

# **TWENTY SECOND ANNUAL REPORT**

## **2020-21**



**ICAI Accounting Research Foundation**

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

1. CA. Nihar N Jambusaria, Chairman, ICAI ARF (President, ICAI)
2. CA. (Dr.) Debashis Mitra (Vice-President, ICAI)
3. CA. Shriniwas Y. Joshi
4. CA. Satish Kumar Gupta
5. CA. D. Prasanna Kumar
6. CA. Aniket S. Talati
7. CA. Pramod Jain
8. CA. Prakash Sharma
9. CA. K. Rahman Khan
10. CA. Amarjit Chopra
11. CA. Bhavna Doshi
12. CA. (Dr.) Sunil Gulati
13. CA. Deepak Kumar Gupta
14. CA. (Dr.) Jai Kumar Batra (Acting Secretary, ICAI)

**AUDIT COMMITTEE**

1. CA. Amarjit Chopra, Chairman
2. CA. (Dr.) Debashis Mitra, Member
3. CA. Shriniwas 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, Jaksons 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](mailto:arf@icai.in) | Web: [www.icaiarf.org.in](http://www.icaiarf.org.in)

## NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting ('AGM') of the members of ICAI Accounting Research Foundation (ICAI ARF) will be held on 28<sup>th</sup> September, 2021 (Tuesday) at 11:00 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 31<sup>st</sup> March 2021, 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 note vacation of office by CA. Prafulla P Chhajed (DIN 03544734) and CA. Atul Kumar Gupta (DIN 01052730) pursuant to the decision taken at the 383<sup>rd</sup> meeting of the ICAI Council held on 21<sup>st</sup> and 22<sup>nd</sup> May, 2019 in respect of the tenure of persons nominated as directors on the Board of Section 8 Companies promoted by ICAI, a Central Council Member can be nominated on the Boards of these companies only for maximum tenure of 3 years considered on consecutive basis. These directors have already completed 3 years on the Board of ICAI ARF.

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

To appoint a Director in place of CA. Aniket S. Talati (DIN 02724484) 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. 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. 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. (Dr.) Sunil Gulati (DIN 00014534) 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 appoints CA. Sanjay Kumar Gupta (M.No. 086004), Partner, M/s. Gupta Nayar & Co., Chartered Accountants (FRN : 008376N) as the Statutory Auditors of the ICAI ARF to hold the office for the term of five years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting of the ICAI ARF on such terms and remuneration, as may be mutually agreed upon between the said Auditors and Board of Directors of the Company. The remuneration for the year 2021-22 is hereby proposed at Rs. 75,000/- inclusive of out of pocket expenses, etc.”

#### **SPECIAL BUSINESS:-**

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

**To appoint CA. Pramod Jain (DIN 00002190) 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. Pramod Jain (DIN 00002190) who was appointed as an Additional Director of the Company on March 24, 2021 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. Prakash Sharma (DIN 01326150) 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. Prakash Sharma (DIN 01326150) who was appointed as an Additional Director of the Company on March 24, 2021 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. (Dr.) Jai Kumar Batra (DIN 03233571) as a Director in the Company under Clause 28(d)(i) 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.) Jai Kumar Batra (DIN 03233571) who was appointed as an Additional Director of the Company on May 19, 2021 and whose term of office expires at this Annual General Meeting ('AGM'), be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

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

**(CA. Nihar N Jambusaria)**  
**Chairman**

Place : New Delhi  
Date : 13<sup>th</sup> September, 2021

### **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.

## **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. Pramod Jain (DIN 00002190) as an Additional Director of the Company with effect from 24th March, 2021 under section 161 of the Companies Act, 2013. CA. Pramod Jain 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. Pramod Jain, being the nominee of the Council of ICAI, has been received. CA. Pramod Jain is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

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

### **ITEM NO. 9**

The Board of Directors appointed CA. Prakash Sharma (DIN 01326150) as an Additional Director of the Company with effect from 24th March, 2021 under section 161 of the Companies Act, 2013. CA. Prakash Sharma 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. Prakash Sharma, being the nominee of the Council of ICAI, has been received. CA. Prakash Sharma is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

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

### **ITEM NO. 10**

The Board of Directors appointed CA. (Dr.) Jai Kumar Batra (DIN 03233571) as an Additional Director of the Company with effect from 19th May, 2021 under section 161 of the Companies Act, 2013. CA. (Dr.) Jai Kumar Batra holds office only up to the date of the forthcoming Annual General Meeting of the Company. The notice as per the requirement of Sec. 160 of the Companies Act, 2013 for CA. (Dr.) Jai Kumar Batra being the (Acting) Secretary of ICAI, has been received, as per clause 28(d)(i) of Articles of Association.

Except CA. (Dr.) Jai Kumar Batra, 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. Nihar N Jambusaria)**  
**Chairman**

Place : New Delhi  
Date : 13<sup>th</sup> September, 2021



## **DIRECTORS' REPORT**

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

The Directors have pleasure in presenting the Twenty Second 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 31<sup>st</sup> March 2021.

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, 2020-21, 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.
- 2.1.3 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 NEW PROJECT PROPOSALS UNDER CONSIDERATION:**

- 2.2.1 Development of Course Material of Business and other laws, Corporate Laws and UAE Taxation and review material of 11 subjects to be revised by EIBFS based on ICAI Course Material for Institute of Chartered Accountants of Emirates** – The agreement with Emirates Institute for Banking and Financial Studies (EIBFS), UAE for the development and review of study material has been signed on 2<sup>nd</sup> September, 2021. EIBFS is working on behalf of the Ministry of Education, UAE to set up the Institute of Chartered Accountants of Emirates (ICAE) in UAE.
- 2.2.2 Preparation of Study Material on Financial Reporting and Financial Risk Management for CPA PNG:** ICAI ARF is in advanced talk with CPA, Papua New Guinea to develop study material on Financial Reporting and Financial Risk Management for them. Draft agreement has already been shared with them.

## FINANCIAL PERFORMANCE:

During the year, the receipt from research activities has been Rs. 39.28 lakh as against Rs. 229.29 lakh in the previous year. The deficit for the year under review amounted to Rs. 44.63 lakh as compared to a surplus of Rs. 35.59 lakh in the previous year. Financial results for the year 2020-21 compared with those of previous year are summarized below:

Particulars	2020-21	2019-20
Revenue from Research Activities	39,27,657	2,29,29,474
Subscription from Members	1,60,000	1,65,000
Interest from Bank	10,90,715	13,15,292
Interest from Income Tax Refund	2,05,695	1,53,073
Miscellaneous Income	-	95,339
<b>Total Income (A)</b>	<b>53,84,067</b>	<b>2,46,58,178</b>
<b>Total Expenditure (B)</b>	<b>98,46,615</b>	<b>2,10,99,513</b>
<b>Surplus/ (Deficit) Before Taxation (C) - (A-B)</b>	<b>(44,62,548)</b>	<b>35,58,665</b>
Less (D) : Current Tax Deferred Tax Provision for Taxation Prior Period Item	(5,33,625)	-
<b>Surplus/ (Deficit) After Taxation (C-D)</b>	<b>(49,96,173)</b>	<b>35,58,665</b>

The Directors propose to appropriate this amount as under:

Amount transferred to General Reserve	<b>(49,96,173)</b>	<b>35,58,665</b>
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<b>Summarized Cash Flow Statement:</b>	<b>2020-21</b>	<b>2020-21</b>
Inflow/(Outflow) from operations	(66,10,284)	(1,29,79,059)
(Inflow)/outflow from investing activities	(15,09,078)	(12,47,557)
(Inflow)/outflow from financing activities	42,000	1,26,000
Net increase/(decrease) in cash & bank balance	(80,77,362)	(1,41,00,615)

## 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, 2021. There were no unclaimed or unpaid deposits as on March 31, 2021.

**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 &amp; Outgo:</b>	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**

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2021, is available on the Company's website and can be accessed at [www.icaiaf.org.in](http://www.icaiaf.org.in).

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

Four 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 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 31<sup>st</sup> March 2021 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 and considers them to be 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. Nihar N Jambusaria (President, ICAI)

2. CA. (Dr.) Debashis Mitra (Vice-President, ICAI)
3. CA Satish Kumar Gupta
4. CA. Dondeti Prasanna Kumar
5. CA. Aniket S. Talati
6. CA. Shriniwas Y. Joshi
7. CA. Pramod Jain\*
8. CA. Prakash Sharma\*
9. CA. (Dr.) Jai Kumar Batra (Acting Secretary, ICAI)
10. CA. K. Rahman Khan
11. CA. Amarjit Chopra
12. CA. Bhavna Gautam Doshi
13. CA. Deepak Kumar Gupta
14. CA. (Dr.) Sunil Kumar Gulati
15. CA. Prafulla P. Chhjed\*\*
16. CA. Atul Kumar Gupta \*\*

\* Appointed as director on 24<sup>th</sup> March 2021

\*\* Office vacated in terms of decision taken at 383<sup>rd</sup> 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 86<sup>th</sup> Meeting held on 13<sup>th</sup> September, 2021 has noted/appointed M/s. Gupta Nayar & Co., Chartered Accountants as Statutory Auditors of the Company for the Financial Years 2021-22 onwards for another block of five years under the relevant provisions of the Companies Act, 2013 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. (Dr.) Debashis Mitra, Member
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. NIHAR N JAMBUSARIA)**  
**CHAIRMAN**

**Place: New Delhi**

**Date : 13<sup>th</sup> September, 2021**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of ICAI Accounting Research Foundation ("the Company"), which comprises of the Balance Sheet as at 31 March 2021, 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 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 31<sup>st</sup> March 2021, and its loss 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 (V & VI) to the Financial Statements; Balance confirmations from 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 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 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 31<sup>st</sup> March 2021, taken on record by the Board of Directors, none of the director stand disqualified as on 31 March 2021, 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 : 21073295AAAACE2352**

**Place: Delhi**

**Date: 13<sup>th</sup> September, 2021**

**ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)**

(Limited by Guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

**Balance Sheet as at 31st March, 2021**

(Amount in Rs.)

	Note	As at 31 March 2021		As at 31 March 2020	
EQUITY AND LIABILITIES					
Member's Funds					
(a) Capital Fund	2	500,00,000		500,00,000	
(b) Reserves and Surplus	3	(168,91,401)	331,08,599	(119,37,228)	380,62,772
Non Current Liabilities					
(a) Earmarked Funds:(Infosys Fellowship Fund)	4		58,69,982		56,31,323
Current Liabilities					
(a) Trade Payables :-	5				
(A) total outstanding dues of micro enterprises and small enterprises; and		48,204		4,89,791	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		60,81,968		75,95,132	
(b) Other current Liabilities	6	1,13,890	62,44,062	2,99,853	83,84,776
TOTAL			452,22,643		520,78,871
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment	7				
(i) Tangible Assets		39,584		7,008	
(ii) Intangible Assets					
Leasehold Rights		12,50,000		62,50,000	
Trade Marks		20,000	13,09,584	20,000	62,77,008
Current Assets					
(a) Trade Receivables	8	8,41,653		8,41,653	
(b) Cash and Bank Balance					
(i) Cash and Cash Equivalents	9	90,86,273			
(ii) Other Bank Balance	9	92,75,635		244,40,940	
(c) Short Term Loans and Advances	10	139,72,350		163,30,888	
(d) Other current assets	11	107,37,148	439,13,059	41,88,383	458,01,863
TOTAL			452,22,643		520,78,871
Significant accounting policies	1				
Notes forming part of accounts	17				

Significant accounting policies

1

Notes forming part of accounts

17

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

See accompanying notes to the Financial Statements

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

Place: New Delhi

Date: 13th September, 2021

**CA. (Dr.) Jai Kumar Batra**

Director

DIN : 03233571

**CA. (Dr.) Debashis Mitra**

Director

DIN : 01629662

**CA. Nihar N Jambusaria**

Chairman

DIN : 01808733

**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, 2021**

(Amount in Rs.)

	Note	Amount	Amount
<b>INCOME</b>			
Receipts against Applied Research Projects	12	39,27,657	229,29,474
Other Receipts	13	14,56,410	17,28,704
<b>TOTAL REVENUE</b>		<b>53,84,067</b>	<b>246,58,178</b>
<b>EXPENSES</b>			
Project Expenses	14	33,49,738	144,11,813
Professional & Consultancy Charges	15	11,80,824	10,33,794
Depreciation and amortisation expenses	7	50,10,220	50,00,000
Other Expenses	16	3,05,833	6,53,907
<b>TOTAL EXPENSES</b>		<b>98,46,615</b>	<b>210,99,513</b>
<b>Excess of Expenditure over Income</b>		<b>(44,62,548)</b>	<b>35,58,665</b>
Prior Period Item		(5,33,625)	-
<b>Amount transferred to General Reserve</b>	3	<b>(49,96,173)</b>	<b>35,58,665</b>
Significant accounting policies	1		
Notes forming part of accounts	17		
Schedules referred to above form an integral part of the Balance Sheet			
See accompanying notes to the Financial Statements			
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

CA. (Dr.) Jai Kumar Batra

Director

DIN: 03233571

CA. (Dr.) Debashis Mitra

Director

DIN : 01629662

CA. Nihar N Jambusaria

Chairman

DIN : 01808733

Place: New Delhi

Date: 13th September, 2021

**ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)**

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

**Cash Flow Statement for the period ended 31st March 2021**

(Amount in Rs.)

	Amount	Amount
<b>Cash Flow from Operating Activities</b>		
Excess of Expenditure over Income	(49,96,173)	35,58,665
Adjustments for		
Depreciation	50,10,220	50,00,000
Interest Income	(10,90,715)	39,19,505
Operating income before working capital changes	(10,76,668)	72,43,373
Add / (less) : (increase)/decrease in working capital		
Trade Receivables	-	12,72,250
Short Term Loans and Advances	(12,53,238)	(20,20,785)
Other Current Assets	(65,48,765)	18,71,961
Current Liabilities	(21,40,714)	(99,42,717)
	(98,65,144)	(187,41,718)
<b>Cash Flow from Operations</b>	<b>(110,19,385)</b>	<b>(114,98,345)</b>
Less: Taxes Paid/Refund	44,09,100	(14,80,714)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(66,10,285)</b>	<b>(129,79,059)</b>
<b>Cash Flow from Investing Activities</b>		
Interest received	2,93,390	4,61,075
Net Investments in bank deposits (having maturity of more than three months)	(19,98,330)	(19,98,330)
Infosys Fellowship Fund (Interest)	2,38,659	2,89,698
Purchase of Fixed Assets	(42,796)	-
<b>Net Cash from Investing Activities (B)</b>	<b>(15,09,078)</b>	<b>(12,47,557)</b>
<b>Cash Flow from Financing Activities</b>		
Capital Reserve - Entrance Fees received	42,000	1,26,000
<b>Net Cash from Financing Activities (C)</b>	<b>42,000</b>	<b>1,26,000</b>
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(80,77,362)</b>	<b>(141,00,615)</b>
<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>171,63,635</b>	<b>312,64,250</b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b>90,86,273</b>	<b>171,63,635</b>
	<b>(80,77,362)</b>	<b>(141,00,615)</b>
Cash and Cash Equivalent comprise of -		
Balances with Schedule Banks in Current Accounts		
ICAI Accounting Research Foundation Account	-	59,175
ICAI ARF Infosys Fellowship Account	57,63,641	55,43,587
Balance with Bank FDR (Flexi Deposits)	33,22,632	115,60,873
	<b>90,86,273</b>	<b>171,63,635</b>

1 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.

2 The enclosed note 17 form an integral part of the Cash Flow Statement.

3 Figures in parenthesis indicate cash outgo.

4 Previous year figures have been regrouped/reclassified to conform to current year's classification.

5 ICAI ARF Infosys Fellowship Account is lien marked against Infosys Fellowship Fund.

**See accompanying notes to the Financial Statements**

**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

**CA. (Dr.) Jai Kumar Batra**

Director

DIN: 03233571

**CA. (Dr.) Debashis Mitra**

Director

DIN : 01629662

**CA. Nihar N Jambusaria**

Chairman

DIN : 01808733

Place: New Delhi

Date: 13th September, 2021

## **Note 1. SIGNIFICANT ACCOUNTING POLICIES**

### **a. COMPANY PROFILE:**

ICAI Accounting Research Foundation (ICAI ARF) is a Company Limited by Guarantee registered on 14<sup>th</sup> 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 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 2021	As at 31 March 2020
<b>Note 2. CAPITAL FUND</b>		
Capital Fund	500,00,000	500,00,000
<b>Total</b>	<b>500,00,000</b>	<b>500,00,000</b>
<b>Note 3. RESERVES AND SUPRLUS</b>		
<b>Capital Reserve:</b>		
Balance as per last Balance Sheet	10,09,000	8,83,000
Entrance fee received during the year	42,000	1,26,000
<b>Total</b>	<b>10,51,000</b>	<b>10,09,000</b>
<b>Surplus/(Deficit)</b>		
Balance as per last Balance Sheet	(129,46,228)	(165,04,893)
Surplus/(Deficit) transferred from Statement of Income & Expenditure	(49,96,173)	35,58,665
<b>Total</b>	<b>(179,42,401)</b>	<b>(129,46,228)</b>
<b>Grand Total</b>	<b>(168,91,401)</b>	<b>(119,37,228)</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	52,31,323	49,41,625
Interest received during the year	2,38,659	2,89,698
<b>Total</b>	<b>58,69,982</b>	<b>56,31,323</b>
<b>Note 5. TRADE PAYABLES</b>		
<b>Consultancy Expenses Payable</b>		
Indian Railway Project	4,45,710	4,45,710
Indian Railway (Roll Out)	-	-
-Due to MSME	-	4,10,625
-Others	5,82,251	33,87,825
Indian Railway (Roll Out 2)		
-Due to MSME	24,245	-
-Others	1,71,342	12,23,548
<b>Creditors for expenses</b>		
-Due to MSME	23,959	79,166
-Others		
'-Related Party	47,36,204	35,98,452
'-Others	1,46,462	1,63,145
<b>Total</b>	<b>61,30,173</b>	<b>80,84,923</b>
<b>Note 6. OTHER CURRENT LIABILITIES:</b>		
Payable to Related Party		
For Building	-	-
Other Payable	-	-
Statutory Dues		
GST	-	-
TDS	1,13,890	1,13,890
Advance from Customer		2,89,853
<b>Total</b>	<b>1,13,890</b>	<b>2,99,853</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, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Property Plant &amp; Equipment</b>									
<b>(i) Tangible Assets</b>									
Office Equipments	75,016	-	-	75,016	71,265	-	71,265	3,751	3,751
Computers	2,43,580	42,796	-	2,86,376	2,40,323	10,220	2,50,543	35,833	3,257
<b>(ii) Intangible Assets</b>									
Leasehold Rights	500,00,000	-	-	500,00,000	437,50,000	50,00,000	487,50,000	12,50,000	62,50,000
Trade Marks	20,000	-	-	20,000	-	-		20,000	20,000
<b>Total</b>	<b>503,38,596</b>	<b>42,796</b>	<b>-</b>	<b>503,81,392</b>	<b>440,61,588</b>	<b>50,10,220</b>	<b>490,71,808</b>	<b>13,09,584</b>	<b>62,77,008</b>
Previous Year	503,38,596	-	-	503,38,596	390,61,588	50,00,000	440,61,588	62,77,008	112,77,008

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 2021	As at 31 March 2020
<b>Note 8. TRADE RECEIVABLES</b>		
(Unsecured - considered good unless otherwise stated)		
Outstanding for more than 6 months from the due date		
Considered good	8,41,653	8,41,653
Considered Doubtful*	-	19,08,084
Provision for Doubtful debts	-	(19,08,084)
*Refer to Note No. 17(XII)		
	<b>8,41,653</b>	<b>8,41,653</b>
<b>Note 9. CASH AND BANK BALANCE</b>		
(i) Cash & Cash Equivalents		
a) Balance with Banks		
Balances with Scheduled Banks in Current Accounts		
ICAI Accounting Research Foundation Account*	-	59,175
ICAI ARF Infosys Fellowship Account **	57,63,641	55,43,587
Balance with Bank FDR***	33,22,632	115,60,873
(* Balance with bank excludes flexi deposits)		
(** Balance with bank includes Flexi, lien marked against Infosys Fellowship Fund)		
(***)Balance in Flexi Deposits)		
b) Cash in hand	-	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>90,86,273</b>	<b>171,63,635</b>
(ii) 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
- Against Roll Out 2 Project	19,98,330	-
(*Fixed Deposit having maturity period after 3 Months but before 12 Months)		
FDR having maturity period after 3 months but before 12 months .	19,98,330	19,98,330
<b>Total Other Bank Balances</b>	<b>92,75,635</b>	<b>72,77,305</b>
<b>Total</b>	<b>183,61,908</b>	<b>244,40,940</b>
<b>Note 10. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured - considered good, unless stated otherwise)		
<b>Taxes and Duties Recoverable</b>		
TDS Recoverable-Income Tax	28,22,486	72,31,586
TDS Recoverable-GST	5,18,573	5,18,573
<b>Other Loans &amp; Advances</b>		
Accrued Interest due but not received on flexi deposits and FDRs	27,30,750	19,33,425
Earnest Money with Indian Railway	7,79,500	7,79,500
Goods & Service Tax Input Credit	34,40,747	21,78,462
Receivable from AWS	764	9,812
Security Deposit		
*-RCF	3,71,250	3,71,250
*-Roll Out	33,08,280	33,08,280
	<b>139,72,350</b>	<b>163,30,888</b>
<b>Note 11. Other current assets</b>		
Unbilled Revenue (Roll out) Refer to Note No. 17(X)	77,63,193	38,35,536
Work-in-progress (Roll Out 2) Refer to Note No. 17(XI)	29,18,495	2,60,807
Membership Fees Receivable		
-Related party	55,460	92,040
	<b>107,37,148</b>	<b>41,88,383</b>
<b>Note 11.1. Work-in-progress (Roll Out 2)</b>		
Opening Balance	2,60,807	-
Add:- Net Addition during the year	26,57,688	2,60,807
Less:- Expenses booked during the year	-	-
Closing Balance	<b>29,18,495</b>	<b>2,60,807</b>

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 31st March, 2021	As at 31st March, 2020
<b>Note 12. RECEIPTS FROM APPLIED RESEARCH PROJECTS</b>		
Indian Railway Project		
-Roll out	-	190,93,938
-Unbilled Revenue Roll out {Refer to Note No.17(XI)}	39,27,657	38,35,536
Income From DFCCIL	-	-
Income From TNCSC	-	-
	<b>39,27,657</b>	<b>229,29,474</b>
<b>Note 13. OTHER RECEIPTS</b>		
Subscription from Members	1,60,000	1,65,000
Interest		
Bank Deposits	10,90,715	13,15,292
Income Tax Refund	2,05,695	1,53,073
Other Income	-	-
Sundry Balances Written off	0	95,339
	<b>14,56,410.0</b>	<b>17,28,704</b>
<b>Note 14. PROJECT EXPENSES</b>		
Expenses For Indian Railway Project		
- Rollout	33,21,195	143,05,713
Expenses For Emirates	-	1,06,100
Expenses For AAS	28,543	-
	<b>33,49,738</b>	<b>144,11,813</b>
<b>Note 15. PROFESSIONAL AND CONSULTANCY CHARGES</b>		
Professional Charges for Administrative Support	11,80,824	10,33,794
	<b>11,80,824</b>	<b>10,33,794</b>
<b>Note 16. OTHER EXPENSES</b>		
Statutory Audit Fees	75,000	75,000
Internal Audit Fees	80,000	80,000
Legal & Professional Charges	36,000	65,000
Miscellaneous Expenses	39,032	66,716
Rent	5,000	5,000
Travelling & Conveyance Expenses	14,925	1,10,404
Printing & Stationery Expenses	55,876	40,758
Miscellaneous Expenses for Project Work	-	2,11,029
	<b>3,05,833</b>	<b>6,53,907</b>

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

- I. 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.
- II. 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. 2,38,659/- for the year ended on 31<sup>st</sup> March 2021 (Previous Year Rs.2,89,698/-) has been credited to the fund. The same will be utilized as per the agreement with Infosys Technologies Ltd.
- III. 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.
- IV. ICAI ARF is a Company limited by Guarantee with liability of each member not exceeding Rs.5000/- (Rupees Five Thousand Only).
- V. 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
	<b>Total</b>	<b>8,41,653</b>

VI. Trade Payable are subject to confirmation and reconciliation.

VII. 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 : CA. (Dr.) Jai Kumar Batra, 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	FY 2020-2021	FY 2019-2020
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ICAI	Control exists	Membership fees received	1,77,000	1,82,900
ICAI	Control exists	Entrance fees received	49,560	1,48,680
ICAI	Control exists	Consultant & Other Services	47,87,056	36,55,408
ICAI	Control exists	Rent	5,000	5,000

**C. Outstanding Balance as at 31.03.2021:**

Name	F.Y. 2020-2021	F.Y. 2019-2020
Consultant & Other Services	47,26,204	35,93,452
Rent payable	10,000	5,000
Membership Fees receivable	5,900	17,700
Entrance Fees receivable	49,560	74,340

**VIII. 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	2021	2020
(i)	The principal amount remaining unpaid as at year end and Interest due thereon remaining unpaid on year end	48,204	4,89,791
	Principal amount due to micro and small enterprises	48,204	4,89,791
	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

- IX. The disclosures required under Schedule-III to the Companies Act, 2013 have been furnished to the extent applicable.
- X. 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. 39,27,657/- (Previous Year Rs. 38,35,536/-) is recognized for the Financial Year 2020-2021.
- XI. Cost incurred on Roll Out 2 Project from December, 2019 onwards amounting to Rs. 29,18,495/- (Rupees Twenty Nine Lakh Eighteen Thousand Four Hundred Ninety Five Only) for the year ended on 31.03.2021 (Previous Year Rs. 2,60,807/-) has been transferred to Work in Progress as the total cost incurred on project is less than 25%.
- XII. During the year, ICAI ARF has recognized the Bad Debts of Rs. 19,08,084/- (Rupees Nineteen Lakh Eight Thousand Eighty Four Only) due from AIIMS since company is in the opinion that amount is irrecoverable.
- XIII. Contingent Liabilities (to the extent not provided for) - Nil  
Commitments:  
Bank Guarantees (Given to Indian Railways): Rs. 72,77,305/- (Previous Year Rs. 52,78,975)
- 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

**CA. (Dr.) Jai Kumar Batra**  
Director  
DIN : 03233571

**CA. (Dr.) Debashis Mitra**  
Director  
DIN : 01629662

**CA. Nihar N Jambusaria**  
Chairman  
DIN : 01808733

Place: New Delhi

Date: 13<sup>th</sup> September, 2021