

TWENTY FOURTH ANNUAL REPORT

2022-23



ICAI Accounting Research Foundation

BOARD OF DIRECTORS (As on Date)

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

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. Sripriya Kumar

STATUTORY AUDITORS

M/s. Gupta Nayar & Co
Chartered Accountants
610, Jaksons Crown Heights
Plot No. 3B1, 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 Fourth Annual General Meeting ('AGM') of the members of ICAI Accounting Research Foundation (ICAI ARF) will be held on 29th September, 2023 (Friday) at 10:30 am at the Registered Office of the Company, ICAI Bhawan, Indraprastha Marg, New Delhi - 110002 to transact the following business:

ORDINARY BUSINESS:-

ITEM NO. 1

To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2023, 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. (Dr.) Debashis Mitra (DIN 01629662) w.e.f. 12th February, 2023 and CA. D Prasanna Kumar (DIN 07995989) w.e.f. 24th March, 2023 pursuant to operation of Article 34(xiv) of the Articles of Association of the Company whereby a Director of the Board shall vacate office where such a person was nominated by the Council of the ICAI as per Article 28 (a) or (b).

ITEM NO. 3

To appoint a Director in place of CA. Prakash Sharma (DIN 01326150) 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. Vishal Doshi (DIN 01282317) 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. Amarjit Chopra (DIN 00043355) under Clause 28(d) of the Articles of Association, who retires from office by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 6

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

SPECIAL BUSINESS:-

ITEM NO. 7

To appoint CA. Ranjeet Kumar Agarwal (DIN 00641814) as a Director in the Company under Clause 28(a) of Articles of Association

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

“RESOLVED THAT, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), CA. Ranjeet Kumar Agarwal (DIN 00641814) who was appointed as an Additional Director of the Company on February 12, 2023 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company”.

ITEM NO. 8

To appoint CA. Sushil Kumar Goyal (DIN 01775741) 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. Sushil Kumar Goyal (DIN 01775741) who was appointed as an Additional Director of the Company on April 5, 2023 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director of the Company, and the period of his office shall be liable to be determination by retirement of directors by rotation”.

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

(CA. Aniket S Talati)
Chairman

Place : New Delhi
Date : 14th September, 2023

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. 7

To appoint CA. Ranjeet Kumar Agarwal (DIN 00641814) as a Director in the Company under Clause 28(a) of Articles of Association

The Board of Directors appointed CA. Ranjeet Kumar Agarwal (DIN 00641814) as an Additional Director of the Company with effect from February 12, 2023 under section 161 of the Companies Act, 2013. CA. Ranjeet Kumar Agarwal 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. Ranjeet Kumar Agarwal, being the nominee of the Council of ICAI, has been received. CA. Ranjeet Kumar Agarwal is the nominee of the Council on the board of the company under clause 28(a) of Articles of Association.

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

ITEM NO. 8

To appoint CA. Sushil Kumar Goyal (DIN 01775741) as a Director in the Company under Clause 28(b) of Articles of Association

The Board of Directors appointed CA. Sushil Kumar Goyal (DIN 01775741) as an Additional Director of the Company with effect from April 5, 2023 under section 161 of the Companies Act, 2013. CA. Sushil Kumar Goyal 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. Sushil Kumar Goyal, being the nominee of the Council of ICAI, has been received. CA. Sushil Kumar Goyal is the nominee of the Council on the board of the company under clause 28(b) of Articles of Association.

Except CA. Sushil Kumar Goyal, 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. Aniket S Talati)
Chairman

Place : New Delhi
Date : 14th September, 2023

DIRECTORS' REPORT

TO THE MEMBERS OF ICAI ACCOUNTING RESEARCH FOUNDATION

The Directors have pleasure in presenting the Twenty Fourth 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 2023.

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, 2022-23, 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 on its website.

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), 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

- 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 & 2021-21.
- 2.1.3 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.
- 2.1.4 Agreement with CPA, Papua New Guinea:** ICAI ARF is developing study material on Financial Reporting and Financial Risk Management for CPA PNG.
- 2.1.5 Treasuries and Accounts Department, Government of Tamil Nadu :** Agreement has been signed 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 & II : Part I & II)
 - The Pay & Accounts Office Manual
 - The Tamil Nadu Accounts Code (Volume I, II & III)
- 2.1.6 Department of Handlooms, Government of Tamil Nadu :** As mandated by the Department, ICAI ARF is preparing the Standard Operating Procedure for
 - Expeditious disposal of assets

- Value maximisation
- Compliance with all laws, rules including TN Tender Transparency Act for the realisation of assets of Liquidated Weavers Cooperative Societies in Tamil Nadu.

2.1.7 Gap analysis & preparation of common framework for compliance with Major Ports Authorities Act, 2021 and MPA (Accounts & Audit) Rules, 2021 for Indian Ports Association

2.1.8 Compilation of Financial Statements for FY 2021-22 & 2022-23 and Balance Sheet as on 31.03.2022 & 31.03.2023 for Indian Railways, identification, and adjustment of prior period items based on a review of data for the last four years (FY: 2017-18, 2018-19, 2019-20 and 2020-21) mentioned in the notes to accounts of the respective years

2.2 NEW PROJECT PROPOSALS UNDER CONSIDERATION:

2.2.1 Integrated ARMS : Move towards better governance for Indian Railways

2.2.2 Pilot Study for physical verification of assets in West Central Zone of Indian Railways

2.2.3 Integrated Reporting in Indian Railways

FINANCIAL PERFORMANCE:

During the year, the receipt from research activities has been Rs. 110.23 lakh as against Rs. 139.76 lakh in the previous year. The surplus for the year under review amounted to Rs. 0.16 lakh as compared to a surplus of Rs. 3.94 lakh in the previous year. Financial results for the year 2022-23 compared with those of previous year are summarized below:

Amount in '000		
Particulars	2022-23	2021-22
Revenue from Research Activities	11024	13976
Subscription from Members	145	150
Interest from Bank	581	696
Interest from Income Tax Refund	21	220
Miscellaneous Income	234	-
Total Income (A)	12005	15042
Total Expenditure (B)	11989	14648
Surplus/ (Deficit) Before Taxation (C) - (A-B)	16	394
Less (D) : Current Tax		
Deferred Tax		
Provision for Taxation		
Prior Period Item	-	-
Surplus/ (Deficit) After Taxation (C-D)	16	394

The Directors propose to appropriate this amount as under:

Amount transferred to General Reserve	16	394
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Summarized Cash Flow Statement:	2022-23	2020-21
Inflow/(Outflow) from operations	(2755)	(1948)
(Inflow)/outflow from investing activities	1260	2197
(Inflow)/outflow from financing activities	84	42
Net increase/(decrease) in cash & bank balance	(1411)	291

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, DoP and Government of Tamil Nadu 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, 2023. There were no unclaimed or unpaid deposits as on March 31, 2023.

DIVIDEND

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

COMPANY'S POLICY RELATING TO 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, 2023, is available on the Company's website and can be accessed at www.icaiaf.org.in.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts, applicable accounting standards have been followed with no material departure;
2. The selected accounting policies 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 2023 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. Aniket S. Talati (President, ICAI)
2. CA. Ranjeet Kumar Agarwal (Vice-President, ICAI)*
3. CA (Dr.) Debashis Mitra**
4. CA. Dondeti Prasanna Kumar**
5. CA. Pramod Jain
6. CA. Prakash Sharma
7. CA. Abhay Kumar Chhajed
8. CA. Kumar Sripriya
9. CA. Vishal Pravinchandra Doshi
10. CA. Sushil Kumar Goyal***
11. CA. (Dr.) Jai Kumar Batra (Secretary, ICAI)
12. CA. K. Rahman Khan
13. CA. (Dr.) Amarjit Chopra
14. CA. Bhavna Gautam Doshi
15. CA. Deepak Kumar Gupta
16. CA. (Dr.) Sunil Kumar Gulati

* Appointed as director on 12th February, 2023

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

*** Appointed as director on 5th April, 2023

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 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 2022-23.

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, Indian Ports Association, Government of Tamil Nadu, 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. Aniket S Talati)
Chairman

Place: New Delhi

Date : 14th September, 2023

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 2023, 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 2023, and its surplus, and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on Matter

1. We draw attention to Note No. 6, Note No. 13 and Note No. 15 of the Financial Statements, wherein the income is recognised to the tune of Rs.1108 thousand to the extent of advance received and Rs.1597 thousand charges to Statement of Income & Expenditure due to uncertainty of realisability in respect of Emirates Institute for Banking and Financial Studies (EIBFS).
2. We draw attention to Note No. 18 (IV) of the Financial Statements: Trade payables are subject to confirmation and reconciliation.

Our opinion is not modified in this regard.

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 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 and the Statement of Income and Expenditure 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 2023, taken on record by the Board of Directors, none of the director stand disqualified as on 31 March 2023, 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.
- i) The Company has not declared or paid any dividend during the year.
- j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

CA Vaibhav Aggrwal
Partner
Membership No. 549495
UDIN: 23549495BGXJBS7696

Place: Delhi
Date: 14th September, 2023

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by Guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Balance Sheet as at 31st March, 2023

(Amount in '000)

	Note No.	As at 31 March 2023		As at 31 March 2022	
EQUITY AND LIABILITIES					
Member's Funds					
(a) Capital Fund	2	50,000		50,000	
(b) Reserves and Surplus	3	(16,355)		(16,455)	
(c) Money received against share warrants		-	33,645	-	33,545
Non Current Liabilities					
(a) Long-term Borrowings			-		-
(b) Deferred Tax Liabilities (Net)			-		-
(c) Other long-term Liabilities					
(i) Earmarked Funds:(Infosys Fellowship Fund)	4		6,311		6,090
(d) Long-term Provisions			-		-
Current Liabilities					
(a) Short-term Borrowings			-		-
(b) Trade Payables :-	5				
(A) total outstanding dues of micro enterprises and small enterprises; and		8		111	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		5,343		6,397	
(c) Other current Liabilities	6	3,340	8,691	3,847	10,355
(d) Short-term provisions			-		-
TOTAL			48,647		49,990
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment and Intangibles	7				
(i) Property, Plant and Equipment		29		67	
(ii) Intangible Assets		20		20	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non-Current Investments		-		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long-term loans and advances		-		-	
(e) Other Non-Current Assets	8	3,308	3,357	3,308	3,395
Current Assets					
(a) Current Investments		-		-	
(b) Inventories		-		-	
(c) Trade Receivables	9	21,896		19,704	
(d) Cash and Bank Balances	10	18,158		20,027	
(e) Short-term Loans and Advances	11	5,236		5,962	
(f) Other current assets	12	-	45,290	902	46,595
TOTAL		48,647		49,990	

Significant accounting policies

1

Notes forming part of accounts

18

Notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For Gupta Nayar & Co.

Chartered Accountants

FRN 008376N

For and on behalf of Board of Directors

CA. Vaibhav Aggrwal

(Partner)

Membership No. : 549495

Place: New Delhi

Date: 14/09/2023

CA Jai Kumar Batra

Director

DIN: 03233571

CA. Ranjeet Kumar Agarwal

Director

DIN : 00641814

CA. Aniket S Talati

Chairman

DIN : 02724484

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, 2023

(Amount in '000)

	Note No.	For the Year 2022-23	For the Year 2021-22
INCOME			
Receipts against Applied Research Projects	13	11,024	13,976
Other Receipts	14	981	1,066
TOTAL INCOME		12,005	15,042
EXPENSES			
Project Expenses	15	10,214	12,297
Professional & Consultancy Charges	16	1,397	767
Depreciation and amortisation expenses	7	38	1,299
Other Expenses	17	340	285
TOTAL EXPENSES		11,989	14,648
Excess of Income over Expenditure		16	394
Amount transferred to General Reserve	3	16	394
Significant accounting policies	1		
Notes forming part of accounts	18		
Notes referred to above form an integral part of the Financial Statements			
As per our audit report of even date			

For Gupta Nayar & Co.

Chartered Accountants

FRN 008376N

For and on behalf of Board of Directors

CA. Vaibhav Aggrwal

(Partner)

Membership No. : 549495

Place: New Delhi

Date: 14/09/2023

CA Jai Kumar Batra

Director

DIN: 03233571

CA. Ranjeet Kumar Agarwal

Director

DIN : 00641814

CA. Aniket S Talati

Chairman

DIN : 02724484

ICAI ACCOUNTING RESEARCH FOUNDATION (CIN: U73200DL1999NPL097935)

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

Cash Flow Statement for the period ended 31st March 2023

	(Amount in '000)	
	For the Year 2022-23	For the Year 2021-22
Cash Flow from Operating Activities		
Excess of Expenditure over Income	16	394
Adjustments for		
Depreciation	38	1,299
Interest Income	(581)	(696)
Operating income before working capital changes	(527)	997
Add / (less) : (increase)/decrease in working capital		
Trade Receivables	(2,192)	(11,099)
Short Term Loans and Advances	1,312	(863)
Other Current Assets	902	2,443
Current Liabilities	(1,664)	4,111
	(1,642)	(5,408)
Cash Flow from Operations	(2,169)	(4,411)
Less: Taxes Paid	(586)	2,463
Net Cash Flow from Operating Activities (A)	(2,755)	(1,948)
Cash Flow from Investing Activities		
Interest received	2,306	408
Net Investments in bank deposits (having maturity of more than three months)	(1,069)	1,842
Net Investments in Infosys Fellowship Account	(198)	(197)
Infosys Fellowship Fund (Interest)	221	220
Purchase of Fixed Assets	-	(76)
Net Cash from Investing Activities (B)	1,260	2,197
Cash Flow from Financing Activities		
Capital Reserve - Entrance Fees received	84	42
Net Cash from Financing Activities (C)	84	42
Net Increase in Cash & Cash Equivalent (A+B+C)	(1,411)	291
Cash and Cash Equivalent at the beginning of the year	3,614	3,323
Cash and Cash Equivalent at the end of the year	2,203	3,614
	(1,411)	291
Cash and Cash Equivalent comprise of -		
Balances with Schedule Banks in Current Accounts		
ICAI Accounting Research Foundation Account	520	589
Balance with Bank FDR (Flexi Deposits)	1,683	3,025
	2,203	3,614

- 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 Financial Statements.
- 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

CA. Jai Kumar Batra

Director

DIN: 03233571

CA. Ranjeet Kumar Agarwal

Director

DIN : 00641814

CA. Aniket S Talati

Chairman

DIN : 02724484

Place: New Delhi

Date: 14/09/2023

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 that comprise the Balance Sheet, Income & Expenditure Account and Cash Flow Statement together with notes, are prepared and presented under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material aspects with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with relevant rules issued thereunder and the relevant provisions of the Act. As per the rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the Accounting Standards.

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.

X. Lease

The Company classifies the leases as Finance and Operating Lease for accounting and disclosure purposes. The lease where the company assumes substantially all the risks and rewards of the ownership are classified as finance leases. The leases where the lessor not the company assumes substantially all the risks and rewards of the ownership are classified as operating lease.

Lease rental under operating lease are recognized in the statement of Income & Expenditure on straight-line basis over the lease term. In case of finance lease, assets are capitalized at lower of fair value of leased asset and present value of minimum lease payments. The lease payments are apportioned between the finance charge and repayment of lease liability. Lease assets are depreciated over the shorter of lease term or useful life of the assets.

XI. Foreign Currency Transaction

Foreign currency denominated monetary assets & liabilities are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translation are included in the Statement of Income & Expenditure. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets & non-monetary liabilities denominated in a foreign currency & measured at historical cost are translated at exchange rate prevalent at the date of transaction.

Revenue, expenses and cash flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of transaction. Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining net surplus for the period in which the transaction is settled

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 2023		As at 31 March 2022	
(Amount in '000)				
Note 2. CAPITAL FUND				
Capital Fund	50,000		50,000	
Total	50,000		50,000	
Note 3. RESERVES AND SUPRLUS				
Capital Reserve:				
Balance as per last Balance Sheet	1,093		1,051	
Entrance fee received during the year	84		42	
Total	1,177		1,093	
Surplus/(Deficit)				
Balance as per last Balance Sheet	(17,548)		(17,942)	
Surplus/(Deficit) transferred from Statement of Income & Expenditure	16		394	
Total	(17,532)		(17,548)	
Grand Total	(16,355)		(16,455)	
Note 4. EARMARKED FUND:(Infosys Fellowship Fund)				
Infosys Fellowship Grant	400		400	
Balance as per last Balance Sheet	5,690		5,470	
Interest received during the year	221	5,911	220	5,690
Total	6,311		6,090	
Note 5. TRADE PAYABLES				
Consultancy Expenses Payable				
Indian Railway Project	211		446	
Indian Railway (Roll Out)			-	
- Due to MSME	-		-	
- Others	650		585	
Indian Railway (Roll Out 2)				
- Due to MSME	-		49	
- Others	1,337		884	
Indian Railway (Addendum-Roll Out 2)				
- Due to MSME				
- Others	34			
CPA PNG	-		21	
EIBFS	-		10	
NITI Aayog	-	2,232	108	2,103
Creditors for expenses				
- Due to MSME		8		62
- Others				
- Related Party		2,857		4,190
- Others		255		153
Total	5,352		6,508	
Trade Payable ageing (outstanding from the date of transaction)				
a) Undisputed Trade Payable				
Less than 6 months	4,420		5,576	
1-2 years	-		-	
2-3 years	-		162	
More than 3 years	486		324	
b) Disputed Trade Payable				
More than 3 years (Refer to Note 18 (VIII))	211		446	
	5,117		6,508	
Note 6. OTHER CURRENT LIABILITIES:				
Statutory Dues				
TDS	176	176	178	178
Advance Billing (EIBFS)		-		1,108
Advance Billing (CPA PNG)		854		2,561
Advance Billing (IPA)		2,310		-
Total	3,340		3,847	

ICAI ACCOUNTING RESEARCH FOUNDATION

(Limited by guarantee)

ICAI Bhawan, Indraprastha Marg, New Delhi

NOTE 7: Property Plant & Equipment and Intangibles

(Amount in '000)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	For the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Property Plant & Equipment and Intangibles									
(i) Property Plant & Equipment									
Office Equipments	75	-	-	75	71	-	71	4	4
Computers	363	-	-	363	300	38	338	25	63
(ii) Intangible Assets									
Leasehold Rights	50,000	-	-	50,000	50,000	-	50,000	-	-
Trade Marks	20	-	-	20	-	-	-	20	20
Total	50,458	-	-	50,458	50,371	38	50,409	49	87
Previous Year	50,382	76	-	50,458	49,072	1,299	50,371	87	1,310

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 2023	As at 31 March 2022
Note 8. OTHER NON-CURRENT ASSETS		
Security Deposit		
¹ -Roll Out	3,308	3,308
	<u>3,308</u>	<u>3,308</u>
Note 9. TRADE RECEIVABLES*		
Unsecured, considered good		
a) Undisputed Trade Receivables		
Less than 6 months	5,923	-
a) Unbilled Revenue (Roll Out) Refer to Note No. 18(VII)	13,533	9,865
b) Unbilled Revenue (Roll Out 2) Refer to Note No. 18(VII)	2,329	9,839
c) Unbilled Revenue (Addendum-Roll Out 2) Refer to Note No. 18(VII)	111	
* Trade Receivable Ageing: Outstanding from the date of transaction		
	<u>21,896</u>	<u>19,704</u>
Note 10. CASH AND BANK BALANCES		
(i) Cash & Cash Equivalents		
a) Balance with Banks		
Balances with Scheduled Banks in Current Accounts		
ICAI Accounting Research Foundation Account*	520	589
Balance with Bank Flexi Deposits	1,683	3,025
(* Balance with bank excludes flexi deposits)		
b) Cash in hand	-	-
Total Cash & Cash Equivalents	<u>2,203</u>	<u>3,614</u>
(ii) Other Bank Balances		
ICAI ARF Infosys Fellowship Account *	6,160	5,961
Fixed Deposit (Under Charge against Bank Guarantee)**		
- Against RCF Project FDR	-	471
- Against Roll Out Project FDR	6,753	6,137
- Against Roll Out 2 Project	2,233	2,119
Accrued Interest due but not received on FDRs	809	1,725
(*Balance with bank includes Flexi, lien marked against Infosys Fellowship Fund)		
(**Fixed Deposit having maturity period of more than 3 Months but less than 12 Months)		
Total Other Bank Balances	<u>15,955</u>	<u>16,413</u>
Total	<u>18,158</u>	<u>20,027</u>
Note 11. SHORT TERM LOANS AND ADVANCES		
(Unsecured - considered good, unless stated otherwise)		
Taxes and Duties Recoverable		
TDS Recoverable-Income Tax	945	359
TDS Recoverable-GST	791	606
Other Loans & Advances		
Earnest Money with Indian Railway	644	780
Goods & Service Tax Input Credit	2,855	4,216
Receivable from AWS	1	1
	<u>5,236</u>	<u>5,962</u>
Note 12. Other current assets		
Work-in-progress (EIBFS)	-	194
Work-in-progress (CPA PNG)	-	325
Security Deposit		
¹ -RCF	-	383
	<u>-</u>	<u>902</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, 2023	As at 31st March, 2022
Note 13. RECEIPTS FROM APPLIED RESEARCH PROJECTS		
Income from Indian Railway Project		
- Roll out 2	830	2,032
- Addendum (Roll Out 2)	1,271	
- Unbilled Revenue Roll out {Refer to Note No.18(VII)}	3,668	2,102
- Unbilled Revenue Roll out 2 {Refer to Note No.18(VII)}	2,329	9,839
- Unbilled Revenue Addendum {Refer to Note No.18(VII)}	111	
Income From AAS	-	3
Income From CPA PNG	1,707	-
Income From EIBFS	1,108	-
	11,024	13,976
Note 14. OTHER RECEIPTS		
Subscription from Members	145	150
Interest		
Bank Deposits	581	696
Income Tax Refund	21	220
Sundry Balances written back	234	-
	981	1,066
Note 15. PROJECT EXPENSES		
Expenses For Indian Railway Project		
- Rollout	3,105	1,778
- Rollout 2	2,685	10,090
- Addendum (Roll Out 2)	1,175	
Expenses For AAS	30	29
Expenses For NITI Aayog	193	400
Expenses For CPA PNG	1,429	-
Expenses For EIBFS	1,597	-
	10,214	12,297
Note 16. PROFESSIONAL AND CONSULTANCY CHARGES		
Professional Charges for Administrative Support	1,397	767
	1,397	767
Note 17. OTHER EXPENSES		
Statutory Audit Fees	110	75
Internal Audit Fees	100	100
Miscellaneous Expenses	16	44
Sundry Balances Written off	33	
Travelling & Conveyance Expenses	39	18
Printing & Stationery Expenses	42	48
	340	285

Note 18 NOTES FORMING PART OF ACCOUNTS:

- I. 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. 221 thousand for the year ended on 31st March 2023 (Previous Year Rs.220 thousand) has been credited to the fund. The same will be utilized as per the agreement with Infosys Technologies Ltd.
- II. 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.
- III. ICAI ARF is a Company limited by Guarantee with liability of each member not exceeding Rs.5 thousand (Rupees Five Thousand Only).
- IV. Trade Payable are subject to confirmation and reconciliation.
- V. 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. 2022-2023	F.Y. 2021-2022
ICAI	Control exists	Membership fees received	171	177
ICAI	Control exists	Entrance fees received	99	50
ICAI	Control exists	Consultant & Other Services	6859	4262

C. Outstanding Balance as at 31.03.2023:

Name	F.Y. 2022-2023	F.Y. 2021-2022
Consultant & Other Services	2857	4190

*Amount is inclusive of GST

VI. 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	
		2023	2022
(i)	The principal amount remaining unpaid as at year end and Interest due thereon remaining unpaid on year end	8	111
	Principal amount due to micro and small enterprises	8	111
	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

VII. 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. 6108 thousand (Previous Year Rs. 11941 thousand) is recognized for the Financial Year 2022-2023.

VIII. Contingent Liabilities

To the extent provided for : Guarantees (Given to Indian Railways): Rs. 6939 thousand (Previous Year Rs. 7277 thousand)

To the extent not provided for : Rs. 1574 thousand

Disputed Trade Payable of Rs. 1784 thousand, out of which the Company has accepted a claim of Rs. 211 thousand (net of TDS) which the service provider has refused to accept as the full and final settlement. Therefore, liability to the extent admitted has been kept under provision and the balance of Rs. 1573 thousand is being reflected here.

IX. Ratios

Amount in '000						
Particulars	Numerator	Value as on 31.03.2023	Value as on 31.03.2022	Ratio as on 31.03.2023	Ratio as on 31.03.2022	Variation in %
	Denominator					
Current Ratio	Current Assets	45290	46595	5.21	4.50	13.65
	Current Liabilities	8691	10355			
Trade Receivable Turnover ratio	Net Sales	11023	13976	053	.99	86.32
	Average Debtor	20800	14154			
Net Capital Turnover Ratio	Net Sales	11023	13976	0.30	0.40	30.81
	Average Working capital	36420	35300			

* 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

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

XI. a) Earnings in Foreign Currency

(Amount in '000)

Particulars	F.Y. 2022-2023	F.Y. 2021-2022
Advance Billing (Export)	-	3668
Revenue recognized	2814	-

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

(Amount in '000)

Particulars	F.Y. 2022-2023	F.Y. 2021-2022
Advance Billing (Export)	854	3668

- XII. a) 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) 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;
- XIII. No dividend provision has been made during the year.
- XIV. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- XV. The Company has not issued any securities where the company has not used the amount for specific purpose for which it was issued at the balance sheet date.
- XVI. The Company does not have any transaction where the Company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- XVII. The Company does not have any immovable property therefore further disclosure as required by the Act is not applicable.
- XVIII. The Company has not revalued any item of property, plant and equipment.
- XIX. The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties without terms or repayable on demand, therefore further disclosure as required by the Act is not applicable.
- XX. The Company does not have CWIP during the year therefore further disclosure as required by the Act is not applicable.
- XXI. The Company does not have Intangible Assets under development during the year therefore further disclosure as required by the Act is not applicable.
- XXII. The Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the Company with bank and the books of accounts is not applicable.
- XXIII. The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

- XXIV. The Company have not entered into any scheme(s) of arrangements during the year.
- XXV. The Company does not get covered under Section 135 of Companies Act.
- XXVI. The Company has not traded or invested in Crypto Currency or Virtual Currency during the period.
- XXVII. The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the ongoing tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- XXVIII. The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.
- XXIX. The Company does not have investment in shares of any company therefore compliance for layers of companies as prescribed under the Act is not applicable.
- XXX. Company has recognized the income to the tune of Rs.1108 thousand to the extent of advance received and Rs.1597 thousand charged to the Statement of Income & Expenditure due to uncertainty of realizability in respect of Emirates Institute for Banking and Financial Studies (EIBFS).

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. Ranjeet Kumar Agarwal
Director
DIN : 00641814

CA. Aniket S Talati
Chairman
DIN : 02724484

Place: New Delhi
Date: 14/09/2023