

**Fraser & Ross  
Chennai**

**Institute for Financial  
Management and Research**

**Auditor's Report and Financial  
Statements**

**For the YE 31 March 2021**

# Fraser & Ross

Chartered Accountants  
ASV N Ramana Tower,  
52, Venkatnarayana Road,  
T. Nagar,  
Chennai - 600 017,  
Tamil Nadu, India

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Institute for Financial Management and Research

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Institute for Financial Management and Research** ("the Institute"), which comprise the Balance Sheet as at 31 March 2021, the Income and Expenditure Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at 31 March 2021, its excess of expenditure over income and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the financial statements section of our report. We are independent of the Institute in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Management's Responsibility for the Financial Statements

The Institute's Board is responsible for the preparation of these financial statements that give a true and fair view of the financial position, the Income and Expenditure account and cash flows in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Institute and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 Institute'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





## Fraser & Ross

either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so. Those members of the board are also responsible for overseeing the Institute'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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



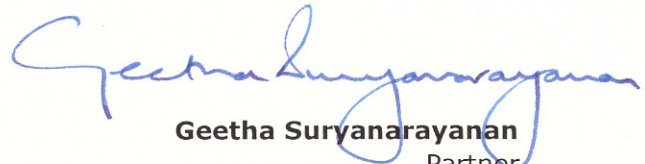
## Fraser & Ross

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For Fraser & Ross**  
Chartered Accountants  
(Firm's Registration. No. 000829S)



**Geetha Suryanarayanan**  
Partner  
Membership No. 29519  
UDIN: 21029519AAAADU6982

**Place:** Chennai

**Date:** 13th September 2021





**Institute for Financial Management and Research**  
(Registered under the Societies Registration Act XXI of 1860)

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

SOURCES OF FUNDS	Schedules	As at March 31, 2021 Rs.	As at March 31, 2020 Rs.
Unrestricted funds	1	13933,08,824	15246,99,809
Restricted funds	2	15696,80,801	17309,58,346
Current liabilities and provisions	3	3655,28,291	3458,37,135
<b>TOTAL</b>		<b>33285,17,916</b>	<b>36014,95,290</b>
<b>APPLICATION OF FUNDS</b>			
Property, Plant, and Equipment	4A	8913,77,195	9794,30,184
Intangible Assets	4B	14,89,455	26,59,543
Capital Work in Progress		1843,39,169	237,63,287
Current assets	5	21463,90,175	24542,63,008
Loans, advances and deposits	6	1049,21,922	1413,79,268
<b>TOTAL</b>		<b>33285,17,916</b>	<b>36014,95,290</b>
Refer accompanying notes forming part of financial statements	10 and 11		

For and on Behalf of  
Institute for Financial Management & Research

In terms of our report attached  
For Fraser & Ross  
Chartered Accountants  
(Firm Regn. No. 000829S)

Place: Chennai  
Date: September 13, 2021

**R Seshasayee**  
Chairman

**Kapil Viswanathan**  
President

**Lalitha J**  
Chief Financial Officer

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519



**Institute for Financial Management and Research**  
(Registered under the Societies Registration Act XXI of 1860)

**Income and Expenditure Account for the year ended March 31, 2021**

Particulars	Schedules	For the Year Ended March 31, 2021			For the Year Ended March 31, 2020		
		Unrestricted Funds Rs.	Restricted Funds Rs.	Total Rs.	Unrestricted Funds Rs.	Restricted Funds Rs.	Total Rs.
<b>INCOME</b>							
<b>Transfer from Restricted Funds</b>							
- Research Project		-	12,83,403	12,83,403	-	61,75,476	61,75,476
- Project Grants transferred from Research Project Fund		-	4779,08,849	4779,08,849	-	5737,30,674	5737,30,674
Project reimbursements		-	4886,49,416	4886,49,416	-	6809,48,935	6809,48,935
Other income	7	469,45,661	891,27,643	891,27,643	806,15,791	496,84,786	1303,00,577
<b>TOTAL (A)</b>		<b>469,45,661</b>	<b>10569,69,311</b>	<b>10569,69,311</b>	<b>806,15,791</b>	<b>13105,39,871</b>	<b>13911,55,662</b>
<b>EXPENDITURE</b>							
Course and Seminar expenses		-	12,83,403	12,83,403	-	61,75,476	61,75,476
Research project expenses		-	9581,40,797	9581,40,797	-	12397,73,777	12397,73,777
Employee benefit expenses	8	9,12,320	662,23,890	662,23,890	9,33,193	638,78,735	648,11,928
Administrative and general expenses	9	85,88,145	341,25,003	341,25,003	153,35,851	466,65,650	620,01,501
Depreciation and amortisation expenses	4A and 4B	746,52,164	854,06,068	854,06,068	732,99,361	110,67,582	843,66,943
Less: Share of expenses absorbed under project expenses		(34,03,113)	(824,17,368)	(858,20,481)	(48,30,724)	(1192,44,650)	(1240,75,374)
<b>TOTAL (B)</b>		<b>807,49,516</b>	<b>9786,09,164</b>	<b>10593,58,680</b>	<b>847,37,681</b>	<b>12483,16,570</b>	<b>13330,54,251</b>
Excess of income over expenditure		(338,03,855)	314,14,486	(23,89,369)	(41,21,890)	622,23,301	581,01,411
Excess of Income over Expenditure/(Expenditure over Income) transferred to :-		(338,03,855)	314,14,486	(23,89,369)	(41,21,890)	622,23,301	(41,21,890)
General fund	1	(338,03,855)	-	(338,03,855)	(41,21,890)	-	(41,21,890)
Research project fund	2	-	314,14,486	314,14,486	-	622,23,301	622,23,301
Refer accompanying notes forming part of financial statements	10 and 11						

In terms of our report attached  
**For Fraser & Ross**  
Chartered Accountants  
(Firm Regn. No. 0008295)

**For and on Behalf of**  
**Institute for Financial Management & Research**

**R Seshasayee**  
Chairman

**Kapil Viswanathan**  
President

**Lalitha Janakiraman**  
Chief Financial Officer

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place: Chennai  
Date: September 13, 2021





Institute for Financial Management and Research  
Schedules forming part of the financial statements

Particulars	As at March 31, 2021 Rs.			As at March 31, 2020 Rs.		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
<b>Schedule 1 - Unrestricted Funds</b>						
<b>General Fund</b>						
Opening balance	14787,40,385	-	14787,40,385	15828,62,275	-	15828,62,275
Less: Transfer to KREA University (Refer Note No.11.2)	(1000,00,000)	-	(1000,00,000)	(1000,00,000)	-	(1000,00,000)
Add: Excess of income over expenditure	(338,03,855)	-	(338,03,855)	(41,21,890)	-	(41,21,890)
<b>Closing Balance</b>	<b>13449,36,530</b>	<b>-</b>	<b>13449,36,530</b>	<b>14787,40,385</b>	<b>-</b>	<b>14787,40,385</b>
<b>Designated Fund</b>						
Opening Balance	459,59,424	-	459,59,424	433,57,944	-	433,57,944
Add: Interest on Designated Fund	24,12,870	-	24,12,870	26,01,480	-	26,01,480
<b>Closing Balance</b>	<b>483,72,294</b>	<b>-</b>	<b>483,72,294</b>	<b>459,59,424</b>	<b>-</b>	<b>459,59,424</b>
<b>Total Unrestricted Funds</b>	<b>13933,08,824</b>	<b>-</b>	<b>13933,08,824</b>	<b>15246,99,809</b>	<b>-</b>	<b>15246,99,809</b>
<b>Schedule 2 - Restricted Funds</b>						
<b>Donations</b>						
Opening Balance	-	568,70,453	568,70,453	-	783,22,066	783,22,066
Add: Contribution received	-	531,95,440	531,95,440	-	200,00,000	200,00,000
Add: Interest on Specific Project fund	-	(37,83,403)	(37,83,403)	-	(61,75,476)	(61,75,476)
Less Utilization	-	-	-	-	19,81,949	19,81,949
Add: Interest on Donations	-	(6,10,930)	(6,10,930)	-	(372,58,086)	(372,58,086)
Less: Krea Donation	-	-	-	-	-	-
<b>Closing Balance Donations</b>	<b>-</b>	<b>1056,71,560</b>	<b>1056,71,560</b>	<b>-</b>	<b>568,70,453</b>	<b>568,70,453</b>
<b>Research Project funds</b>						
Opening Balance - Research Project Funds	-	14530,94,004	14530,94,004	-	11020,89,285	11020,89,285
Add: Research Grants received during the year	-	1681,41,072	1681,41,072	-	8248,81,238	8248,81,238
Add: Interest on Specific Project fund	-	402,85,047	402,85,047	-	376,30,854	376,30,854
Less: Transferred to Income and Expenditure account in respect of current year utilisation	-	(4779,08,849)	(4779,08,849)	-	(5737,30,674)	(5737,30,674)
Add: Excess of income over expenditure	-	314,14,486	314,14,486	-	622,23,301	622,23,301
<b>Closing Balance Research Project funds</b>	<b>-</b>	<b>12150,25,760</b>	<b>12150,25,760</b>	<b>-</b>	<b>14530,94,004</b>	<b>14530,94,004</b>
<b>Designated Fund</b>						
Opening Balance	-	1563,76,177	1563,76,177	-	1475,24,698	1475,24,698
Add: Interest on Designated Fund	-	82,09,752	82,09,752	-	88,51,479	88,51,479
<b>Closing Balance Designated Funds</b>	<b>-</b>	<b>1645,85,929</b>	<b>1645,85,929</b>	<b>-</b>	<b>1563,76,177</b>	<b>1563,76,177</b>
<b>Deferred Income</b>						
Opening Balance	-	646,17,712	646,17,712	-	354,23,123	354,23,123
Received during the year	-	280,44,840	280,44,840	-	350,00,000	350,00,000
Depreciation/amortization charged	-	(82,65,000)	(82,65,000)	-	(58,05,411)	(58,05,411)
<b>Closing Balance Deferred Income</b>	<b>-</b>	<b>843,97,552</b>	<b>843,97,552</b>	<b>-</b>	<b>646,17,712</b>	<b>646,17,712</b>
<b>Total Restricted Funds</b>	<b>-</b>	<b>15696,80,801</b>	<b>15696,80,801</b>	<b>-</b>	<b>17309,58,346</b>	<b>17309,58,346</b>
<b>Schedule 3 - Current liabilities and provisions</b>						
Current liabilities						
Sundry creditors	6,82,904	360,57,617	367,40,521	5,06,250	336,58,447	341,64,697
Payables on purchase/ construction of fixed assets	344,96,849	-	344,96,849	92,83,524	-	92,83,524
Students Caution Deposits	2,46,592	-	2,46,592	2,46,591	-	2,46,591
Funds received in advance for projects	7,57,799	2370,09,985	2370,09,985	5,28,669	2582,87,678	2582,87,678
Other liabilities	78,834	269,00,788	276,58,587	238,36,406	243,65,075	243,65,075
Provision for compensated absences	188,97,299	104,34,271	189,76,133	60,374	150,70,297	151,30,671
Provision for Gratuity	(34,647)	103,99,624	103,99,624	8,113	43,50,786	43,58,899
<b>Total</b>	<b>362,28,331</b>	<b>3292,99,960</b>	<b>3655,28,291</b>	<b>106,33,521</b>	<b>3352,03,614</b>	<b>3458,37,135</b>
<b>Schedule 5 - Current assets</b>						
Interest accrued on deposits	207,03,041	344,04,245	551,07,286	356,41,768	390,25,725	746,67,493
<b>Accounts receivable</b>						
Fees/ program income receivable	1,05,880	-	1,05,880	1,29,480	-	1,29,480
Amounts receivable from donors against reimbursement of project expenses (Refer Note No 11.4)	-	340,38,628	340,38,628	-	298,17,232	298,17,232
<b>Cash and bank balances</b>						
Cash in Hand	-	-	-	-	-	-
Balances with banks						
- in current account	50,984	2,30,838	2,81,822	88,92,700	10,88,336	10,88,336
- in savings account	75,79,600	274,14,088	349,93,688	363,14,498	363,14,498	452,07,198
- in deposit accounts	4218,51,085	16000,11,786	20218,62,871	5559,15,983	17474,37,286	23033,53,269
<b>TOTAL</b>	<b>4502,90,590</b>	<b>16960,99,585</b>	<b>21463,90,175</b>	<b>6005,79,931</b>	<b>18536,83,077</b>	<b>24542,63,008</b>
<b>Schedule 6 - Loans and advances</b>						
Input Tax Credit	-	73,55,137	73,55,137	-	383,61,340	383,61,340
ITC Refund Receivable	-	91,47,067	91,47,067	-	-	-
Advances recoverable in cash or in kind	10,740	25,90,959	26,01,699	9,715	40,24,080	40,33,795
Capital advances (Refer Note No 11.3)	22,09,290	-	22,09,290	119,55,382	-	119,55,382
Amounts to be billed to donors against reimbursement of project expenses (Refer Note no 11.4)	-	498,48,218	498,48,218	-	460,65,535	460,65,535
Income tax deducted at source	13,90,375	89,50,551	103,40,926	61,42,836	119,48,411	180,91,247
Prepaid expenses	7,83,147	19,89,889	27,73,036	7,99,855	8,39,011	16,38,866
Sundry deposits	75,05,778	131,40,771	206,46,549	75,59,826	136,73,277	212,33,103
<b>TOTAL</b>	<b>118,99,330</b>	<b>930,22,592</b>	<b>1049,21,922</b>	<b>264,67,614</b>	<b>1149,11,654</b>	<b>1413,79,268</b>

\* Note : Depreciation on land represents amortisation of leasehold land over the lease period



Institute for Financial Management and Research  
Schedules forming part of the financial statements

Particulars	For the year ended March 31, 2021 Rs.			For the year ended March 31, 2020 Rs.		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
<b>Schedule 7 - Other income</b>						
Interest on						
- Deposits	452,43,937	374,02,601	826,46,538	789,27,795	337,30,092	1126,57,887
- Savings bank account	5,50,346	13,78,813	19,29,159	6,32,380	14,33,753	20,66,133
- Income tax refund	5,96,577	7,60,358	13,56,935	8,24,665	19,80,943	28,05,608
- Staff advances	-	-	-	-	700	700
Miscellaneous receipts	5,54,801	26,40,210	31,95,011	2,30,951	117,68,089	119,99,040
Foreign Exchange Gain	-	-	-	-	7,71,209	7,71,209
<b>TOTAL</b>	<b>469,45,661</b>	<b>421,81,982</b>	<b>891,27,643</b>	<b>806,15,791</b>	<b>496,84,786</b>	<b>1303,00,577</b>
<b>Schedule 8 - Employee benefit expenses</b>						
Establishment expenses	7,74,583	639,29,190	647,03,773	7,76,955	622,44,640	630,21,595
Contribution to Provident and other funds	1,36,720	13,72,179	15,08,899	1,54,224	16,13,021	17,67,245
Staff welfare expenses	1,017	10,201	11,218	2,015	21,073	23,088
<b>TOTAL</b>	<b>9,12,320</b>	<b>653,11,570</b>	<b>662,23,890</b>	<b>9,33,194</b>	<b>638,78,734</b>	<b>648,11,928</b>
<b>Schedule 9 - Administrative expenses</b>						
Auditors remuneration	1,37,237	13,77,363	15,14,600	1,33,083	13,91,917	15,25,000
Advertisement expenses	-	4,21,378	4,21,378	-	34,300	34,300
Application fees	-	35,400	35,400	25,00,000	-	25,00,000
Survey Expenses	-	1,44,025	1,44,025	-	5,76,767	5,76,767
Books and periodicals	6,202	9,93,321	9,99,523	7,821	10,00,708	10,08,529
Postage and telegrams	3,112	31,238	34,350	5,375	56,215	61,590
Printing and stationery	4,70,247	89,80,964	94,51,211	3,33,478	97,99,393	101,32,871
Legal & Professional Fees	8,179	4,08,990	4,17,169	1,247	86,22,613	86,23,860
Travelling expenses	-	3,25,537	3,25,537	-	-	-
Foreign Exchange loss	(1,64,062)	2,21,366	57,304	5,75,960	12,42,984	18,18,944
Loss on sale of assets	54,32,712	67,50,749	121,83,461	57,88,627	70,09,846	127,98,473
Rent	-	1,81,587	1,81,587	-	2,34,271	2,34,271
Electricity and water charges	17,22,855	78,850	18,01,705	14,77,856	-	14,77,856
Rates and taxes	9,28,137	3,12,171	12,40,308	7,48,243	5,53,973	13,02,216
Insurance	-	-	-	-	-	-
Repairs and maintenance	7,842	19,71,160	19,79,002	37,38,293	21,04,739	58,43,032
- Repairs and AMC	-	11,76,039	11,76,039	-	19,55,534	19,55,534
- Office Maintenance	33,084	13,31,597	13,64,681	25,194	14,81,087	15,06,281
-Computers/ website/ software	-	4,68,685	4,68,685	-	34,21,582	34,21,582
Meeting expenses	-	1,02,193	1,02,193	-	68,97,138	68,97,138
Provision for doubtful debts	2,600	2,24,245	2,26,845	675	2,82,583	2,83,258
Miscellaneous expenses	-	-	-	-	-	-
<b>TOTAL</b>	<b>85,88,145</b>	<b>255,36,858</b>	<b>341,25,003</b>	<b>153,35,852</b>	<b>466,65,650</b>	<b>620,01,502</b>





Schedule 4A - Property, Plant, and Equipment

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block		
	Balance as at April 1, 2020	Additions	Deletions	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Elimination on disposal of assets	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	76,88,217	-	-	76,88,217	-	-	-	-	76,88,217	76,88,217
Leasehold land	842,71,987	-	-	842,71,987	70,84,468	8,51,232	-	79,35,700	763,36,287	771,87,519
Buildings	8509,24,360	6,76,526	-	8516,00,886	2041,28,452	433,01,967	-	2474,30,419	6041,70,467	6467,95,909
Plant (solar)	328,34,075	-	-	328,34,075	49,60,049	16,41,704	-	66,01,753	262,32,322	278,74,026
Roads	232,67,464	-	-	232,67,464	120,83,039	23,26,746	-	144,09,785	88,57,679	111,84,425
Electrical fittings	1361,03,228	4,500	-	1361,07,728	613,86,502	135,03,218	-	748,89,720	612,18,008	747,16,726
Furniture and office equipment	637,09,740	-	73,888	636,35,852	192,40,733	60,89,284	48,019	252,81,998	383,53,854	444,69,007
Computers	907,63,715	32,58,758	20,23,225	919,99,248	648,45,573	98,66,022	17,53,285	729,58,310	190,40,938	259,18,142
Air-conditioners	752,88,720	2,64,842	1,16,915	754,36,647	286,08,087	92,93,806	64,238	378,37,655	375,98,992	466,80,633
Miscellaneous & Other Equipment	539,44,482	5,96,122	1,29,713	544,10,891	371,36,045	55,55,826	1,25,444	425,66,427	118,44,464	168,08,437
Vehicle	42,20,627	-	9,50,162	32,70,465	41,92,217	28,410	9,50,162	32,70,465	-	28,410
Library books	104,35,128	-	-	104,35,128	103,56,395	42,766	-	103,99,161	35,967	78,733
<b>TOTAL</b>	<b>14334,51,743</b>	<b>48,00,748</b>	<b>32,93,903</b>	<b>14349,58,588</b>	<b>4540,21,560</b>	<b>925,00,981</b>	<b>29,41,148</b>	<b>5435,81,393</b>	<b>8913,77,195</b>	<b>9794,30,184</b>

Schedule 4B - Intangible Assets

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block		
	Balance as at April 1, 2020	Additions	Deletions	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Elimination on disposal of assets	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Software	63,87,342	-	-	63,87,342	37,27,799	11,70,088	-	48,97,887	14,89,455	26,59,543
<b>TOTAL</b>	<b>63,87,342</b>	<b>-</b>	<b>-</b>	<b>63,87,342</b>	<b>37,27,799</b>	<b>11,70,088</b>	<b>-</b>	<b>48,97,887</b>	<b>14,89,455</b>	<b>26,59,543</b>

\* Note : Depreciation on land represents amortisation of leasehold land over the lease period

Schedule 4A - Property, Plant, and Equipment ( Previous Year )

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block		
	Balance as at April 1, 2019	Additions	Deletions	Balance as at March 31, 2020	Balance as at April 1, 2019	For the year	Elimination on disposal of assets	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	76,88,217	-	-	76,88,217	-	-	-	-	76,88,217	76,88,217
Leasehold land	842,71,987	-	-	842,71,987	62,33,236	8,51,232	-	70,84,468	771,87,519	780,38,751
Buildings	7448,90,845	1061,03,007	69,492	8509,24,360	1635,67,371	405,66,245	5,164	2041,28,452	6467,95,909	5813,23,474
Plant (solar)	328,34,075	-	-	328,34,075	33,18,345	16,41,704	-	49,60,049	278,74,026	295,15,730
Roads	232,67,464	-	-	232,67,464	97,56,293	23,26,746	-	120,83,039	111,84,425	135,11,171
Electrical fittings	1132,36,078	228,67,150	-	1361,03,228	489,80,578	124,05,924	-	613,86,502	747,16,726	642,55,500
Furniture and office equipment	394,98,595	269,12,851	27,01,706	637,09,740	156,57,716	49,15,965	13,32,948	192,40,733	444,69,007	238,40,879
Computers	871,75,254	64,03,225	28,14,764	907,63,715	568,19,302	103,40,492	23,14,221	648,45,573	259,18,142	303,55,952
Air-conditioners	300,28,780	453,18,200	58,260	752,88,720	200,70,535	85,61,206	23,654	286,08,087	466,80,633	99,58,245
Miscellaneous and other equipment	396,94,416	146,76,616	4,26,550	539,44,482	305,99,458	68,99,323	3,62,736	371,36,045	168,08,437.43	90,94,958
Vehicle	42,20,627	-	-	42,20,627	37,45,879	4,46,338	-	41,92,217	28,410	4,74,748
Library books	104,35,128	-	-	104,35,128	103,13,628	42,767	-	103,56,395	78,733	1,21,500
<b>TOTAL</b>	<b>12172,41,466</b>	<b>2222,81,049</b>	<b>60,70,772</b>	<b>14334,51,743</b>	<b>3690,62,341</b>	<b>889,97,942</b>	<b>40,38,723</b>	<b>4540,21,560</b>	<b>9794,30,183</b>	<b>8481,79,124</b>

Schedule 4B - Intangible Assets ( Previous Year )

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block		
	Balance as at April 1, 2020	Additions	Deletions	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Elimination on disposal of assets	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Software	63,57,342	30,000	-	63,87,342	25,53,387	11,74,412	-	37,27,799	26,59,543	38,03,955
<b>TOTAL</b>	<b>63,57,342</b>	<b>30,000</b>	<b>-</b>	<b>63,87,342</b>	<b>25,53,387</b>	<b>11,74,412</b>	<b>-</b>	<b>37,27,799</b>	<b>26,59,543</b>	<b>38,03,955</b>

\* Note : Depreciation on land represents amortisation of leasehold land over the lease period



**INSTITUTE FOR FINANCIAL MANAGEMENT & RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Cash Flow Statement for the Year ended March 31, 2021**

Particulars	For the Year Ended March 31, 2021 Rs.	For the Year Ended March 31, 2020 Rs.
<b>Cash Flow from Operating Activities</b>		
Surplus for the Period	(23,89,369)	581,01,411
Adjustments for		
Depreciation & Amortisation	854,06,068	843,66,943
Loss on sale of asset (net)	57,304	18,18,944
Provision for Employee Benefits	98,86,188	47,10,357
Interest income	(845,75,697)	(1175,29,629)
<b>Surplus before changes in Current Assets / Current Liabilities:</b>	<b>83,84,494</b>	<b>314,68,026</b>
Decrease/ (Increase) in Current Assets	147,63,137	348,48,995
Increase/(Decrease) in Current Liabilities	(154,08,356)	(159,48,194)
<b>Cash generated from Operations</b>	<b>77,39,275</b>	<b>503,68,827</b>
Net Income tax paid	77,50,322	162,36,756
<b>Net Cash Flow from Operating Activities</b>	<b>154,89,597</b>	<b>666,05,583</b>
<b>Cash Flow From Investing Activities</b>		
Interest on Deposits	1550,43,573	1748,19,038
Proceeds from sale of property, plant and equipment	2,95,500	2,13,104
Capital Expenditure on property, plant and equipment including Capital Advances	(1304,17,263)	(2291,14,629)
Investment in Fixed Deposits	2642,90,404	173,01,060
<b>Net Cash Flow used in Investing Activities</b>	<b>2892,12,214</b>	<b>(367,81,427)</b>
<b>Cash Flow From Financing Activities</b>		
Contribution to General Fund	494,12,037	138,24,524
Transfer to Krea University	(1006,10,930)	(1372,58,086)
Deferred Income (Specific Contribution)	280,44,840	350,00,000
Grants received in advance	(3097,67,776)	2511,50,564
<b>Net Cash Flow from Financing Activities</b>	<b>(3329,21,829)</b>	<b>1627,17,002</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(282,20,018)</b>	<b>1925,41,158</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>3074,95,528</b>	<b>1149,54,370</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>2792,75,510</b>	<b>3074,95,528</b>
<b>Reconciliation of Cash &amp; Cash equivalents:</b>		
Cash & bank balances as per Balance Sheet (Refer Schedule 5)	20571,38,381	23496,48,803
Less: Deposits - original maturity more than 3 months	17778,62,871	20421,53,275
Net Cash & Cash equivalents (as defined in AS 3 Cash Flow Statement) included in Schedule 5	2792,75,510	3074,95,528
Cash and cash equivalents at the end of the year comprises of		
(a) Cheques in Hand		
(a) Balances with banks		
- in current account	2,81,822	10,88,336
- in savings account	349,93,688	452,07,198
- in deposit accounts - original maturity 3 months or less	2440,00,000	2611,99,994
	<b>2792,75,510</b>	<b>3074,95,528</b>





## **INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**

(Registered under the Societies Registration Act XXI of 1860)

### **Notes to the Financial Statements for the year ended March 31, 2021**

#### **Background:**

Institute for Financial Management and Research ("IFMR") is a not for profit Society established in 1970 and registered under Societies Registration Act XXI of 1860. The Institute is engaged in education and research activities. It has established research centers to undertake research in the areas of finance, insurance, social science, environment etc.

IFMR as the sponsoring body has set up Krea University as per guidelines of the AP Private University Act. Krea University was notified in the gazette on April 30<sup>th</sup> 2018. The Governing Council, the apex body of the University have been formed in March, 2018. The Chancellor and Vice Chancellor have been appointed in March 2018 as per the Act.

Krea University offers a post graduate MBA program and an undergraduate Liberal arts program. Krea university commenced its academic activities from April 2018.

#### **10 Significant Accounting Policies:**

##### **10.1 Basis of Accounting:**

The financial statements of the Institute have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the recognized accounting policies and practices, to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### **10.2 Income:**

- i. All course and seminar fees are accounted on accrual & time proportion basis.
- ii. All Donations, Grants, Endowments and monies received towards project funds are accounted on receipt basis.
- iii. General donations and grants are treated as capital receipts and taken to Restricted Fund.
- iv. Grants whose primary condition is that the Institute should purchase, construct or otherwise acquire capital assets are treated as deferred income which is recognized as Income on a systematic and rational basis over the useful life of the related asset.
- v. Monies received towards joint research project are disclosed as 'Donations' under restricted funds in the schedules to the balance sheet. Such donations are recognized as Income to the extent of the corresponding expenses incurred. Unutilized balance amount is carried forward in the restricted fund for use in future periods.
- vi. Grants from donors for specific purposes are disclosed as 'Research project funds' under restricted funds in the schedules to the balance sheet. Unutilized balance amount of such grants is carried forward under the restricted fund in the Balance sheet. Such grants are recognized in Income and Expenditure account when the Institute has incurred expenses pertaining to such specified projects. Any surplus is transferred to Income and Expenditure upon the completion of the project.
- vii. Project income classified as Project Reimbursements is recognised on accrual basis as and when the Institute incurs the corresponding expenditure for the projects. These are classified as Income from Project Reimbursements.
- viii. Interest Income on deposits is recognized on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.





**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

**10.3 Research Project Expenses:**

Research Project expenses include expenses directly attributed to Research projects and those expenses that benefit more than one function which are allocated on basis of estimated time and effort or other reasonable basis. Such identification and recording of expenses, application of funds including working capital movements and inter-fund transfers, Cash & Bank balances relating to Restricted funds, presented in these Financial statements are based on the management assessment and internal controls designed and established in the Institute.

**10.4 Property, Plant, and Equipment, Intangible Assets, Depreciation and Amortisation:**

Assets are recorded at cost of acquisition and any directly attributable expenditure on making the asset ready for its intended use. Depreciation on property, plant and equipment and amortisation of intangible assets is charged on the straight-line method at the following rates:

<b>Asset Category</b>	<b>Rate %</b>
Leasehold land	Over the lease period
Buildings	5
Solar Power Plant	5
Electrical fittings and furniture	10
Roads	10
Air-conditioners	15
Fire Protection Equipments	25
Other miscellaneous equipment	25
Computer including software(intangible asset), vehicles and library books	20

**Capital work-in-progress**

Property, Plant and Equipment that are not yet ready for their intended use are carried at cost, comprising of direct cost and related incidental expenses.

**10.5 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**10.6 Cash flow statement**

Cash flows are reported using the indirect method, whereby Income / (expenditure) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Institute are segregated based on the available information.





**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

**10.7 Employee Benefits:**

**Defined contribution plans:**

- a. **Provident Fund:** The Institute makes contribution to the Employee Provident Fund Organisation to discharge its liabilities towards the Employees Provident Fund. The Institute has no other liability other than its contribution.
- b. **Super Annuation Fund:** The Institute makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge its liabilities towards super annuation to the employees. The Institute has no other liability other than its contribution.

**Defined benefit plans (Long term employee benefits):**

**Gratuity:** The Institute makes its contribution to a Gratuity fund administered by the Life Insurance Corporation of India (LIC) to discharge gratuity liability to the employees. The Institute accounts for its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined by actuary consultant using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

**Compensated absences:** The Institute records its liability for compensated absences based on actuarial valuation as at the balance sheet date using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

Short term employee benefits are recognized as an expense as per the Institute's scheme based on expected obligations on an undiscounted basis.

**10.8 Foreign Currency Transaction:**

- a. All foreign contributions received as grants are recorded at the rates prevailing on the date when the credit is given by the bank, to the Institute's account. Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/ gain are dealt with in the Income and Expenditure account.
- b. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Income and Expenditure account.

**10.9 Segment Reporting:**

The Institute operates in only one segment which is Research activities, therefore segment reporting requirement does not apply to IFMR. Within the single segment we have restricted and non-restricted funds which are duly disclosed in the Balance Sheet and Profit and Loss Account.

**10.10 Designated Funds**

The Board in its meeting on October 23, 2015 decided to earmark certain funds in General and in Research project Funds as Designated funds for future use as may be determined



**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

by the Board. Interest earned on these funds is accumulated along with the principal funds.

**10.11 Taxation:**

The Institute is registered under section 10 (23C) (iv) of the Income Tax Act, 1961 and is exempted from taxes on income. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Tax deducted at source would be received as and when tax assessment is completed for the respective financial year by the income tax assessing officer.

**11. Notes to Accounts:**

**11.1 Employee Benefits:**

The Institute makes Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Scheme, the Institute is required to contribute a specified percentage of the payroll costs to fund the benefits. In the case of Provident Fund effective from April 01, 2018, the Institute makes PF contributions to the EPFO. The Institute recognized Rs.397,271 (year ended March 31, 2020 Rs. 341,657 for Provident Fund contributions and Rs.82,509 (year ended March 31, 2020 Rs.83,400) for Superannuation Fund contributions. The contributions payable to these plans by the Institute are at rates specified in the rules of the schemes.

**The details of actuarial valuation in respect of Gratuity liability are given below:**

i.	Particulars	March 31, 2021	March 31, 2020
	Projected benefit obligation as at the beginning of the year	24,459,777	20,760,528
	Service cost	5,762,684	8,378,809
	Interest cost	1,361,451	1,504,881
	Actuarial Loss/(gains)	4,945,673	(4,793,549)
	Benefits Paid	(2,277,827)	(1,390,892)
	<b>Projected benefit obligation at the end of the year</b>	<b>34,251,758</b>	<b>24,459,777</b>

ii.	Particulars	March 31, 2021	March 31, 2020
	Fair value of plan assets as at the beginning of the year	20,100,879	17,428,098
	Expected return on plan assets	1,560,728	1,475,022
	Contributions	5,058,898	3,000,000
	Benefits paid	(2,277,827)	(1,390,892)
	Actuarial gain/(losses) on plan assets	(590,543)	(411,349)
	<b>Fair value of plan assets</b>	<b>23,852,135</b>	<b>20,100,879</b>





**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

iii.	Amount recognized in the Balance Sheet	March 31, 2021	March 31, 2020
	Projected benefit obligation at the end of the year	34,251,758	24,459,777
	Fair value of plan assets at the end of the year	23,852,135	20,100,879
	Liability recognized in the balance Sheet	<b>10,399,623</b>	<b>4,358,898</b>

iv.	Cost of the defined plan for the Year	March 31, 2021	March 31, 2020
	Total Service cost	5,762,684	8,378,809
	Interest on obligation	1,361,451	1,504,881
	Expected return on planned assets	(1,560,728)	(1,475,022)
	Net actuarial (gains)/losses recognized in the year	5,536,216	(4,382,200)
	<b>Net cost recognized in the Income and expenditure account</b>	<b>11,099,623</b>	<b>4,026,468</b>

v.	Assumptions	March 31, 2021	March 31, 2020
	Discount Rate	4.90%	5.57%
	Expected rate of return	6.50%	7.77%
	Salary escalation	8.00%	8.00%

**Actuarial Calculations (Gratuity Plan) as per AS 15:**

	Experience History	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
1	Defined Benefit Obligation at end of the period	342,51,758	244,59,777	207,60,528	287,23,770	203,92,114
2	Plan Assets at end of the period	238,52,135	201,00,879	174,28,098	178,27,906	168,04,958
3	Funded Status	(103,99,623)	(43,58,898)	(33,32,430)	(108,95,864)	(35,87,155)
4	Experience Adjustments on Plan liabilities	32,73,756	(800,962)	69,76,738	24,60,122	(20,44,936)
5	Experience Adjustments on Plan Assets	(590,543)	(411,349)	(389,919)	(405,658)	(563,609)

**11.2 Related Party Transactions:**

IFMR as a sponsoring body established Krea University under the Andhra Pradesh Private Universities (Establishment and Regulation) Act, 2016. By virtue of this Krea University is a related party. The following funds were transferred from IFMR during the current financial year.



**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

<b>Particulars</b>	<b>Amount(Rs.)</b>
IFMR Donation to Krea University*	100,000,000
Branding and other miscellaneous	620,000
Scholarship donation	610,930

\*Pursuant to the approval of the Board of Directors in the meeting in November 2019 an amount of Rs. 200,000,000 has been agreed to be contributed from IFMR to Krea University. Of this, Rs. 100,000,000 has been contributed in November 2019. A further Rs. 100,000,000 has been contributed in April 2020.

The following funds were transferred from Krea University during the current financial year.

<b>Particulars</b>	<b>Amount(Rs.)</b>
Super annuation contribution	1,136,148
Expense reimbursement	429,961

### **11.3 Capital Commitments**

Construction of Sricity Residential Tower (RT Project) at Sricity Campus has commenced in December 2019 and is in progress. An amount of Rs.18,28,02,937 on has been spent till March 2021. Capital advances amounts to Rs.22,09,290 paid for Sricity Residential Tower Project.

Construction of Students Housing block at Sricity Campus has commenced in March 2021 and is in progress. An amount of Rs.15,36,232 has been spent till March 2021. Capital commitment for Students Housing block Rs. 11,91,24,889.

**11.4** The Institute accrues the reimbursements recoverable from donors towards expenses incurred on projects. These reimbursements have been included under Accounts Receivable to the extent invoiced to donors and have been included under Loans and Advances to the extent they are yet to be billed.

**11.5** The Institute is a not for profit organisation, engaged in education and research activities. It has established research centers to undertake research in the areas of finance, insurance, social science, environment etc. In assessing the recoverability of its assets, the Institute has considered internal and external information upto the date of approval of these financial statements. The assets of the Institute are of such nature that their recoverability will not be significantly impacted by the present situation on COVID Pandemic.

Due to the outbreak of global pandemic COVID-19 and lock down imposed by various governments, there may be delays in execution of projects undertaken by the Institute. Management has critically evaluated these delays and is in continuous discussion with donors to ratify the same. Based on this analysis, no adjustments in the financials are required to be done.





**INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**  
(Registered under the Societies Registration Act XXI of 1860)

**Notes to the Financial Statements for the year ended March 31, 2021**

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Institute will continue to closely monitor any material changes to future economic conditions.

- 11.6** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

**For and on Behalf of  
Institute for Financial Management & Research**

Chennai  
September 13 , 2021

  
**R Seshasayee**  
Chairman

  
**Kapil Viswanathan**  
President

  
**Lalitha J**  
Chief Financial Officer

