2. APPLIED RESEARCH:**

Applied Research is directed towards the solution of immediate specific and practical problems. It is performed in relation to actual problems and under the conditions in which they are found in practice. The applied research requires systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

In view of the above, ICAI ARF has, in past, undertaken research projects related to conversion of accounts from cash basis to accrual system of Accounting of Municipal Corporation of Delhi (MCD), Kolkata Municipal Corporation (KMC), Controller General of Accounts (CGA) and Department of Posts (DoP), All India Institute of Medical Sciences (AIIMS), Kerala State Insurance Department (KSID), Employees' Provident Fund Organisation (EPFO), etc. involving conceptualizing a new accounting system including the incorporation of methodologies and procedures not common in India. The Foundation had also undertaken DFID Project relating to Strengthening Rural Decentralization (SRD) suggesting a detailed methodology and road map for under pinning the issue on a logical framework. In continuation to above, the following projects have been undertaken by ICAI ARF:

#### **2.1 ONGOING PROJECTS DURING THE YEAR**

##### **2.1.1 Indian Railways - Work of Rolling Out Accrual Accounting in all the Zonal Railways and Production Units across the country.**



## ANNUAL REPORT 2017-18

### 2.2 NEW PROJECT PROPOSALS RECEIVED DURING THE YEAR:

#### 2.2.1 Municipal Corporation of Greater Mumbai (MCGM) - Pilot Study Project on Review and Strengthening of Accrual Accounting System and Designing of a Sustainable Audit Management Framework

ICAI ARF has received the Letter of Assignment. The terms of the MoU are still under discussion and the project work will commence after signing up of the MoU.

#### 2.2.2 Tamil Nadu Civil Supplies Corporation Limited - To Develop Integrated Accounting System including a complete IT enabled Management Information System

ICAI ARF has received the Letter of Assignment. The project work has begun in July, 2018.

#### 2.2.3 Employees' Provident Fund Organisation (EPFO) : Proposal for Implementation of Accrual Accounting in selected verticals of EPFO in Phase II and Roll Out across EPFO in Phase III

#### 2.2.4 Directorate of Printing, Ministry of Housing & Urban Affairs, Government of India : Consultancy Assignment for introduction of Commercial Accounting System

#### 2.2.5 Ministry of Rural Development, Government of India : Accounting & Auditing Reforms in Mahatma Gandhi National Rural Employment Guarantee Scheme

### FINANCIAL PERFORMANCE:

During the year, the receipt from research activities has been Rs. 0.43 lakh as against Rs. 172.39 lakh in the previous year. The deficit for the year under review amounted to Rs. 64.72 lakh as compared to a net surplus of Rs. 68.49 lakh in the previous year. Financial results for the year 2017-18 compared with those of previous year are summarized below:

Particulars	2017-18	2016-17
Revenue from Research Activities	43,364	1,72,38,800
Subscription from Members	1,45,000	1,20,000
Interest from Bank	5,70,600	1,05,561
Interest from Income Tax Refund	2,99,016	8,934
Grant		69,70,000
Miscellaneous Income	54,295	1,99,560
<b>Total Income (A)</b>	<b>11,12,275</b>	<b>2,46,42,855</b>



## ANNUAL REPORT 2017-18

<b>Total Expenditure (B)</b>	<b>75,84,464</b>	<b>1,65,92,177</b>
<b>Surplus/ (Deficit) Before Taxation (C) - (A-B)</b>	<b>(64,72,189)</b>	<b>80,50,678</b>
Less (D) : Current Tax Deferred Tax Provision for Taxation Prior Period Item		12,01,200
<b>Surplus/ (Deficit) After Taxation (C-D)</b>	<b>(64,72,189)</b>	<b>68,49,478</b>

The Directors propose to appropriate this amount as under:

Amount transferred to General Reserve	<b>(64,72,189)</b>	<b>68,49,478</b>
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<b>Summarized Cash Flow Statement:</b>	<b>2017-18</b>	<b>2016-17</b>
Inflow/(outflow) from operations	80,77,626	28,69,728
(Inflow)/outflow from investing activities	5,70,600	1,05,561
(Inflow)/outflow from financing activities	3,72,016	3,54,298
Net increase/(decrease) in cash & bank balance	90,20,242	33,29,587

### STRENGTHENING OF INFRASTRUCTURAL BASE:

In order to strengthen the infrastructure base, ICAI ARF had taken an area of 20,000 sq. ft. in the Research Block, A-29, Sector-62, Noida, U.P. on sub-lease for a period of not less than ten years from the Institute of Chartered Accountants of India on annual lease rental of Rs. 5,000/- along with Rs. 5,00,00,000/- (Rs. 5 Crore only) towards the acquisition of built up space and the proportionate cost of construction, furniture and fixtures, installation and interiors thereof.

### THE WAY FORWARD:

Recognising the fact that considerable efforts are required not only to promote research in the field of accounting in India but also to show and prove its applicability and benefits in the real world, ICAI ARF propose to take a number of proactive measures for undertaking applied research, and carrying out research studies. ICAI ARF further plans to intensify promotional campaign for establishing direct contact with the authorities/organisations/bodies working as extensions of the Government of India and operating on Cash Basis of Accounting to on the one hand, and reaching out to the potential researchers throughout the country, on the other.

The list of proposed research projects of contemporary national and international significance would be further expanded. In select areas, ICAI ARF may directly undertake research. Possibilities for networking with research organisation of repute, within and outside India, would be explored. Series of technical documents are proposed to be published and focussed training programmes organised for dissemination of technical knowledge and skills to various stakeholders.



Initiative for applied research in newer areas including already undertaken with the office of EPFO and IR on the lines of those taken up for MCD, KMC, CGA, AIIMS and DoP would also be considered on the basis of their significance and usefulness as well as serving the ICAI ARF objectives.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**DEPOSITS**

The Company has not invited/accepted any deposits from the public during the year ended March 31, 2018. There were no unclaimed or unpaid deposits as on March 31, 2018.

**DIVIDEND**

The Company is restricted by its Memorandum of Association for distribution of dividend among its members.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:**

<b>Conservation of energy:</b>	The Foundation deals in Basic and Applied research and does not require large quantities of energy. However, wherever possible energy saving efforts are made.
<b>Technology absorption:</b>	Being a research organization, all the functions and resources are devoted towards research purposes. The IR, EPFO, PFC, MCD, KMC, CGA and DoP projects have been instrumental in building expertise in conversion of accounts to accrual basis.
<b>Foreign Exchange earnings</b>	Foreign Exchange earnings : Nil
<b>&amp; Outgo:</b>	Foreign Exchange Outgo : Nil





### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is annexed herewith as **Annexure A** to this Report.

### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

Three Meetings of the Board of Directors were held during the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by section 134(5) of the Companies Act, 2013 the Board hereby submit its Responsibility Statement:-

1. In the preparation of annual accounts, applicable accounting standards have been followed with no material departure;
2. The selected accounting policies had been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Foundation as at 31st March 2018 and of the excess of Expenditure and over income of the Foundation for that period;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for detecting and prevention of fraud and other irregularities; and
4. We have prepared the annual accounts on a 'going concern' basis.
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## ANNUAL REPORT 2017-18

### STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have written Risk Management Policy however closely monitors the threat to the Company's existence to the minimal.

### CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business of the company.

### DETAILS OF DIRECTOR OR KEY MANAGERIAL PERSONNEL

As on the date of this report the composition of Board of Directors of the Company is as follows:

1. CA. Naveen N D Gupta (President, ICAI)
2. CA. Prafulla P Chhajed\* (Vice-President, ICAI)
3. CA. M. Devaraja Reddy
4. CA. Tarun Jamnadas Ghia
5. CA. Babu Abraham Kallivayalil
6. CA. Atul Gupta
7. CA. Ranjeet Agarwal
8. CA. K Sripriya
9. Sh. V Sagar (Secretary, ICAI)
10. CA. K Rahman Khan
11. CA. Amarjit Chopra
12. CA. Bhavna G Doshi\*\*
13. CA. Deepak Kumar Gupta\*\*
14. CA. (Dr.) Sunil Gulati\*\*

\* Appointed as director on 12<sup>th</sup> February, 2018

\*\* Appointed as director on 28<sup>th</sup> March, 2018

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year under review, the Company has not advanced any loans/given guarantees/made investments.

### BOARD OF DIRECTORS

During the year, CA. Nilesh S Vikamsey relinquished the charge of Chairman held by him as Ex-Officio. The Board places on record its appreciation for the commendable services and contribution made by CA. Nilesh S Vikamsey.



### **DECLARATION OF INDEPENDENT DIRECTORS**

The Provision of Section 149 pertaining to the appointment of Independent Directors does not apply to the Company.

### **STATUTORY AUDITORS**

M/s. Gupta Nayar & Co. (Chartered Accountants) will retire as Auditors at the conclusion of this Annual General Meeting. The Board at its 75th Meeting held on 13th September, 2018 has recommended re-appointment of M/s. Gupta Nayar & Co. (Chartered Accountants) as Statutory Auditors of the Company for the F.Y. 2018-19 and they have confirmed their eligibility in accordance with the provision of the Companies Act, 2013.

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE**

During the year under review, the Audit Committee comprised of following Directors:

1. CA. Amarjit Chopra, Chairman
2. CA. Tarun Jamnadas Ghia, Member
3. CA. Atul Gupta, Member
4. CA. Sripiya K., Member
5. CA. Babu Abraham Kallivayalil, Member

### **INDUSTRIAL RELATIONS**

ICAI ARF has always maintained cordial and harmonious relations at all levels. Efforts were made to inculcate team spirit and motivate the employees to fully develop their potential.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The internal financial controls are adequate with reference to the financial statements.

### **PARTICULARS OF EMPLOYEES**

The activities of the company are being pursued through a team of staff from ICAI. Since the company does not have employees, the provision of Rule 5(2) of the Companies (Management and Administration) Rules, 2014 are not applicable and hence details have not been given.

### **DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.



## **ANNUAL REPORT 2017-18**

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The Company has not received any complaint on sexual harassment during the current financial year.

### **ACKNOWLEDGEMENT**

The Board takes this opportunity to place on record its appreciation for the continued assistance, support and co-operation received from Indian Railways (IR), M/s. Infosys Technologies Ltd, Guru Gobind Singh Indraprastha University, Bank of India and other authorities, experts, research scholars and individuals during the course of execution of the research projects and in other disciplines.

The Board of Directors sincerely appreciate and commend the valuable contribution made by the employees of the foundation at all levels in the pursuit of achieving objectives of the foundation for another year in succession.

For & On behalf of the Board  
For ICAI Accounting Research Foundation

Place: New Delhi  
Date: 13<sup>th</sup> September, 2018

(CA. NAVEEN N D GUPTA)  
CHAIRMAN



## Annexure 'A'

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURNS FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2018**

**[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U73200DL1999NPL097935
ii.	Registration Date	14/01/1999
iii.	Name of the Company	ICAI ACCOUNTING RESEARCH FOUNDATION
iv.	Category/Sub-Category of the Company	COMPANY LICENSED UNDER SECTION 8 (EARLIER SECTION 25)
v.	Address of the Registered office and contact details	ICAI BHAWAN, INDRAPRASTHA MARG, NEW DELHI; arf@icai.in
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	NA		
2			
3			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NA				
2.					
3.					
4.					



## ANNUAL REPORT 2017-18

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>	<b>NA</b>								
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-									
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt	<b>NA</b>								
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)									
<b>2. Non Institutions</b>									



## ANNUAL REPORT 2017-18

a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals  (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others(Specify)									
Sub-total(B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
GrandTotal (A+B+C)									

### Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%Of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%Of Shares Pledged / encumbered to total shares	
1.		NA						
2.								
3.								
	<b>Total</b>							



## ANNUAL REPORT 2017-18

### ii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>NA</b>			
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	<b>NA</b>			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				





## ANNUAL REPORT 2017-18

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a) Salary as per section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act,1961 (c) Profits in lieu of salary under section17(3) Income- tax Act,1961	NA				NIL
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as% of profit - Others, specify					
5.	Others, please specify					
6.	Total (A)					
	Ceiling as per the Act					

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
	<u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	NA				NIL
	Total(1)					
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify					
	Total(2)					
	Total(B) = (1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					


**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary  (a) Salary as per section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NIL
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit -Others, specify...				
5.	Others, please specify				
6.	Total				



## ANNUAL REPORT 2017-18

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, If any (give details)
<b>A. Company</b>					
Penalty	NA				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

For & On behalf of the Board  
For ICAI Accounting Research Foundation

Place: New Delhi  
Date: 13<sup>th</sup> September, 2018

(CA. NAVEEN N D GUPTA)  
CHAIRMAN



## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
ICAI Accounting Research Foundation  
ICAI Bhawan, Indraprastha Marg, New Delhi-110002

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of ICAI Accounting Research Foundation ("the Company"), which comprises of the Balance Sheet as at 31 March 2018, the Statement of Income and Expenditure and the 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 Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its Deficit and its cash flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

This report does not include a statement on the matters as required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, since as per para 1 (2) (iii), the order is not applicable.

As required by section 143(3) of the Act, 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors stand disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company does not have any pending litigation which would impact its financial position.



## **ANNUAL REPORT 2017-18**

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- ii. There is no such case for which the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR GUPTA NAYAR & CO.**

**Chartered Accountants**

**Firm Reg. No. 008376N**

**SATYABHAMA GUPTA**

**PARTNER**

**Membership No. 073295**

**Place: Delhi**

**Date: 13<sup>th</sup> September, 2018**



# ANNUAL REPORT 2017-18

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by Guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

## Balance Sheet

(Amount in Rs.)

	Note	Figures at the end of Current Reporting period ended 31 March 2018	Figures at the end of Previous Reporting period ended 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Member's Funds</b>			
(a) Capital Fund	2	5,00,00,000	5,00,00,000
(b) Reserves and Surplus	3	(1,62,32,137)	(98,43,948)
		3,37,67,863	4,01,56,052
<b>Non Current Liabilities</b>			
(a) Earmarked Funds: (Infosys Fellowship Fund)	4	50,49,181	47,61,165
<b>Current Liabilities</b>			
(a) Trade Payables	5	56,32,492	10,38,240
(b) Other current Liabilities	6	1,04,63,889	20,06,616
		1,60,96,381	30,44,856
<b>TOTAL</b>		<b>5,49,13,425</b>	<b>4,79,62,073</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		7,008	7,008
(ii) Intangible Assets			
Leasehold Rights		1,62,50,000	2,12,50,000
		1,62,57,008	2,12,57,008
<b>Current Assets</b>			
(a) Trade Receivables	8	40,23,674	66,73,459
(b) Cash and Bank Balance	9	1,99,07,154	1,08,86,911
(c) Short Term Loans and Advances	10	45,56,100	43,54,657
(d) Other current assets	11	1,01,69,490	47,90,038
		3,86,56,417	2,67,05,065
<b>TOTAL</b>		<b>5,49,13,425</b>	<b>4,79,62,073</b>

Significant accounting policies

1

Notes forming part of accounts

16

Schedules referred to above form an integral part of the Balance Sheet

As per our audit report of even date

For Gupta Nayar & Co.

Chartered Accountants

FRN 008376N

For and on behalf of Board of Directors

CA. Satyabhama Gupta

(Partner)

Membership No. : 073295

V Sagar

Director

DIN : 07030660

CA. Prafulla Premeekukh Chhajed

Director

DIN : 03544734

CA. Naveen N D Gupta

Chairman

DIN : 00271748

Place: New Delhi

Date: 13.09.2018



# ANNUAL REPORT 2017-18

## ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

### Statement of Income and Expenditure

(Amount in Rs.)

	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>INCOME</b>			
Receipts against Applied Research Projects	12	43,364	1,72,38,800
Other Receipts	13	10,68,911	74,04,055
<b>TOTAL REVENUE</b>		<b>11,12,275</b>	<b>2,46,42,855</b>
<b>EXPENSES</b>			
Honorarium to Research Associates & Project Team		5,09,755	88,59,047
Professional & Consultancy Charges	14	16,45,805	6,95,305
Depreciation and amortisation expenses	7	50,00,000	50,00,000
Other Expenses	15	4,28,904	20,37,825
<b>TOTAL EXPENSES</b>		<b>75,84,464</b>	<b>1,65,92,177</b>
<b>Excess of Expenditure over Income</b>		<b>(64,72,189)</b>	<b>80,50,678</b>
Prior Period Item		-	(12,01,200)
<b>Amount transferred to General Reserve (Note-B)</b>		<b>(64,72,189)</b>	<b>68,49,478</b>
Significant accounting policies	1		
Notes forming part of accounts	16		
Schedules referred to above form an integral part of the Balance Sheet			
As per our audit report of even date			
<b>For Gupta Nayar &amp; Co.</b>		For and on behalf of Board of Directors	
Chartered Accountants			
FRN 008376N			

CA. Satyabhama Gupta  
(Partner)  
Membership No. : 073295

Place: New Delhi  
Date:13.09.2018

V Sagar  
Director  
DIN : 07030660

CA. Prafulla Premasukh Chhajed  
Director  
DIN : 03544734

CA. Naveen N D Gupta  
Chairman  
DIN : 00271748



**Note 1. SIGNIFICANT ACCOUNTING POLICIES****a. COMPANY PROFILE:**

ICAI Accounting Research Foundation (ICAI ARF) is a Company Limited by Guarantee registered on 14th January, 1999 under Section 8 of the Companies Act, 2013 (originally set up under Section 25 of the erstwhile Companies Act, 1956).

The objective of the Company is to conceive establish, promote, sponsor, take over, own, run, administer, operate, maintain, equip and control an academy for the purpose of imparting, spreading and promoting knowledge, learning, education and understanding in the fields of accounting, auditing, fiscal Laws and policy, corporate and economic laws and policies, economics, financial management, financial services, capital and money markets, management information and control systems, management consultancy services and allied disciplines by any means.

**b. SIGNIFICANT ACCOUNTING POLICIES****I. Basis of accounting and preparation of financial statements**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

**II. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

**III. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic value will flow to the Company and the revenue can be reliably measured.

Revenue is recognized on the basis of Percentage of Completion (POC) method as per assessment of physical progress of the service contract having contract scheduled completion period of more than one year, except in cases where progress is less than 25%, which is taken at cost as Services Work in Progress.



Service contract completed within a year, revenue is to be recognized at the time of completion of the contract.

#### **IV. Property, Plant and Equipment**

- i. Property, Plant and Equipment are carried at historical cost less accumulated depreciation and impairment losses, where applicable. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use.
- ii. Depreciation on assets is provided on the Written Down Value Method by adopting the useful lives as prescribed in the Companies Act 2013. Depreciation on additions during the year is provided on a pro-rata basis.
- iii. Leasehold rights are amortized on a Straight Line basis over the period of the lease.

#### **V. Capital Reserve and Grant**

- i. Entrance Fees received from Members is credited to Capital Reserve.
- ii. Grants received for specific project are recorded as Current Liability as and when received and after payment of all expenditure pertaining to that project, unutilised grant is treated as per the directions of the Grantor.
- iii. Grants received for meeting the day to day expenses for the functioning of the company are treated as revenue grants and are accordingly recognised in the statement of income & expenditure.

#### **VI. Investment of Earmarked funds**

The Fund Balance is invested in Flexi Deposit Account with Nationalised Banks. Interest received, accrued and due and accrued but not due on such investments, are added to the respective funds to the extent not immediately required for expenditure and not treated as income.

#### **VIII. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in bank and deposits with banks. Cash equivalents are highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **IX. Income tax**

The Company has been granted exemption from Income Tax under section 10 (23C)(iv) and section 12A read with section 12AA of the Income Tax Act, 1961.



## ANNUAL REPORT 2017-18

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### X. Provisions and contingencies

A provision is recognised when the Company 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**For Gupta Nayar & Co.**  
Chartered Accountants  
FRN 008376N

For and on behalf of Board of Directors

**CA. Satyabhama Gupta**  
(Partner)  
Membership No. : 073295

**V Sagar**  
Director  
DIN : 07030660

**CA. Prafulla Premsukh Chhajed**  
Director  
DIN : 03544734

**CA. Naveen N D Gupta**  
Chairman  
DIN : 00271748

Place: New Delhi  
Date: 13.09.2018



# ANNUAL REPORT 2017-18

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

## NOTES TO STATEMENT OF ACCOUNTS

		(Amount in Rs.)	
PARTICULARS	Figures at the end of Current Reporting period ended 31 March 2018	Figures at the end of Previous Reporting period ended 31 March 2017	
<b>Note 2. CAPITAL FUND</b>			
Capital Fund	5,00,00,000	5,00,00,000	
<b>Total</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>	
<b>Note 3. RESERVES AND SUPRLUS</b>			
<b>Capital Reserve:</b>			
Balance as per last Balance Sheet	7,78,000	7,15,000	
Entrance fee received during the year	84,000	63,000	
<b>Total</b>	<b>8,62,000</b>	<b>7,78,000</b>	
<b>General Reserve:</b>			
Balance as per last Balance Sheet	(1,06,21,948)	(1,74,71,426)	
Surplus/(Deficit) transferred from Statement of Income & Expenditure	(64,72,189)	68,49,478	
<b>Total</b>	<b>(1,70,94,137)</b>	<b>(1,06,21,948)</b>	
<b>Grand Total</b>	<b>(1,62,32,137)</b>	<b>(98,43,948)</b>	
<b>Note 4. EARMARKED FUNDS:(Infosys Fellowship Fund)</b>			
<b>Infosys Fellowship Grant</b>	4,00,000	4,00,000	
Balance as per last Balance Sheet	43,61,165	40,69,867	
Other Adjustments	-	-	
Interest received during the year	2,88,016	2,91,298	43,61,165
<b>Total</b>	<b>50,49,181</b>	<b>47,61,165</b>	
<b>Note 5. TRADE PAYABLES</b>			
<b>Consultancy Expenses Payable</b>			
AIIMS Project	1,28,292	1,28,292	
EPFO Project	1,87,425	26,710	
Indian Railway Project	4,45,710	4,74,166	
Indian Railway (Roll Out)	1,98,000	1,88,710	8,17,878
<b>Creditors for expenses</b>			
-Due to MSME	44,469		14,402
-Others			
'-Related Party	40,09,555		-
'-Others	6,19,041		2,05,960
<b>Total</b>	<b>56,32,492</b>	<b>10,38,240</b>	
<b>Note 6. OTHER CURRENT LIABILITIES:</b>			
Payable to Related Party			
For Building	16,27,062	16,27,062	
Other Payable	2,85,178	2,85,178	19,12,240
Statutory Dues			
TDS	1,77,115	94,376	94,376
Advance Billing (Roll Out Project)		83,74,534	-
<b>Total</b>	<b>1,04,63,889</b>	<b>20,06,616</b>	



## ICAI ACCOUNTING RESEARCH FOUNDATION

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

**NOTE 7: FIXED ASSETS****(Amount in Rs.)**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the year	As at March 31, 2018	As at March 31, 2017
<b>(i) Tangible Assets</b>								
Office Equipments	75,016	-	-	75,016	71,265	-	3,751	3,751
Computers	2,43,580	-	-	2,43,580	2,40,323	-	3,257	3,257
<b>(ii) Intangible Assets</b>								
Leasehold Rights	5,00,00,000	-	-	5,00,00,000	2,87,50,000	50,00,000	1,62,50,000	2,12,50,000
<b>Total</b>	<b>5,03,18,596</b>	<b>-</b>	<b>-</b>	<b>5,03,18,596</b>	<b>2,90,61,588</b>	<b>50,00,000</b>	<b>1,62,57,008</b>	<b>2,12,57,008</b>
Previous Year	5,03,18,596	-	-	5,03,18,596	2,40,61,588	50,00,000	2,12,57,008	2,62,57,008



# ANNUAL REPORT 2017-18

## ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935) (Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi  
NOTES TO STATEMENT OF ACCOUNTS

PARTICULARS	Figures at the end of Current Reporting period ended 31 March 2018	(Amount in Rs.) Figures at the end of Previous Reporting period ended 31 March 2017
<b>Note 8. TRADE RECEIVABLES</b>		
<b>(Unsecured - considered good unless otherwise stated)</b>		
Outstanding for more than 6 months from the due date		
Considered good	31,80,334	31,80,334
Considered Doubtful	7,85,680	7,85,680
Provision for Doubtful debts	(7,85,680)	(7,85,680)
Other receivables-Considered good	8,43,340	34,93,125
	<b>40,23,674</b>	<b>66,73,459</b>
<b>Note 9. CASH AND BANK BALANCE</b>		
Balances with Scheduled Banks in Current Accounts		
ICAI Accounting Research Foundation Account	96,07,869	2,03,921
ICAI ARF Infosys Fellowship Account	50,20,309	47,61,015
Fixed Deposit (Under Charge against Bank Guarantee)*	52,78,975	59,21,975
* Fixed Deposit amounting to Rs. Nil will be matured in more than 12 months.	<b>1,99,07,154</b>	<b>1,08,86,911</b>
<b>Note 10. SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured - considered good, unless stated otherwise)</b>		
<b>Taxes and Duties Recoverable</b>		
TDS Recoverable	24,08,285	25,67,978
Accrued Interest	5,33,202	1,68,059
Earnest Money with Indian Railway	7,79,500	9,44,500
Pay Order for Trade mark	20,000	20,000
Goods & Service Tax Input Credit	8,15,113	6,54,120
	<b>45,56,100</b>	<b>43,54,657</b>
<b>Note 11. Other current assets</b>		
Unbilled Revenue (RCF) Refer to Note No. 16(XI)	16,87,500	37,12,500
Work-in-progress (Roll Out) Refer to Note No. 16(XII)	83,65,170	10,77,538
Membership Fees Receivable		
-Related party	1,16,820	-
	<b>1,01,69,490</b>	<b>47,90,038</b>

# ANNUAL REPORT 2017-18



## ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

### NOTES TO STATEMENT OF ACCOUNTS

(Amount in Rs)

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Note 12. RECEIPTS FROM APPLIED RESEARCH PROJECTS</b>		
Indian Railway Project		
-NWR	-	88,08,800
-RCF	-	30,37,500
-Accrual Workshop	2,542	-
-Coal India Limited	40,822	-
Power Finance Corporation & its Subsidiaries	-	16,80,000
Unbilled Revenue (RCF)	-	37,12,500
	<b>43,364</b>	<b>1,72,38,800</b>
<b>Note 13. OTHER RECEIPTS</b>		
Subscription from Members	1,45,000	1,20,000
Interest		
Bank Deposits	5,70,600	1,05,561
Income Tax Refund	2,99,016	8,934
Document Fees	1,500	
Grants from ICAI	-	50,70,000
Grants from ICAI-Outcome Budgeting	-	19,00,000
Sundry Balances Written off	52,795	1,99,560
	<b>10,68,911</b>	<b>74,04,055</b>
<b>Note 14. PROFESSIONAL AND CONSULTANCY CHARGES</b>		
Professional Charges for Administrative Support	16,45,805	2,88,579
Consultancy Charges for Project Work	-	4,06,726
	<b>16,45,805</b>	<b>6,95,305</b>
<b>Note 15. OTHER EXPENSES</b>		
Statutory Audit Fees	60,000	50,000
Legal & Professional Charges	50,000	87,380
Miscellaneous Expenses	82,544	91,591
Rent	5,000	2,64,968
Travelling, Conveyance & Daily Allowances	24,910	6,76,274
Miscellaneous Expenses for Project Work	2,06,450	8,67,613
	<b>4,28,904</b>	<b>20,37,825</b>



## ANNUAL REPORT 2017-18

### Note 16 NOTES FORMING PART OF ACCOUNTS:

- I. Estimated amount of Capital Commitment provided for: Rs. 16,27,062/- (Previous year Rs 16,27,062/-).
- II. ICAI ARF entered into a Memorandum of Understanding (MoU) on March 31, 2008, with the Institute of Chartered Accountants of India, New Delhi (ICAI), for sub-lease of Office premises at Sector-62, Noida, U.P. for a period of ten years, on completion of the building by ICAI. In terms of the MoU, ICAI ARF is required to make a total payment of Rs. 500 lakh towards the cost of construction, furniture and fixtures, installation and interiors etc. The Company has made payments aggregating to Rs. 483.73 lakh till date and Rs. 16.27 lakh is still to be paid. During the year 2011-12, the Foundation has taken possession of the premises. The sublease with ICAI requires approval of NOIDA Authorities, for which necessary steps are being taken by ICAI. The consideration of Rs. 500 lakh is capitalized as "Leasehold Rights" under Intangible Assets and is amortised over a period of ten years in equal annual installments.
- III. Infosys Fellowship Fund  
Infosys Fellowship Fund represents the fellowship grant received from Infosys Technologies Ltd., to offer fellowship to deserving candidates under the proposed Fellowship Program of ICAI ARF in affiliation with the Guru Gobind Singh Indraprastha University, Delhi. Interest received on the fund amounting to Rs. 2,88,016/- for the year ended on 31st March 2018 (Previous Year Rs.2,91,298/-) has been credited to the fund. The same will be utilized as per the agreement with Infosys Technologies Ltd.
- IV. ICAI ARF is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company is required to comply with the Accounting Standards as applicable to an SMC. However, the Company has prepared Cash Flow Statement, though not mandatory under AS-3.
- V. ICAI ARF is a Company limited by Guarantee with liability of each member not exceeding Rs.1000/- (Rupees One Thousand Only).
- VI. Trade Receivables include the following amounts for which confirmation of balances are yet to be obtained. Based on review, such amounts are considered good and recoverable and accordingly no provisions have been considered in the financial statements:

S.NO.	NAME	AMOUNT (in Rs.)
1	Employee Provident Fund Organization	12,72,250
2	All India Institute of Medical Sciences	19,08,084
	Due for less than 6 months	
1	Indian Railways (RCF, Kapurthala Project)	8,43,340
	<b>Total</b>	<b>40,23,674</b>





## ANNUAL REPORT 2017-18

VII. Trade Payable/Trade Receivable, Loan & Advances are subject to confirmation and reconciliation.

VIII. Related Party Disclosures under AS-18

**A. Related parties and their relationship:**

- i. The Institute of Chartered Accountants of India (ICAI) (Control exists)
- ii. Key Managerial Personnel : Sh. V. Sagar, Secretary, ICAI who is Director by virtue of Article 28 (d)(i) of the Articles of Association of the Company

**B. Transactions with Related Parties**

Party Name	Relationship	Nature of Transaction	F.Y. 2017-2018	F.Y. 2016-2017
ICAI	Control exists	Grant received	-	50,70,000
ICAI	Control exists	Grant received for specific project	-	19,00,000
ICAI	Control exists	Loan received	23,00,000	0
ICAI	Control exists	Loan repaid	23,00,000	0
ICAI	Control exists	Membership fees received	1,27,700	1,00,000
ICAI	Control exists	Entrance fees received	99,120	63,000
ICAI	Control exists	Consultant & Other Services	40,78,685	0
ICAI	Control exists	Rent	5000	5000

**C. Outstanding Balance as at 31.3.2018:**

Name	F.Y. 2017-2018	F.Y. 2016-2017
Capital Commitment	16,27,062	16,27,062
Consultant & Other Services	40,09,555	-
Grant for Coal India Limited Project	2,85,178	2,85,178
Rent payable	35,000	30,000
Membership Fees receivable	1,16,820	-

**IX Disclosure pursuant to section 22 of MSMED Act 2006:**

Disclosure of dues/ payments to micro and small enterprises to the extent such enterprises are identified by the company.



## ANNUAL REPORT 2017-18

Amount in Rs.

S. No	Particulars	2018	2017
(i)	The principal amount remaining unpaid as at year end and Interest due thereon remaining unpaid on year end	44,469	14,402
	Principal amount due to micro and small enterprises	44,469	14,402
	Interest due on above	NIL	NIL
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting Year	NIL	NIL
(iii)	Delayed payment of principal beyond the appointed date during the year and Interest actually paid under section 16 of MSME Act, 2006	NIL	NIL
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid on year end in respect of principal amount settled during the year	NIL	NIL
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

- X. The disclosures required under Schedule-III to the Companies Act, 2013 have been furnished to the extent applicable.
- XI. Out of the unbilled revenue of Rs. 37,12,500/- (Rupees Thirty Seven Lakh Twelve Thousand Five Hundred Only), invoice were issued for Rs. 20,25,000/- (Rupees Twenty Lakh Twenty Five Thousand Only) during the year on receipt of approval of deliverables by the competent authority and the balance unbilled revenue of Rs. 16,87,500/- (Rupees Sixteen Lakh Eighty Seven Thousand Five Hundred Only) is being carried forward.
- XII. On 15th February, 2017 ICAI ARF entered into an agreement with Northern Railways for rolling out accrual accounting across Indian Railways. For the purpose, ICAI ARF engaged 25 Chartered Accountant Firms as unit team at various locations spread across the



country. As per the RFP and agreement signed with the Unit CA Teams, following are the deliverables/milestones and terms for the payment:

S. No.	Milestone	% of total value of contract
1	Preparation of the Opening Balance Sheet as on 1st April, 2015 & Construction of Fixed Asset Register as on 31.03.2015*	25
2	Preparation of Financial Statements for the year ended 31st March 2016 & Construction of Fixed Asset Register as on 31.03.2016	25
3	Preparation of Financial Statements for the year ended 31st March 2017 & Construction of Fixed Asset Register as on 31.03.2017	25
4	Submission of novel accounting impact/aspect not captured in CSER for Accrual Accounting Implementation Manual and Handing over of working papers prepared	25

\* Not applicable in case of North Western Railway and Rail Coach Factory, Kapurthala where 1<sup>st</sup> deliverable of this project has already been provided during pilot studies.

In case, deliverable is not given by the CA firm, no payment shall be made for the efforts being put in by the CA firm.

Since, none of the deliverable were received from any of the firm by 31st March, 2018 and due to uncertain nature of the deliverable, no provision of payment has been made for the CA firms engaged as unit teams.

Further, as per the agreement with the Northern Railways, following are the deliverables for the ICAI ARF at Delhi:-

S.No.	Deliverable	Payment Schedule
1.	Updation of CSER including Electrified Section, Suburban, CORE and COFMOW	10% of total value of contract
2.	Preparation of financial statements of Zonal Railways and Production Units and their consolidation at Railway Board level for the period ending 31.3.2015 and year ending 2015-16	20% of total value of contract
3.	Preparation of financial statements of Zonal Railways and Production Units and their consolidation at Railway Board level for the year 2016-17	20% of total value of contract
4.	Mapping of Existing Chart of Accounts to the needs of Accrual Accounting for transaction methodology and	30% of total value of contract



## ANNUAL REPORT 2017-18

	suggesting suitable modifications in IPAS to achieve the same	
5.	Engagement with CRIS in development, testing and roll out phase of extended IT application over Indian Railways	20% of total value of contract

Out of the above, the first deliverable i.e. the updated CSER was submitted to Northern Railways in June, 2017, bill was raised in September, 2017, suggestions for modifications were received from Northern Railways in October, 2017, approval was received in November, 2017 and payment was received in December, 2017.

After submission of the above mentioned deliverable in June, 2017, the Nodal Team (engaged by ICAI ARF and stationed in its Delhi office) started working on the Balance Sheet as on 31st March, 2015 [(part of deliverable 2- Financial statements of Zonal Railways and Production Units and their consolidation at Railway Board level for the period ending 31.3.2015 and year ending 2015-16)] and Mapping of Existing Chart of Accounts to the needs of Accrual Accounting for transaction methodology and suggesting suitable modifications in IPAS to achieve the same (Deliverable 4).

Therefore, cost incurred on the project during the year amounting to Rs. 72,87,632/- (Rupees Seventy Two Lakh Eighty Seven Thousand Six Hundred Thirty Two Only) for the year ended on 31.03.2018 (Previous Year Rs. 10,77,538/-) has been transferred to Work in Progress as the total cost incurred on project is less than 25%.

- XIII. Contingent Liabilities (to the extent not provided for)  
Guarantees (Given to Indian Railways): Rs. 52,78,975/- (Previous Year Rs. 59,21,975)
- XIV. Previous year figures have been regrouped/ reclassified wherever considered necessary, to conform to the current year's classification.

**For Gupta Nayar & Co.**  
Chartered Accountants  
FRN 008376N

For and on behalf of Board of Directors

**CA. Satyabhama Gupta**  
(Partner)  
Membership No. : 073295

**V Sagar**  
Director  
DIN : 07030660

**CA. Prafulla Premsukh Chhajed**  
Director  
DIN : 03544734

**CA. Naveen N D Gupta**  
Chairman  
DIN : 00271748

Place: New Delhi  
Date:



# ANNUAL REPORT 2017-18

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

## Cash Flow Statement for the period ended 31st March 2018

	(Amount in Rs.)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Cash Flow from Operating Activities</b>		
Excess of Expenditure over Income	(64,72,189)	68,49,478
Adjustments for		
Depreciation	50,00,000	50,00,000
Interest Income	(5,70,600)	(1,05,561)
Operating income before working capital changes	(20,42,789)	1,17,43,917
Add / (less) : (increase)/decrease in working capital		
Trade Receivables	26,49,785	25,98,743
Short Term Loans and Advances	(2,01,443)	(20,21,323)
Other Current Assets	(53,79,452)	(47,90,038)
Current Liabilities	1,30,51,525	(46,61,571)
<b>Net Cash from Operating Activities (A)</b>	<b>80,77,626</b>	<b>28,69,728</b>
<b>Cash Flow from Investing Activities</b>		
Interest Income	5,70,600	1,05,561
<b>Net Cash from Investing Activities (B)</b>	<b>5,70,600</b>	<b>1,05,561</b>
<b>Cash Flow from Financing Activities</b>		
Capital Reserve - Entrance Fees received	84,000	63,000
Infosys Fellowship Fund (Interest)	2,88,016	2,91,298
<b>Net Cash from Financing Activities (C)</b>	<b>3,72,016</b>	<b>3,54,298</b>
<b>Net Increase in Cash &amp; Bank Balance (A+B+C)</b>	<b>90,20,242</b>	<b>33,29,587</b>
<b>Cash and bank balance at the beginning of the year</b>	<b>1,08,86,911</b>	<b>75,57,324</b>
<b>Cash and bank balance at the end of the year</b>	<b>1,99,07,154</b>	<b>1,08,86,911</b>
Cash and bank balance comprise of -		
Balances with Schedule Banks in Current Accounts		
ICAI Accounting Research Foundation Account	96,07,869	2,03,921
ICAI ARF Infosys Fellowship Account	50,20,309	47,61,015
Fixed Deposit (as Guarantee with Indian Railways)*	52,78,975	59,21,975
*Lien Marked in favour of Indian Railway	<b>1,99,07,154</b>	<b>1,08,86,911</b>

- The above Cash Flow Statement has been prepared as per the indirect method set out in AS-3 specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- The enclosed notes 1 to 14 form an integral part of the Cash Flow Statement.
- Figures in parenthesis indicate cash outgo.
- Previous year figures have been regrouped/reclassified to conform to current year's classification.

### As per our audit report of even date

**For Gupta Nayar & Co.**

For and on behalf of Board of Directors

Chartered Accountants

FRN 008376N

**CA. Satyabhama Gupta**

(Partner)

Membership No. : 073295

**V Sagar**

Director

DIN : 07030660

**CA. Prafulla Premasukh Chhajed**

Director

DIN : 03544734

**CA. Naveen N D Gupta**

Chairman

DIN : 00271748

Place: Delhi

Date: 13.09.2018