

TWENTY THIRD ANNUAL REPORT
2021-22



ICAI Accounting Research Foundation

BOARD OF DIRECTORS (As on Date)

1. CA. (Dr.) Debashis Mitra (President, ICAI)
2. CA. Aniket S. Talati (Vice–President, ICAI)
3. CA. Dondeti Prasanna Kumar
4. CA. Pramod Jain
5. CA. Prakash Sharma
6. CA. (Dr.) Jai Kumar Batra (Secretary, ICAI)
7. CA. K. Rahman Khan
8. CA. (Dr.) Amarjit Chopra
9. CA. Bhavna Gautam Doshi
10. CA. Deepak Kumar Gupta
11. CA. (Dr.) Sunil Kumar Gulati
12. CA. Abhay Kumar Chhajed
13. CA. Kumar Sripriya
14. CA. Vishal Pravinchandra Doshi

AUDIT COMMITTEE

1. CA. Amarjit Chopra, Chairman
2. CA. Bhavna G. Doshi, Member
3. CA. (Dr.) Sunil Gulati, Member
4. CA. Prakash Sharma
5. CA. Kumar Sripriya

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 | Web : www.icaiarf.org.in

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting ('AGM') of the members of ICAI Accounting Research Foundation (ICAI ARF) will be held on 21st September, 2022 (Wednesday) at 12:00 noon, at the Registered Office of the Company, ICAI Bhawan, Indraprastha Marg, New Delhi - 110002 to transact the following business:

ORDINARY BUSINESS: -

ITEM NO . 1

To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2022, 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. Nihar N. Jambusaria (DIN 01808733), CA. Shrinivas Y Joshi (DIN 05189697) and CA. Satish Kumar Gupta (DIN 08741743) w.e.f. 12th February, 2022 pursuant to operation of Article 34(xv) of the Articles of Association of the Company whereby a Director of the Board shall vacate office when he ceases to be a Member of the Central Council of the ICAI where such a person was nominated by the Council as per Article 28 (a) or (b).

ITEM NO . 3

To appoint a Director in place of CA. D Prasanna Kumar (DIN 07995989) 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. Pramod Jain (DIN 00002190) 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. Deepak Gupta (DIN 00136941) 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. Bhavna G Doshi (DIN 00400508) under Clause 28(d) of the Articles of Association, who retires from office by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:-

ITEM NO . 7

To appoint CA. K Sripriya (DIN 03319979) 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. K Sripriya (DIN 03319979) who was appointed as an Additional Director of the Company on April 1, 2022 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation”.

ITEM NO . 8

To appoint CA. Vishal Pravinchandra Doshi (DIN 01282317) 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. Vishal Pravinchandra Doshi (DIN 01282317) who was appointed as an Additional Director of the Company on April 1, 2022 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. Abhay Kumar Chhajed (DIN 00203901) 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. Abhay Kumar Chhajed (DIN 00203901) who was appointed as an Additional Director of the Company on April 1, 2022 and whose term of office expires at this Annual General Meeting, 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. (Dr.) Debashis Mitra)
Chairman

Place : New Delhi

Date : 6th September, 2022

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. K Sripriya (DIN 03319979) as an Additional Director of the Company with effect from April 1, 2022 under section 161 of the Companies Act, 2013. CA. K Sripriya 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. K Sripriya, being the nominee of the Council of ICAI, has been received. CA. K Sripriya is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

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

ITEM NO. 9

The Board of Directors appointed CA. Vishal Pravinchandra Doshi (DIN 01282317) as an Additional Director of the Company with effect from April 1, 2022 under section 161 of the Companies Act, 2013. CA. Vishal Pravinchandra Doshi 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. Vishal Pravinchandra Doshi, being the nominee of the Council of ICAI, has been received. CA. Vishal Pravinchandra Doshi is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

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

ITEM NO. 10

The Board of Directors appointed CA. Abhay Kumar Chhajed (DIN 00203901) as an Additional Director of the Company with effect from April 1, 2022 under section 161 of the Companies Act, 2013. CA. Abhay Kumar Chhajed 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. Abhay Kumar Chhajed, being the nominee of the Council of ICAI, has been received. CA. Abhay Kumar Chhajed is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

Except CA. Abhay Kumar Chhajed, 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. (Dr.) Debashis Mitra)
Chairman

Place : New Delhi

Date : 6th September, 2022

DIRECTORS' REPORT

TO THE MEMBERS OF ICAI ACCOUNTING RESEARCH FOUNDATION

The Directors have pleasure in presenting the Twenty Third Annual Report of the ICAI Accounting Research Foundation (ICAI ARF), together with the Audited Balance-Sheet, Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended 31st March 2022.

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, 2021-22, 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' Project** : Work of Rolling Out Accrual Accounting in all the Zonal Railways and Production Units across the country
- 2.1.2 **Second Phase of Indian Railways' Project** : 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. Addendum agreement has been awarded for preparation of accrual based Financial Statements of Indian Railways for FY 2019-20 & 2020-21.
- 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.
- 2.1.4 **Agreement with Emirates Institute for Banking and Financial Studies (EIBFS)** – ICAI ARF is developing Course Material of Business and other laws, Corporate Laws and UAE Taxation and will review 11 subjects' study material to be revised by EIBFS based on ICAI Course Material.
- 2.1.5 **Agreement with CPA, Papua New Guinea:** ICAI ARF is developing study material on Financial Reporting and Financial Risk Management for CPA PNG.

2.2 NEW PROJECT PROPOSALS UNDER CONSIDERATION:

2.2.1 Treasuries and Accounts Department, Government of Tamil Nadu: ICAI ARF is in discussion with the Treasuries and Accounts Department, Government of Tamil Nadu to undertake rewriting of the following Codes/Rules/Manuals:

- The Tamil Nadu Treasury Code (Volume I & Volume II : Part I & II)
- The Pay & Accounts Office Manual
- The Tamil Nadu Accounts Code (Volume I, II & III)

2.2.2 Department of Handlooms, Government of Tamil Nadu : ICAI ARF is in talks with the Department of Handlooms, Government of Tamil Nadu to develop Standard Operating Procedure (SOP) document for:

- Expeditious disposal of assets
- Value maximisation
- Compliance with all laws/rules for the realisation of assets of Liquidated Weavers Cooperative Societies in Tamil Nadu.

2.2.3 Indian Ports' Association: A proposal has been submitted to IPA after due discussion for gap analysis & preparation of common framework for compliance with the newly enacted Major Ports Authorities Act, 2021 and MPA (Accounts & Audit) Rules, 2021.

FINANCIAL PERFORMANCE:

During the year, the receipt from research activities has been Rs. 139.76 lakh as against Rs. 39.28 lakh in the previous year. The surplus for the year under review amounted to Rs. 3.94 lakh as compared to a deficit of Rs. 44.62 lakh in the previous year. Financial results for the year 2021-22 compared with those of previous year are summarized below:

Particulars	Amount in '000	
	2021-22	2020-21
Revenue from Research Activities	13976	3928
Subscription from Members	150	160
Interest from Bank	696	1091
Interest from Income Tax Refund	220	206
Miscellaneous Income	-	-
Total Income (A)	15042	5385
Total Expenditure (B)	14648	9847
Surplus/ (Deficit) Before Taxation (C) - (A-B)	394	(4462)
Less (D) : Current Tax		
Deferred Tax		
Provision for Taxation		
Prior Period Item	-	(534)
Surplus/ (Deficit) After Taxation (C-D)	394	(4996)

The Directors propose to appropriate this amount as under :

Amount transferred to General Reserve	394	(4996)
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Summarized Cash Flow Statement:	2021-22	2020-21
Inflow/(Outflow) from operations	(1948)	(6610)
(Inflow)/outflow from investing activities	2394	(1509)
(Inflow)/outflow from financing activities	42	42
Net increase/(decrease) in cash & bank balance	488	(8077)

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. Also, ICAI ARF is spreading its wings as a core educational body by preparing study material for international educational institutions like EIBFS, CPA PNG.

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 IPA 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, 2022. There were no unclaimed or unpaid deposits as on March 31, 2022.

DIVIDEND

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

Conservation of energy: The Foundation deals in Basic and Applied research and does not require large quantities of energy. However, wherever possible energy saving efforts are made.

Technology absorption: Being a research organization, all the functions and resources are devoted towards research purposes. The IR, EPFO, PFC, MCD, KMC, CGA and DoP projects have been instrumental in building expertise in conversion of accounts to accrual basis.

Foreign Exchange earnings & Outgo:	Foreign Exchange earnings	: Rs. 3668 thousands
	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 DIRECTOR'S 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, 2022, is available on the Company's website and can be accessed at www.icairf.org.in.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Two 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 31st March 2022 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. (Dr.) Debashis Mitra (President, ICAI)
2. CA. Aniket S. Talati (Vice-President, ICAI)
3. CA Satish Kumar Gupta**
4. CA. Dondeti Prasanna Kumar
5. CA. Shriniwas Y. Joshi**
6. CA. Pramod Jain
7. CA. Prakash Sharma
8. CA. (Dr.) Jai Kumar Batra (Secretary, ICAI)
9. CA. K. Rahman Khan
10. CA. (Dr.) Amarjit Chopra
11. CA. Bhavna Gautam Doshi
12. CA. Deepak Kumar Gupta
13. CA. (Dr.) Sunil Kumar Gulati
14. CA. Nihar N Jambusaria**
15. CA. Abhay Chhajed*
16. CA. Kumar Sripriya*
17. CA. Vishal Pravinchandra Doshi*

* Appointed as director on 1st April, 2022

** Office vacated in terms of Article 34 (xv)

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 86th Meeting held on 13th September, 2021 has noted/appointed M/s. Gupta Nayar & Co., Chartered Accountants as Statutory Auditors of the Company for another block of five years from the Financial Year 2021-22 onwards 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. (Dr.) Amarjit Chopra, Chairman
2. CA. (Dr.) Sunil Gulati, Member
3. CA. Bhavna Gautam Doshi, Member
4. CA. K Sripriya, Member
5. CA. Prakash Sharma, 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.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Neither any application was made, nor any proceeding is pending under the insolvency and Bankruptcy code, 2016 during the financial year 2021-22.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

Company does not have any loan from banks or financial Institution, hence, there is no question of settlement.

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. (Dr.) Debashis Mitra)
Chairman

Place: New Delhi

Date : 6th September, 2022

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 2022, 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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its financial performance, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business

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PH. NO.: 011-45587632 MOB.: 9810200957,9818462655

Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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, including any significant deficiencies in internal control 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.

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, 2020 ("The Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, since as per para 1 (2) (iii), the order is not applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Income and Expenditure and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March 2022, taken on record by the Board of Directors, none of the director stand disqualified as on 31 March 2022, 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 applied.
- 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.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

**FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N**

**CA Vaibhav Aggrwal
Partner
Membership No. 549495
UDIN:**

**Place: Delhi
Date:**

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by Guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Balance Sheet as at 31st March, 2022

(Amount in '000)

	Note	As at 31 March 2022	As at 31 March 2021
EQUITY AND LIABILITIES			
Member's Funds			
(a) Capital Fund	2	50,000	50,000
(b) Reserves and Surplus	3	<u>-16,455</u>	<u>33,545</u>
			33,109
Non Current Liabilities			
(a) Earmarked Funds:(Infosys Fellowship Fund)	4	6,090	5,870
Current Liabilities			
(a) Trade Payables :-	5		
(A) total outstanding dues of micro enterprises and small enterprises; and		111	48
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		6,397	6,082
(b) Other Current Liabilities	6	<u>3,847</u>	<u>10,355</u>
			114
TOTAL		<u><u>49,990</u></u>	<u><u>45,223</u></u>
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment and Intangibles	7		
(i) Property, Plant and Equipment		67	40
(ii) Intangible Assets			
Leasehold Rights		-	1,250
Trade Marks		20	20
(b) Other Non-Current Assets	8	<u>3,308</u>	<u>3,395</u>
			3,308
Current Assets			
(a) Trade Receivables	9	19,704	8,605
(b) Cash and Cash Equivalents	10	18,302	19,655
(c) Short Term Loans and Advances	11	7,687	9,000
(d) Other Current Assets	12	<u>902</u>	<u>46,595</u>
			3,345
TOTAL		<u><u>49,990</u></u>	<u><u>45,223</u></u>

Significant Accounting Policies

1

Notes forming part of accounts

18

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

As per our audit report of even date

For Gupta Nayar & Co.

Chartered Accountants

FRN 008376N

For and on behalf of Board of Directors

CA. Vaibhav Aggrwal

(Partner)

Membership No. : 549495

CA (Dr.) Jai Kumar Batra

Director

DIN: 03233571

CA. Aniket S Talati

Director

DIN : 02724484

CA. (Dr.) Debashis Mitra

Chairman

DIN : 01629662

Place: New Delhi

Date:

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, 2022

(Amount in '000)

	Note	For the year 2021-22	For the year 2020-21
INCOME			
Receipts against Applied Research Projects	13	13,976	3,928
Other Receipts	14	1,066	1,457
TOTAL INCOME		15,042	5,385
EXPENSES			
Project Expenses	15	12,297	3,350
Professional & Consultancy Charges	16	767	1,181
Depreciation and amortisation expenses	7	1,299	5,010
Other Expenses	17	285	306
TOTAL EXPENSES		14,648	9,847
Excess of Expenditure over Income		394	-4,462
Prior Period Item		-	-534
Amount transferred to General Reserve	3	394	-4,996
Significant Accounting Policies	1		
Notes forming part of accounts	18		
Schedules referred to above form an integral part of the Balance Sheet			
As per our audit report of even date			

For Gupta Nayar & Co.
Chartered Accountants
FRN 008376N

For and on behalf of Board of Directors

CA. Vaibhav Aggrwal
(Partner)
Membership No. : 549495

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

CA. Aniket S Talati
Director
DIN : 02724484

CA. (Dr.) Debashis Mitra
Chairman
DIN : 01629662

Place: New Delhi
Date:

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Cash Flow Statement for the period ended 31st March 2022

(Amount in '000)

	For the year 2021-22		For the year 2020-21	
Cash Flow from Operating Activities				
Excess of Expenditure over Income		394		-4,996
Adjustments for				
Depreciation	1,299		5,010	
Interest Income	-696	603	-1,091	3,919
Operating income before working capital changes		997		-1,077
Add / (less) : (increase)/decrease in working capital				
Trade Receivables	-11,099		-	
Short Term Loans and Advances	-863		-1,253	
Other Current Assets	2,443		-6,549	
Current Liabilities	4,111	-5,408	-2,141	-9,943
Cash Flow from Operations		-4,411		-11,020
Less: Taxes Paid		2,463		4,410
Net Cash Flow from Operating Activities (A)		-1,948		-6,610
Cash Flow from Investing Activities				
Interest received		408		1,587
Net Investments in bank deposits (having maturity of more than three months)		1,842		-3,292
Infosys Fellowship Fund (Interest)		220		239
Purchase of Fixed Assets		-76		-43
Net Cash from Investing Activities (B)		2,394		-1,509
Cash Flow from Financing Activities				
Capital Reserve - Entrance Fees received		42		42
Net Cash from Financing Activities (C)		42		42
Net Increase in Cash & Cash Equivalent (A+B+C)		488		-8,077
Cash and Cash Equivalent at the beginning of the year		9,087		17,164
Cash and Cash Equivalent at the end of the year		9,575		9,087
		488		-8,077
Cash and Cash Equivalent comprise of -				
Balances with Schedule Banks in Current Accounts				
ICAI Accounting Research Foundation Account		589		-
ICAI ARF Infosys Fellowship Account		5,961		5,764
Balance with Bank FDR (Flexi Deposits)		3,025		3,323
		9,575		9,087

- The above Cash Flow Statement has been prepared as per the indirect method set out in AS-3 specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- The enclosed note 18 form an integral part of the Cash Flow Statement.
- Figures in parenthesis indicate cash outgo.
- Previous year figures have been regrouped/reclassified to conform to current year's classification.
- ICAI ARF Infosys Fellowship Account is lien marked against Infosys Fellowship Fund.

As per our audit report of even date

For Gupta Nayar & Co.

Chartered Accountants
FRN 008376N

For and on behalf of Board of Directors

CA. Vaibhav Aggrwal

(Partner)
Membership No. : 549495
Place: New Delhi
Date:

CA (Dr.) Jai Kumar Batra

Director
DIN: 03233571

CA. Aniket S Talati

Director
DIN : 02724484

CA. (Dr.) Debashis Mitra

Chairman
DIN : 01629662

Note 1 . SIGNIFICANT ACCOUNTING POLICIES

a. COMPANY PROFILE :

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

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

b. SIGNIFICANT ACCOUNTING POLICIES

I. Basis of accounting and preparation of financial statements

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

II. Use of Estimates

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

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

III. Revenue Recognition

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

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

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

IV. Property, Plant and Equipment

- i) Property, Plant and Equipment are carried at historical cost less accumulated depreciation and impairment losses, where applicable. The Company

capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use .

- ii) Depreciation on assets is provided on the Written Down Value Method by adopting the useful lives as prescribed in the Companies Act 2013. Depreciation on additions during the year is provided on a pro-rata basis.
- iii) Leasehold rights are amortized on a Straight Line basis over the period of the lease.

V. Capital Reserve and Grant

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

VI. Investment of Earmarked funds

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

VII. Cash and cash equivalents

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

VIII. Income tax

The Company has been granted exemption from Income Tax under section 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 '000)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
Note 2. CAPITAL FUND		
Capital Fund	50,000	50,000
Total	<u>50,000</u>	<u>50,000</u>
Note 3. RESERVES AND SUPRLUS		
Capital Reserve:		
Balance as per last Balance Sheet	1,051	1,009
Entrance fee received during the year	42	42
Total	<u>1,093</u>	<u>1,051</u>
Surplus/(Deficit)		
Balance as per last Balance Sheet	-17,942	-12,946
Surplus/(Deficit) transferred from Statement of Income & Expenditure	394	-4,996
Total	<u>-17,548</u>	<u>-17,942</u>
Grand Total	<u>-16,455</u>	<u>-16,891</u>
Note 4. EARMARKED FUNDS:(Infosys Fellowship Fund)		
Infosys Fellowship Grant	400	400
Balance as per last Balance Sheet	5,470	5,231
Interest received during the year	220	239
Total	<u>6,090</u>	<u>5,870</u>
Note 5. TRADE PAYABLES		
Consultancy Expenses Payable		
Indian Railway Project	446	446
Indian Railway (Roll Out)		-
-Due to MSME	-	-
-Others	585	582
Indian Railway (Roll Out 2)		
-Due to MSME	49	24
-Others	884	172
CPA PNG	21	-
EIBFS	10	-
NITI Aayog Project	108	-
Creditors for expenses	2,103	-
-Due to MSME	62	24
-Others		
'-Related Party	4,190	4,736
'-Others	153	146
Total	<u>6,508</u>	<u>6,130</u>
Trade Payable ageing		
a) Undisputed Trade Payable		
Less than 6 months	5,576	5,193
1-2 years	-	167
2-3 years	162	324
More than 3 years	324	-
b) Disputed Trade Payable		
More than 3 years	446	446
Total	<u>6,508</u>	<u>6,130</u>
Note 6. OTHER CURRENT LIABILITIES:		
Statutory Dues		
GST	-	-
TDS	178	114
Advance Billing (EIBFS)	1,108	
Advance Billing (CPA PNG)	2,561	
Total	<u>3,847</u>	<u>114</u>

ICAI ACCOUNTING RESEARCH FOUNDATION

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

NOTE 7: Property Plant & Equipment and Intangibles

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	For the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Property Plant & Equipment and Intangibles									
(i) Property Plant & Equipment									
Office Equipments	75	-	-	75	71	0	71	4	4
Computers	287	76	-	363	251	49	300	63	36
(ii) Intangible Assets									
Leasehold Rights	50,000	-	-	50,000	48,750	1,250	50,000	-	1,250
Trade Marks	20	-	-	20	-	-	-	20	20
Total	50,382	76	-	50,458	49,072	1,299	50,371	87	1,310
Previous Year	50,339	43	-	50,382	44,062	5,010	49,072	1,310	6,277

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in '000)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
Note 8. OTHER NON-CURRENT ASSETS		
Security Deposit		
'-Roll Out	3,308	3,308
	<u>3,308</u>	<u>3,308</u>
Note 9. TRADE RECEIVABLES		
a) Undisputed Trade Receivables - considered good		
2-3 years	-	842
b) Unbilled Revenue (Roll out) Refer to Note No. 18(IX)		
Less than 6 months	2,102	3,928
1-2 years	3,928	3,835
2-3 years	3,835	-
c) Unbilled Revenue (Roll out 2) Refer to Note No. 18(IX)		
Less than 6 months	9,839	-
	<u>19,704</u>	<u>8,605</u>
Note 10. CASH AND CASH EQUIVALENTS		
(i) Cash & Cash Equivalents		
a) Balance with Banks		
Balances with Scheduled Banks in Current Accounts		
ICAI Accounting Research Foundation Account*	589	-
ICAI ARF Infosys Fellowship Account **	5,961	5,764
Balance with Bank FDR***	3,025	3,323
(* 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		
	-	-
Total Cash & Cash Equivalents	<u>9,575</u>	<u>9,087</u>
(ii) Other Bank Balances		
Fixed Deposit (Under Charge against Bank Guarantee)*		
- Against RCF Project FDR	471	435
- Against Roll Out Project FDR	6,137	6,137
- Against Roll Out 2 Project	2,119	1,998
(*Fixed Deposit having maturity period after 3 Months but before 12 Months)		
FDR having maturity period after 3 months but before 12 months .	-	1,998
Total Other Bank Balances	<u>8,727</u>	<u>10,568</u>
Total	<u>18,302</u>	<u>19,655</u>
Note 11. SHORT TERM LOANS AND ADVANCES		
(Unsecured - considered good, unless stated otherwise)		
Taxes and Duties Recoverable		
TDS Recoverable-Income Tax	359	2,822
TDS Recoverable-GST	606	519
Other Loans & Advances		
Accrued Interest due but not received on flexi deposits and FDRs	1,725	1,437
Earnest Money with Indian Railway	780	780
Goods & Service Tax Input Credit	4,216	3,441
Receivable from AWS	1	1
	<u>7,687</u>	<u>9,000</u>

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in '000)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
Note 12. Other current assets		
Work-in-progress (Roll Out 2)	-	2,919
Work-in-progress (EIBFS) Refer to Note No. 18(X)	194	-
Work-in-progress (CPA PNG) Refer to Note No. 18(XI)	325	-
Membership Fees Receivable		
-Related party	-	55
Security Deposit		
'-RCF	383	371
	<u>902</u>	<u>3,345</u>
Note 12.1. a) Work-in-progress (Roll Out 2)		
Opening Balance	2,919	261
Add:- Net Addition during the year	-	2,658
Less:- Expenses booked during the year	2,919	-
Closing Balance	<u>-</u>	<u>2,919</u>
b) Work-in-progress (EIBFS)		
Opening Balance	-	-
Add:- Net Addition during the year	194	-
Less:- Expenses booked during the year	-	-
Closing Balance	<u>194</u>	<u>-</u>
c) Work-in-progress (CPA PNG)		
Opening Balance	-	-
Add:- Net Addition during the year	325	-
Less:- Expenses booked during the year	-	-
Closing Balance	<u>325</u>	<u>-</u>
	<u>519</u>	<u>2,919</u>

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTES TO STATEMENT OF ACCOUNTS

(Amount in '000)

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
Note 13. RECEIPTS FROM APPLIED RESEARCH PROJECTS		
Indian Railway Project		
-Roll out 2	2,032	-
-Unbilled Revenue Roll out {Refer to Note No.18(IX)}	2,102	3,928
-Unbilled Revenue Roll out 2 {Refer to Note No.18(IX)}	9,839	
Income From AAS	3	-
	13,976	3,928
Note 14. OTHER RECEIPTS		
Subscription from Members	150	160
Interest		
Bank Deposits	696	1,091
Income Tax Refund	220	206
	1,066	1,457
Note 15. PROJECT EXPENSES		
Expenses For Indian Railway Project		
- Rollout	1,778	3,321
- Rollout 2	10,090	-
Expenses For AAS	29	29
Expenses For Niti Ayog	400	-
	12,297	3,350
Note 16. PROFESSIONAL AND CONSULTANCY CHARGES		
Professional Charges for Administrative Support	767	1,181
	767	1,181
Note 17. OTHER EXPENSES		
Statutory Audit Fees	75	75
Internal Audit Fees	100	80
Legal & Professional Charges	-	36
Miscellaneous Expenses	44	39
Rent	-	5
Travelling & Conveyance Expenses	18	15
Printing & Stationery Expenses	48	56
	285	306

Note 18 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. 2,20,074/- for the year ended on 31st March 2022 (Previous Year Rs.2,38,659/-) 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 Payable are subject to confirmation and reconciliation.
- VI. 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, 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**(Amount in '000)**

Party Name	Relationship	Nature of Transaction	F . Y. 2021-2022	F . Y. 2020-2021
ICAI	Control exists	Membership fees received	177	177
ICAI	Control exists	Entrance fees received	50	50
ICAI	Control exists	Consultant & Other Services	4262	4787
ICAI	Control exists	Rent	-	5

C. Outstanding Balance as at 31.03.2022 :

Name	F . Y . 2021-2022	F . Y . 2020-2021
Consultant & Other Services	4190	4726
Rent payable	-	10
Membership Fees receivable	-	59
Entrance Fees receivable	-	50

VII. 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.

S . No.	Particulars	Amount in '000	
		2022	2021
(i)	The principal amount remaining unpaid as at year end and Interest due thereon remaining unpaid on year end	111	48
	Principal amount due to micro and small enterprises	111	48
	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

VIII . The disclosures required under Schedule-III to the Companies Act, 2013 have been furnished to the extent applicable.

IX. 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. 1,19,40,629/- (Previous Year Rs. 39,27,657/-) is recognized for the Financial Year 2021-2022.

X. Cost incurred on EIBFS Project amounting to Rs. 1,94,401/- (Rupees One Lakh Ninety Four Thousand Four Hundred One Only) for the year ended on 31.03.2022 (Previous Year Rs. Nil) has been transferred to Work in Progress as the total cost incurred on project is less than 25%.

XI. Cost incurred on CPA PNG Project amounting to Rs. 3,24,830/- (Rupees Three Lakh Twenty Four Thousand Eight Hundred Thirty Only) for the year ended on 31.03.2022 (Previous Year Rs. Nil) has been transferred to Work in Progress as the total cost incurred on project is less than 25%.

XII. Ratios

Particulars	Numerator Denominator	Value as on 31.03.2022	Value as on 31.03.2021	Amount in '000		Variation in %
				Ratio as on 31.03.2022	Ratio as on 31.03.2021	
Current Ratio	Current Assets	46595	40605	4.50	6.50	30.77
	Current Liabilities	10355	6244			
Trade Receivable Turnover ratio	Net Sales	13976	3927	.99	.59	67.80
	Average Debtor	14154	6641			
Net Capital Turnover Ratio	Net Sales	13976	3928	0.40	0.11	263.64
	Average Working capital	35300	34235			

* Variation of more than 25% in ratios is due to the recognition of unbilled revenue, advance billing and Work-in-progress of projects.

Debt Equity Ratio & Debt Service Coverage Ratio	Ratios are not applicable since company is debt free
Return on Equity Ratio, Net Profit Ratio & Return on Capital Employed	Ratios are not applicable since company is Non Profit Entity
Inventory Turnover Ratio	Ratio is not applicable since company does not have any inventory
Trade Payable Turnover Ratio	Ratio is not applicable since company is a service provider.

XIII. There is no transaction with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

XIV. a) Earnings in Foreign Currency

(Amount in '000)

Particulars	FY 2021-2022	FY 2020-2021
Advance Billing (Export)	3668	-

b) Exposure in Foreign Currency as at year end not hedged

Particulars	FY 2021-2022	FY 2020-2021
Advance Billing (Export)	3668	-

- XV. a) Other than as disclosed in the notes to the accounts, no fund has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Other than as disclosed in the notes to the accounts, no fund has been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- XVI. 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. Vaibhav Aggrwal

(Partner)

Membership No. : 549495

CA. (Dr.) Jai Kumar Batra

Director

DIN : 03233571

CA. Aniket S Talati

Director

DIN : 02724484

CA. (Dr.) Debashis Mitra

Chairman

DIN : 01629662

Place: New Delhi

Date: