

TWENTY FIRST ANNUAL REPORT

2019-20



ICAI Accounting Research Foundation

BOARD OF DIRECTORS (As on Date)

1. CA. Atul Kumar Gupta, Chairman (President, ICAI)
2. CA. Nihar Niranjana Jambusaria (Vice-President, ICAI)
3. CA. Prafulla P. Chhajed
4. CA. Shrinivas Y. Joshi
5. CA. (Dr.) Debashis Mitra
6. CA. Aniket Talati
7. Sh. Rakesh Kumar Sehgal
8. CA. K. Rahman Khan
9. CA. Amarjit Chopra
10. CA. Bhavna G. Doshi
11. CA. Deepak Gupta
12. CA. (Dr.) Sunil Gulati
13. CA Dondeti Prasanna Kumar
14. CA Satish Kumar Gupta

AUDIT COMMITTEE

1. CA. Amarjit Chopra, Chairman
2. CA. Nihar Niranjana Jambusaria, Member
3. CA. Shrinivas Y. Joshi, Member
4. CA. Bhavna G. Doshi, Member
5. CA. (Dr.) Sunil Gulati, Member

STATUTORY AUDITORS

M/s. Gupta Nayar & Co

Chartered Accountants

610, Jacksons Crown Heights

Plot No. 3 B1, Twin District Centre, Sector 10

Rohini, Delhi – 110085.

REGISTERED OFFICE

ICAI Bhawan, Indraprastha Marg,

New Delhi – 110002

BANKER

Bank of India,

Bahadurshah Zaffar Marg,

Hans Bhawan, Delhi – 110002.

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ICAI ACCOUNTING RESEARCH FOUNDATION

(CIN: U73200DL1999NPL097935)

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

Email: arf@icai.in | Web: www.icaiarf.org.in

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting ('AGM') of the members of ICAI Accounting Research Foundation (ICAI ARF) will be held on 31st December, 2020 (Thursday) at 10:00 AM, 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 2020, 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. Prafulla P Chhajed (DIN 03544734) 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. Shriniwas Y Joshi (DIN 05189697) 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. Bhavna G Doshi (DIN 00400508) under Clause 28(d) of the Articles of Association, who retires from office by rotation and being eligible, offers herself for re-appointment.

ITEM NO. 5

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. 6

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. 75,000/- inclusive of out-of-pocket expenses, etc.”

SPECIAL BUSINESS:-

ITEM NO. 7

To appoint CA. Nihar N Jambusaria (DIN 01808733) as a Director in the Company under Clause 28(a) 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. Nihar N Jambusaria (DIN 01808733) who was appointed as an Additional Director of the Company on February 12, 2020 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. 8

To appoint CA. Satish Kumar Gupta (DIN 08741743) as a Director in the Company under Clause 28(b) 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. Satish Kumar Gupta (DIN 08741743) who was appointed as an Additional Director of the Company on March 20, 2020 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. Dondeti Prasanna Kumar (DIN 07995989) as a Director in the Company under Clause 28(b) 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. Dondeti Prasanna Kumar (DIN 07995989) who was appointed as an Additional Director of the Company on March 24, 2020 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

(CA. Atul Kumar Gupta)
Chairman

Place: New Delhi

Date: 16th December, 2020

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. 7

The Board of Directors appointed CA. Nihar N Jambusaria (DIN 01808733) as an Additional Director of the Company with effect from 12th February 2020 under section 161 of the Companies Act, 2013. CA. Nihar N Jambusaria holds office only up to the date of the forthcoming Annual General Meeting of the Company.

The notice as per the requirement of Section 160 of the Companies Act, 2013 for CA. Nihar N Jambusaria, being the nominee of the Council of ICAI, has been received. CA. Nihar N Jambusaria is the nominee of the Council on the board of the company under clause 28(a) of Articles of Association.

Except Nihar N Jambusaria, no other directors of the company are concerned or interested in the proposed resolution.

ITEM NO. 8

The Board of Directors appointed CA. Satish Kumar Gupta (DIN 08741743) as an Additional Director of the Company with effect from 24th March 2020 under section 161 of the Companies Act, 2013. CA. Satish Kumar Gupta holds office only up to the date of the forthcoming Annual General Meeting of the Company.

The notice as per the requirement of Section 160 of the Companies Act, 2013 for CA. Satish Kumar Gupta, being the nominee of the Council of ICAI, has been received. CA. Satish Kumar Gupta is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

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

ITEM NO. 9

The Board of Directors appointed CA. Dondeti Prasanna Kumar (DIN 07995989) as an Additional Director of the Company with effect from 24th March 2020 under section 161 of the Companies Act, 2013. CA. Dondeti Prasanna Kumar holds office only up to the date of the forthcoming Annual General Meeting of the Company.

The notice as per the requirement of Section 160 of the Companies Act, 2013 for CA. Dondeti Prasanna Kumar, being the nominee of the Council of ICAI, has been received. CA. Dondeti Prasanna Kumar is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

Except CA. Dondeti Prasanna Kumar, 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**

**(CA. Atul Kumar Gupta)
Chairman**

Place: New Delhi
Date: 16th December, 2020

DIRECTORS' REPORT

TO THE MEMBERS OF ICAI ACCOUNTING RESEARCH FOUNDATION

The Directors have pleasure in presenting the Twenty First Annual Report of the ICAI Accounting Research Foundation (ICAI ARF), together with the Audited Balance-Sheet, Statement of Income and Expenditure and Cash Flow Statement for the Financial Year ended 31st March 2020.

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, 2019-20, 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 presently under implementation 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.

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), Indian Railways (IR), etc. involving conceptualizing a new accounting system including the incorporation of methodologies and procedures not common in India. 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
- 2.1.2** Compilation of data and preparation of Financial Statements for FY 2017-18 & 2018-19 and Balance Sheet as on 31.03.2018 & 31.03.2019 for Indian Railways and Conducting studies on data/system shortcomings observed at the Roll Out Stage during compilation of Financial Statements for FY 2015-16 and 2016-17 and its improvements.

2.2 NEW PROJECT PROPOSALS RECEIVED DURING THE YEAR:

- 2.2.1 Establishment of Institute of Chartered Accountants of Emirates** – In terms of the discussions held with the Ministry of Education of United Arab Emirates, ICAI ARF has submitted a proposal for the establishment of Institute of Chartered Accountants of Emirates.
- 2.2.2 Pilot Project of the Accounts Assistant Scheme** – Objective of the Scheme is to develop a skill set of Accounting, Tax Compliances and related subjects among youth for making them readily employable.
- 2.2.3 ICAI Proposal on Export of Services : Submitted to Department of Commerce through Ministry of Corporate Affairs, Government of India** - ICAI had submitted several proposals to MCA under Champion Sector services Scheme for promotion of export of accountancy and finance services for which Committee for Export of CA Services & WTO (CES&WTO) was mandated by the Council and that in respect of following two proposals, ICAI ARF has been named as the executing agency:
 - Specialized Short-Term courses/ Certificate Courses/ Modules through E-learning
 - Offering Training Courses to Foreign Nationals under Indian Technical and Economic Cooperation (ITEC) Programme, Ministry of External Affairs, Government of India

FINANCIAL PERFORMANCE:

During the year, the receipt from research activities has been Rs. 229.29 lakh as against Rs. 491.07 lakh in the previous year. The surplus for the year under review amounted to Rs. 35.59 lakh as compared to a surplus of Rs. 5.89 lakh in the previous year. Financial results for the year 2019-20 compared with those of previous year are summarized below:

Particulars	2019-20	2018-19
Revenue from Research Activities	2,29,29,474	4,91,07,334
Subscription from Members	1,65,000	1,55,000
Interest from Bank	13,15,292	8,92,802
Interest from Income Tax Refund	1,53,073	41,200
Miscellaneous Income	95,339	35,707
Total Income (A)	2,46,58,178	5,02,32,043
Total Expenditure (B)	2,10,99,513	4,96,42,798
Surplus/ (Deficit) Before Taxation (C) - (A-B)	35,58,665	5,89,245
Less (D) : Current Tax Deferred Tax Provision for Taxation Prior Period Item		
Surplus/ (Deficit) After Taxation (C-D)	35,58,665	5,89,245

The Directors propose to appropriate this amount as under:

Amount transferred to General Reserve	35,58,665	5,89,245
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Summarized Cash Flow Statement:	2019-20	2018-19
Inflow/(Outflow) from operations	(1,29,79,059)	1,59,95,831
(Inflow)/Outflow from investing activities	(12,47,557)	6,19,240
(Inflow)/Outflow from financing activities	1,26,000	21,000
Net increase/(decrease) in cash & bank balance	(1,41,00,615)	1,66,36,071

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, 2020. There were no unclaimed or unpaid deposits as on March 31, 2020.

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:

Conservation of energy:	The Foundation deals in Basic and Applied research and does not require large quantities of energy. However, wherever possible energy saving efforts are made.		
Technology absorption:	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.		
Foreign Exchange earnings & Outgo:	Foreign Exchange earnings	:	Nil
	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

Five Meetings of the Board of Directors were held during the year. One Extraordinary General Meeting was held wherein the areas of operation of ICAI ARF were extended to outside India.

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 have 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 2020 and of the excess of income over expenditure 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.

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

The Foundation does not have written Risk Management Policy; however closely monitors the threat to the Foundation'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 Foundation is as follows:

1. CA. Atul Kumar Gupta (President, ICAI)

2. CA. Nihar Naranjan Jambusaria (Vice-President, ICAI)*
3. CA. Prafulla P Chhajed
4. CA Satish Kumar Gupta**
5. CA. Dondeti Prasanna Kumar**
6. CA. Tarun Jamnadas Ghia***
7. CA. Babu Abraham Kallivayalil***
8. CA. Ranjeet Kumar Agarwal***
9. Sh. Rakesh Kumar Sehgal (Acting Secretary, ICAI)
10. CA (Dr.) Debashis Mitra
11. CA. Aniket S. Talati
12. CA. Shriniwas Y. Joshi
13. CA. K Rahman Khan
14. CA. Amarjit Chopra
15. CA. Bhavna Gautam Doshi
16. CA. Deepak Kumar Gupta
17. CA. (Dr.) Sunil Kumar Gulati

* Appointed as director on 12th February, 2020

**Appointed as director on 24th March, 2020

*** Office vacated in terms of decision taken at 383rd meeting of the Council

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.

DECLARATION OF INDEPENDENT DIRECTORS

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

STATUTORY AUDITORS

The Board at its 84th Meeting held on 14th September, 2020 has noted M/s. Gupta Nayar & Co., Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2020-21 (5th year in a row) and they have confirmed their eligibility in accordance with the provision of the Companies Act, 2013.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

As on the date of this report, the composition of Audit Committee is as under:

1. CA. Amarjit Chopra, Chairman
2. CA. Nihar Niranjan Jambusaria
3. CA. (Dr.) Sunil Gulati, Member
4. CA. Bhavna Gautam Doshi, Member
5. CA. Shriniwas Y. Joshi, 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. 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, 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

(CA. ATUL KUMAR GUPTA)
CHAIRMAN

Place: New Delhi

Date : 16th December, 2020

Form No. MGT-9

EXTRACT OF ANNUAL RETRNS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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.					

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	
A. Promoter									
1) Indian	NA								
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other									
Sub-total(A) (1):-									
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks/FI									
k) Any Other									
Sub-total (A) (2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt	NA								
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)									
2. Non Institutions									
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									
Grand Total (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			
		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.								
	Total							

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

Sr. No	Particulars	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	NA			
	Date wise Increase/Decrease in Promoters Shareholding 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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NA			
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)				

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 section 17(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
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	NA				NIL
	Total (1)					
	Other Non-Executive Directors · 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				

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)
A. Company					
Penalty	NA				
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

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

(CA. ATUL KUMAR GUPTA)
CHAIRMAN

Place: New Delhi

Date : 16th December, 2020

AUDITORS' REPORT

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

Opinion

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 2020, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and notes to the financial statements, including 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 standalone 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 2020, and its Surplus and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 opinion.

Emphasis of matter

We draw attention to:

- 1) Refer to Note No.17 (VI & VII) to the Financial Statements; Balance confirmations from all trade receivable, trade payable and loans and advances were not provided.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Standalone 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 of these standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company'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 Company 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.

Other Matter

Independent Auditor's Report without physical visit to the company due to COVID 19

The opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the company. We wish to highlight that due to the COVID 19 induced restrictions on physical movement, the entire audit team could not visit the company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- Inspection, observation, examination and verification of the original documents/ files. Verified the scanned documents provided by the company on Email.

Report on Other Legal and Regulatory Requirements

- 1) 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.
- 2) 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 2020, taken on record by the Board of Directors, none of the director stand disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, report is not required.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the managerial remuneration, hence, the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013, are not required.
 - h) 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.
- 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

CA Satyabhama Gupta

Partner

Membership No. 073295

UDIN:

Place: Delhi

Date: 16th December, 2020

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by Guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Balance Sheet as at 31st March, 2020

(Amount in Rs.)

	Note	As at 31 March 2020		As at 31 March 2019	
(Amount in Rs.)					
EQUITY AND LIABILITIES					
Member's Funds					
(a) Capital Fund	2	500,00,000		500,00,000	
(b) Reserves and Surplus	3	<u>(119,37,228)</u>	380,62,772	<u>(156,21,893)</u>	343,78,107
Non Current Liabilities					
(a) Earmarked Funds:(Infosys Fellowship Fund)	4		56,31,323		53,41,625
Current Liabilities					
(a) Trade Payables :-	5				
(A) total outstanding dues of micro enterprises and small enterprises; and		4,89,791		1,22,172	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		75,95,132		210,23,701	
(b) Other current Liabilities	6	<u>2,99,853</u>	<u>83,84,776</u>	<u>71,04,047</u>	<u>282,49,920</u>
TOTAL			<u>520,78,871</u>		<u>679,69,652</u>
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment	7				
(i) Tangible Assets		7,008		7,008	
(ii) Intangible Assets					
Leasehold Rights		62,50,000		112,50,000	
Trade Marks		<u>20,000</u>	<u>62,77,008</u>	<u>20,000</u>	<u>112,77,008</u>
Current Assets					
(a) Trade Receivables	8	8,41,653		21,13,903	
(b) Cash and Cash Equivalent	9	244,40,940		365,43,225	
(c) Short Term Loans and Advances	10	163,30,888		119,75,172	
(d) Other current assets	11	<u>41,88,383</u>	<u>458,01,863</u>	<u>60,60,344</u>	<u>566,92,644</u>
TOTAL			<u>520,78,871</u>		<u>679,69,652</u>
Significant accounting policies	1				
Notes forming part of accounts	17				
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

Rakesh Kumar Sehgal

Director

DIN: 08336750

CA. Nihar Niranjan Jambusaria

Director

DIN : 01808733

CA. Atul Kumar Gupta

Chairman

DIN : 01052730

Place: New Delhi

Date: 16/12/2020

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Statement of Income and Expenditure for the year ended 31st March, 2020

(Amount in Rs.)

	Note	Amount	Amount
INCOME			
Receipts against Applied Research Projects	12	229,29,474	491,07,334
Other Receipts	13	17,28,704	11,24,709
TOTAL REVENUE		246,58,178	502,32,043
EXPENSES			
Project Expenses	14	144,11,813	415,89,621
Professional & Consultancy Charges	15	10,33,794	9,43,767
Depreciation and amortisation expenses	7	50,00,000	50,00,000
Other Expenses	16	6,53,907	21,09,410
TOTAL EXPENSES		210,99,513	496,42,798
Excess of Income over Expenditure		35,58,665	5,89,245
Amount transferred to General Reserve	3	35,58,665	5,89,245
Significant accounting policies	1		
Notes forming part of accounts	17		
Schedules referred to above form an integral part of the Balance Sheet			
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

Place: New Delhi

Date: 16/12/2020

Rakesh Kumar Sehgal

Director

DIN: 08336750

CA. Nihar Niranjan Jambusaria

Director

DIN : 01808733

CA. Atul Kumar Gupta

Chairman

DIN : 01052730

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Cash Flow Statement for the period ended 31st March 2020

(Amount in Rs.)

	Amount	Amount
Cash Flow from Operating Activities		
Excess of Expenditure over Income	35,58,665	5,89,245
Adjustments for		
Depreciation	50,00,000	50,00,000
Interest Income	(13,15,292)	(8,92,802)
Operating income before working capital changes	72,43,373	46,96,443
Add / (less) : (increase)/decrease in working capital		
Trade Receivables	12,72,250	19,09,771
Short Term Loans and Advances	(20,20,785)	(35,30,479)
Other Current Assets	18,71,961	41,09,146
Current Liabilities	(198,65,144)	121,53,538
Cash Flow from Operations	(114,98,345)	193,38,419
Less: Taxes Paid	(14,80,714)	(33,42,587)
Net Cash Flow from Operating Activities (A)	(129,79,059)	159,95,831
Cash Flow from Investing Activities		
Interest received	4,61,075	3,46,796
Payment for Trade mark	-	(20,000)
Investments in bank deposits (having maturity of more than three months)	(19,98,330)	-
Infosys Fellowship Fund (Interest)	2,89,698	2,92,444
Net Cash from Investing Activities (B)	(12,47,557)	6,19,240
Cash Flow from Financing Activities		
Capital Reserve - Entrance Fees received	1,26,000	21,000
Net Cash from Financing Activities (C)	1,26,000	21,000
Net Increase in Cash & Bank Balance (A+B+C)	(141,00,615)	166,36,071
Cash and bank balance at the beginning of the year	312,64,250	146,28,179
Cash and bank balance at the end of the year	171,63,635	312,64,250
	(141,00,615)	166,36,071
Cash and bank balance comprise of -		
Balances with Schedule Banks in Current Accounts		
ICAI Accounting Research Foundation Account	59,175	254,45,649
ICAI ARF Infosys Fellowship Account	55,43,587	52,83,508
Balance with Bank FDR (Flexi Deposits)	115,60,872	5,35,092
	171,63,635	312,64,250

- 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 note 17 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.
- ICAI ARF Infosys Fellowship Account is lien marked against Infosys Fellowship Fund.

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

Rakesh Kumar Sehgal

Director

DIN: 08336750

CA. Nihar Niranjan Jambusaria

Director

DIN : 01808733

CA. Atul Kumar Gupta

Chairman

DIN : 01052730

Place: New Delhi

Date: 16/12/2020

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.

VII. 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.

VIII. 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.

IX. 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.

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in Rs.)

PARTICULARS	As at 31 March 2020	As at 31 March 2019
Note 2. CAPITAL FUND		
Capital Fund	500,00,000	500,00,000
Total	500,00,000	500,00,000
Note 3. RESERVES AND SUPRLUS		
Capital Reserve:		
Balance as per last Balance Sheet	8,83,000	8,62,000
Entrance fee received during the year	1,26,000	21,000
Total	10,09,000	8,83,000
Surplus/(Deficit)		
Balance as per last Balance Sheet	(165,04,893)	(170,94,138)
Surplus/(Deficit) transferred from Statement of Income & Expenditure	35,58,665	5,89,245
Total	(129,46,228)	(165,04,893)
Grand Total	(119,37,228)	(156,21,893)
Note 4. EARMARKED FUNDS:(Infosys Fellowship Fund)		
Grant	4,00,000	4,00,000
Balance as per last Balance Sheet	49,41,625	46,49,181
Interest received during the year	2,89,698	2,92,444
Total	56,31,323	53,41,625
Note 5. TRADE PAYABLES		
Consultancy Expenses Payable		
Indian Railway Project	4,45,710	4,45,710
Indian Railway (Roll Out)		-
-Due to MSME	4,10,625	-
-Others	33,87,825	148,51,937
TNCSC	-	7,200
Creditors for expenses		
-Due to MSME	79,166	1,22,172
-Others		
'-Related Party		
'-ICAI	35,98,452	52,18,580
'-Others	1,63,145	5,00,274
Total	80,84,923	211,45,873
Note 6. OTHER CURRENT LIABILITIES:		
Payable to Related Party		
-ICAI		
For Building	-	16,27,062
Other Payable	-	2,85,178
-Others	-	-
Statutory Dues		
GST	-	33,30,379
TDS	2,89,853	17,85,228
Advance from Customer	10,000	51,15,607
Performance Guarantee Deposits (Roll out Project)	-	76,200
Total	2,99,853	71,04,047

ICAI ACCOUNTING RESEARCH FOUNDATION

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTE 7: FIXED ASSETS

(Amount in Rs.)

Particulars	Useful life of the assets (Year)	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property Plant & Equipment										
(i) Tangible Assets										
Office Equipments	5	75,016	-	-	75,016	71,265	-	71,265	3,751	3,751
Computers	3	2,43,580	-	-	2,43,580	2,40,323	-	2,40,323	3,257	3,257
(ii) Intangible Assets										
Leasehold Rights	10	500,00,000	-	-	500,00,000	387,50,000	50,00,000	437,50,000	62,50,000	112,50,000
Trade Marks		20,000	-	-	20,000	-	-		20,000	20,000
Total		503,38,596	-	-	503,38,596	390,61,588	50,00,000	440,61,588	62,77,008	112,77,008
Previous Year		503,18,596	20,000	-	503,38,596	340,61,588	50,00,000	390,61,588	112,77,008	162,57,008

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in Rs.)

PARTICULARS	As at 31 March 2020	As at 31 March 2019
Note 8. TRADE RECEIVABLES		
(Unsecured - considered good unless otherwise stated)		
Outstanding for more than 6 months from the due date		
Considered good	8,41,653	21,13,903
Considered Doubtful	19,08,084	26,93,764
Provision for Doubtful debts	(19,08,084)	(26,93,764)
	<u>8,41,653</u>	<u>21,13,903</u>
Note 9. Cash and Bank Balances		
Cash and Cash Equivalent		
Balances with Scheduled Banks in Current Accounts*		
ICAI Accounting Research Foundation Account	59,175	254,45,649
ICAI ARF Infosys Fellowship Account **	55,43,587	52,83,508
Balances in Bank FDR***	115,60,872	5,35,092
(* Balance with bank excludes flexi deposits)		
(** Balance with bank includes Flexi, lien marked against Infosys Fellowship Fund)		
(***Balance in Flexi Deposits)		
Other Bank Balances		
Fixed Deposit (Under Charge against Bank Guarantee)*		
- Against RCF Project FDR	3,38,000	3,38,000
- Against Roll Out Project FDR	49,40,975	49,40,975
(* Fixed Deposit matured after 12 Months)		
Fixed Deposit **	19,98,330	-
(** Fixed Deposit matured after 3 Months but before 12 Months)		
	<u>244,40,940</u>	<u>365,43,225</u>
Note 10. SHORT TERM LOANS AND ADVANCES		
(Unsecured - considered good, unless stated otherwise)		
Taxes and Duties Recoverable		
TDS Recoverable-Income Tax	72,31,586	57,50,872
TDS Recoverable-GST	5,18,573	6,86,062
Others Loans & Advances		
Accrued Interest due but not received on flexi deposits and FDRs	19,33,425	10,79,208
Earnest Money with Indian Railway	7,79,500	7,79,500
Goods & Service Tax Input Credit	21,78,462	-
Receivable from AWS	9,811	-
Security Deposit		
*-RCF	3,71,250	3,71,250
*-Roll Out	33,08,280	33,08,280
	<u>163,30,888</u>	<u>119,75,172</u>
Note 11. Other current assets		
Unbilled Revenue (Roll out) Refer to Note No. 17(XI)	38,35,536	60,29,664
Work-in-progress (Roll Out 2) Refer to Note No. 17(XII)	2,60,807	-
Membership Fees Receivable		
-Related party (ICAI)	92,040	30,680
	<u>41,88,383</u>	<u>60,60,344</u>
Note 11.1. Work-in-progress (Roll Out)		
Opening Balance	-	83,65,170
Add:- Addition during the year	-	-
Less:- Expenses booked during the year	-	83,65,170
Closing Balance	<u>-</u>	<u>-</u>
Note 11.2. Work-in-progress (Roll Out 2)		
Opening Balance	-	-
Add:- Addition during the year	2,60,807	-
Less:- Expenses booked during the year	-	-
Closing Balance	<u>2,60,807</u>	<u>-</u>

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in Rs.)

PARTICULARS	As at 31 March 2020	As at 31 March 2019
Note 12. RECEIPTS FROM APPLIED RESEARCH PROJECTS		
Indian Railway Project		
-Roll out	190,93,938	418,72,670
-Unbilled Revenue Roll out {Refer to Note No.18(XI)}	38,35,536	60,29,664
Income From DFCCIL	-	4,00,000
Income From TNCSC	-	8,05,000
	229,29,474	491,07,334
Note 13. OTHER RECEIPTS		
Subscription from Members	1,65,000	1,55,000
Interest		
Bank Deposits	13,15,292	8,92,802
Income Tax Refund	1,53,073	41,200
Other Income	-	34,732
Sundry Balances Written off	95,339	975
	17,28,704	11,24,709
Note 14. PROJECT EXPENSES		
Expenses For Indian Railway Project		
- Rollout	143,05,713	405,25,090
Expenses For ICAE Project	1,06,100	-
Expenses For TNCSC	-	7,62,160
Expenses For DFCCIL	-	3,02,372
	144,11,813	415,89,621
Note 15. PROFESSIONAL AND CONSULTANCY CHARGES		
Professional Charges for Administrative Support	10,33,794	9,43,767
	10,33,794	9,43,767
Note 16. OTHER EXPENSES		
Statutory Audit Fees	75,000	60,000
Internal Audit Fees	80,000	-
Legal & Professional Charges	65,000	-
Miscellaneous Expenses	66,716	77,345
Rent	5,000	5,000
Travelling & Conveyance Expenses	1,10,404	28,903
Printing & Stationery Expenses	40,758	26,747
Provision for doubtful debts	-	19,08,084
Miscellaneous Expenses for Project Work	2,11,029	3,331
	6,53,907	21,09,410

Note 17 **NOTES FORMING PART OF ACCOUNTS:**

- I. Estimated amount of Capital Commitment provided for: Rs. Nil (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. 500 lakh till date. 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. Interest received on the fund amounting to Rs. 2,89,698/- for the year ended on 31st March 2020 (Previous Year Rs.2,92,444/-) 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.5000/- (Rupees Five 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	Indian Railways (RCF, Kapurthala Project)	8,41,653
	Total	8,41,653

- VII. Trade Payables 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. Rakesh Kumar Sehgal, Acting 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. 2019-2020	F.Y. 2018-2019
ICAI	Control exists	Loan received	-	70,00,000
ICAI	Control exists	Loan repaid	-	70,00,000
ICAI	Control exists	Membership fees received	1,82,900	1,71,100
ICAI	Control exists	Entrance fees received	1,48,680	24,780
ICAI	Control exists	Consultant & Other Services	36,55,408	53,14,759
ICAI	Control exists	Rent	5000	5000

C. Outstanding Balance as at 31.03.2020:

Name	F.Y. 2019-2020	F.Y. 2018-2019
Capital Commitment	-	16,27,062
Consultant & Other Services	35,93,452	52,18,580
Grant for Coal India Limited Project	-	2,85,178
Rent payable	5,000	40,000
Membership Fees receivable	17,700	5,900
Entrance Fees receivable	74,340	24,780

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.

Amount in Rs.

S.No.	Particulars	2020	2019
(i)	The principal amount remaining unpaid as at year end and Interest due thereon remaining unpaid on year end	4,89,791	1,22,172
	Principal amount due to micro and small enterprises	4,89,791	1,22,172
	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	NIL	NIL

	end in respect of principal amount settled during the year		
(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. Company is following the accounting policy of revenue recognition on the basis of Percentage of Completion method as defined in Note 1 (b) (III) of the Financial Statement. Hence, Unbilled Revenue of Rs. 38,35,536/- is recognized for the Financial Year 2019-2020.
- XII. Cost incurred on Roll Out 2 Project from December, 2019 onwards amounting to Rs. 2,60,807/- (Rupees Two Lakh Sixty Thousand Eight Hundred Seven Only) for the year ended on 31.03.2020 (Previous Year Rs. Nil) has been transferred to Work in Progress as progress on the project is less than 25%.
- XIII. Payments to Auditor (excluding GST)

Particulars	F.Y. 2019-2020	F.Y. 2018-2019
Statutory Audit Fees	60,000	60,000
Certification Fees	20,000	-
Other Services	-	-

- XIV. Contingent Liabilities (to the extent not provided for)
Debt not acknowledged by the Company : Claim by CA. Jagdish Kapoor of Rs. 12,74,750/-.
- XV. 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

Rakesh Kumar Sehgal

Director

DIN : 08336750

CA. Nihar Niranjana Jambusaria

Director

DIN : 01808733

CA Atul Kumar Gupta

Chairman

DIN : 01052730

Place: New Delhi

Date : 16/12/2020