

ACTIONAID ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Secretary of ActionAid Association

Report on the Financial Statements

1. We have audited the accompanying financial statements of ActionAid Association (the "Society"), which comprise the Balance Sheet as at March 31, 2019, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Governing Body's Responsibility for the Financial Statements

2. The Governing Body of the Society is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India pursuant to the Memorandum of Association of the Society dated October 5, 2006. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Governing Body, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by the bye-laws of the Society and the Societies Registration Act, 1860 (the "Act") have been kept by the Society so far as it appears from our examination of those books; and
 - (c) The Balance Sheet and Income and Expenditure Account dealt with by this Report are in agreement with the books of account.

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INDEPENDENT AUDITORS' REPORT
To the Members of ActionAid Association
Report on the Financial Statements
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(d) In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act, read with the bye-laws of the Society in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2019; and

(ii) in the case of the Income and Expenditure Account, of the net deficit for the year ended on that date.

Restriction of use

7. This report is addressed to the Secretary of the Society and has been prepared only for the purpose as set out in the Society's Bye-laws as approved by the Governing Board. This report should not be otherwise used or shown to or otherwise distributed to any party for any other purpose except with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party for any purpose other than stated purpose.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

J Chack

Jyoti

Jyoti Vaish
Partner
Membership No.: 096521
UDIN : 19096521AAAABK5657

Place: Gurugram
Date: September 28, 2019

ActionAid Association

Balance sheet as at 31 March 2019

(All amounts are in Indian Rupees, unless otherwise stated)

Schedule	As at 31st March 2019		As at 31 March 2018	
	FC	NFC	FC	NFC
Funds employed				
Unrestricted funds				
General fund	1,603,546	3,401,435	68,711,180	933,565
Restricted funds	11,663,738	105,499,694	99,999,204	38,156,838
Total	13,267,284	108,901,129	168,710,384	39,090,403
Application of funds				
Fixed assets				
Gross block	19,295,008	1,036,401	17,635,606	529,533
Less: Accumulated depreciation	12,866,480	435,667	11,068,495	255,632
Net block	6,428,528	600,734	6,567,111	273,901
Current assets, loans and advances				
Cash and bank balances	24,590,766	111,773,261	152,767,615	38,999,972
Loans and advances	17,324,129	1,437,120	34,475,968	1,712,022
	41,914,895	113,210,381	187,243,583	40,711,994
Less: Current liabilities and provisions				
Current liabilities and provisions	35,076,139	4,909,986	25,100,310	1,895,492
Net current assets	6,838,756	108,300,395	162,143,273	38,816,502
Total	13,267,284	108,901,129	168,710,384	39,090,403
8				

Significant accounting policies and notes to the accounts

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration No.: 012754N/ N500016

Jyoti

Jyoti Vaish

Partner

Membership No.: 096521

Place: Gurugram

Date: *September 28, 2019*

For and on behalf of Actionaid Association

S Chachra

Sandeep Chachra

Secretary

Place: New Delhi

Date: *September 28, 2019*



ActionAid Association
Statement of Income and Expenditure for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Schedule	For the year ended 31 March 2019			For the year ended 31 March 2018		
	FC	NFC	Total	FC	NFC	Total
Income						
Grants received from ActionAid International and its affiliates						
General donation	275,240,766	-	275,240,766	462,010,600	-	462,010,600
Grants received (from sponsorship fund)	466,741	6,073,616	6,540,357	21,673	1,886,805	1,908,478
Amount transferred from restricted funds to the extent of expenditure incurred						
- restricted funds	137,219,005	83,067,460	220,286,465	122,593,585	44,110,462	166,704,047
- sponsorship fund	-	21,114,182	21,114,182	-	31,427,480	31,427,480
Other income:						
- Interest income	4,244,736	2,646,946	6,891,682	2,739,579	797,657	3,537,236
- Miscellaneous income	61,007	13,411	74,418	10,037	701	10,738
	417,232,255	112,915,615	530,147,870	587,375,474	78,223,105	665,598,579
Expenditure						
Grants disbursed						
- restricted funds	52,898,381	23,193,452	76,091,833	44,650,087	19,520,459	64,170,546
- sponsorship fund	-	21,114,182	21,114,182	-	31,427,480	31,427,480
- others	97,685,796	1,664,000	99,349,796	129,592,672	531,250	130,123,922
Internal programme expenses						
- restricted funds	84,320,624	59,874,006	144,194,630	77,943,498	24,590,003	102,533,501
- others	17,816,824	1,714,010	19,530,834	34,765,458	373,639	35,139,097
Depreciation	1,797,985	180,035	1,978,020	2,005,789	42,803	2,048,592
Employee benefits expense	141,340,271	1,009,138	142,349,409	107,950,533	83,778	108,034,311
Administrative and other expenses	88,480,008	1,698,922	90,178,930	92,377,837	643,542	93,021,379
	484,339,889	110,447,745	594,787,634	489,285,874	77,212,954	566,498,828
Excess of income over expenditure transferred to general fund	(67,107,634)	2,467,870	(64,639,764)	98,089,600	1,010,151	99,099,751

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Significant accounting policies and notes to the accounts

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/ N500016

Jyoti Vaish
Jyoti Vaish
Partner

Membership No.: 096521

Place: Gurugram

Date: *September 28, 2019.*

For and on behalf of ActionAid Association

Sandeep Chachra

Sandeep Chachra
Secretary

Place: New Delhi

Date: *September 28, 2019*



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2019
 (All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 Mar 2019		As at 31 Mar 2018	
	FC	NFC	FC	Total
Schedule 1: General fund				
Opening balance	68,711,180	933,565	(29,378,420)	(29,455,006)
Add: Transferred from statement of income and expenditure	(67,107,634)	2,467,870	98,089,600	99,099,751
	<u>1,603,546</u>	<u>3,401,435</u>	<u>68,711,180</u>	<u>69,644,745</u>
Schedule 2: Restricted funds				
(A) Specific Project Fund				
Opening balance	99,999,204	40,446,744	56,098,753	70,705,623
Add: Funds received during the year	48,883,539	139,566,902	166,494,036	236,444,372
	<u>148,882,743</u>	<u>180,013,646</u>	<u>222,592,789</u>	<u>307,149,995</u>
Less: Grants disbursed during the year	52,898,381	23,193,453	44,650,087	64,170,546
Less: Expenditure on projects	84,320,624	59,874,007	77,943,498	102,533,501
	<u>11,663,738</u>	<u>96,946,186</u>	<u>99,999,204</u>	<u>140,445,948</u>
(B) Sponsorship fund				
Opening balance	-	(2,289,906)	-	-
Add: Funds received during the year	-	31,957,596	-	29,137,574
Less: Transferred to Statement of Income and Expenditure	-	-	-	-
	<u>-</u>	<u>29,667,690</u>	<u>-</u>	<u>29,137,574</u>
Less: Grants disbursed during the year	-	21,114,182	-	31,427,480
Add: Amount transferred to General Fund	-	-	-	-
	<u>-</u>	<u>8,553,508</u>	<u>-</u>	<u>(2,289,906)</u>
Total (A+B)	<u>11,663,738</u>	<u>105,499,694</u>	<u>99,999,204</u>	<u>138,156,042</u>

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ActionAid Association
Schedules to the financial statements for the year ended 31 March 2019
 (All amounts are in Indian Rupees, unless otherwise stated)

Schedule 3: Fixed Assets

NON FOREIGN CONTRIBUTION (NFC)

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2018	Additions during the year	Deletions/ adjustments	As at 31 March 2019	As at 1 April 2018	For the year	On deletion/ adjustments	As at 31 March 2019
Computers	165,509	421,619	-	587,128	104,758	139,653	-	244,411
Office equipment	206,280	62,749	-	269,029	120,967	22,210	-	143,177
Vehicle	82,932	-	-	82,932	20,150	9,417	-	29,567
Furniture and fixtures	74,812	22,500	-	97,312	9,757	8,755	-	18,512
Total (A)	529,533	506,868	-	1,036,401	255,632	180,035	-	435,667
								600,734

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On deletion/ adjustments	As at 31 March 2018
Tangible assets								
Computers	89,609	75,900	-	165,509	89,557	15,201	-	104,758
Office equipment	149,500	56,780	-	206,280	110,922	10,045	-	120,967
Vehicle	21,000	61,932	-	82,932	9,071	11,079	-	20,150
Furniture and fixtures	13,792	61,020	-	74,812	3,279	6,478	-	9,757
Total (B)	273,901	255,632	-	529,533	212,829	42,803	-	255,632
								273,901

FOREIGN CONTRIBUTION (FC)

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2018	Additions during the year	Deletions/ adjustments	As at 31 March 2019	As at 1 April 2018	For the year	On deletion/ adjustments	As at 31 March 2019
Tangible assets								
Computers	10,527,846	768,651	-	11,296,497	8,347,322	1,059,580	-	9,406,902
Office equipment	4,255,258	644,013	-	4,899,271	1,410,926	506,180	-	1,917,106
Vehicle	2,280,282	-	-	2,280,282	1,169,595	166,603	-	1,336,198
Furniture and fixtures	572,220	246,738	-	818,958	140,652	65,622	-	206,274
Total (C)	17,635,606	1,659,402	-	19,295,008	11,068,495	1,797,985	-	12,866,480
								6,428,528



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

FOREIGN CONTRIBUTION (FC)

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	For the year	On deletion/ adjustments	As at 31 March 2018	
Tangible assets								
Computers	9,409,764	1,118,082	-	10,527,846	1,279,581	-	8,347,322	2,180,524
Office equipment	3,566,753	693,505	5,000	4,255,258	485,524	2,160	1,410,926	2,844,332
Vehicle	2,280,282	-	-	2,280,282	196,004	-	1,169,595	1,110,687
Furniture and fixtures	513,338	58,882	-	572,220	44,680	-	140,652	431,568
Total (D)	15,770,137	1,870,469	5,000	17,635,606	2,005,789	2,160	11,068,495	6,567,111

TOTAL

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2018	Additions during the year	Deletions/ adjustments	As at 31 March 2019	For the year	On deletion/ adjustments	As at 31 March 2019	
Computers	10,693,355	1,190,270	-	11,883,625	1,199,233	-	9,651,313	2,232,312
Office equipment	4,461,538	706,762	-	5,168,300	528,390	-	2,060,283	3,108,017
Vehicle	2,363,214	-	-	2,363,214	176,020	-	1,365,765	997,449
Furniture and fixtures	647,032	269,238	-	916,270	74,377	-	224,786	691,484
Total (A+C)	18,165,139	2,166,270	-	20,331,409	1,978,020	-	13,302,147	7,029,262

Particulars	Gross block				Accumulated depreciation			Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	For the year	On deletion/ adjustments	As at 31 March 2018	
Tangible assets								
Computers	9,499,373	1,193,982	-	10,693,355	1,294,782	-	8,452,080	2,241,275
Office equipment	3,716,253	750,285	5,000	4,461,538	495,569	2,160	1,531,893	2,929,645
Vehicle	2,301,282	61,932	-	2,363,214	207,083	-	1,189,745	1,173,469
Furniture and fixtures	527,130	119,902	-	647,032	51,158	-	150,409	496,623
Total (B+D)	16,044,038	2,126,101	5,000	18,165,139	2,048,592	2,160	11,324,127	6,841,012



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Schedule 4: Current assets, loans and advances

Cash and bank balances

	As at 31 March 2019		As at 31 March 2018	
	FC	NFC	FC	NFC
Cash in hand	216,752	77,385	169,815	32,720
Balances with scheduled banks				202,535
- in saving accounts	24,374,014	111,445,876	152,597,800	38,867,252
- in deposits with Bank	-	250,000	-	100,000
	24,590,766	111,773,261	152,767,615	38,999,972
		136,364,027		191,767,587

Loans and advances

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	8,141,979	735,228	10,637,545	1,011,614
Advances to employees	4,280,310	465,889	3,316,179	589,908
Balance in gratuity fund (net of provision for gratuity)	-	-	14,964,404	-
Security deposits	4,901,840	236,003	5,557,840	110,500
	17,324,129	1,437,120	34,475,968	1,712,022
		18,761,249		36,187,990

Schedule 5: Current liabilities and provisions

Sundry creditors	19,200,772	3,758,177	14,930,661	993,502
Other liabilities	4,136,645	611,760	3,718,461	162,430
Employee related payables	1,490,526	540,049	2,261,558	739,560
Balance in gratuity fund	4,532,329	-	4,189,630	-
Provision for compensated absences	5,715,867	-	4,189,630	-
	35,076,139	4,909,986	25,100,310	1,895,492
		39,986,125		26,995,802



ActionAid Association
 Statements to the Financial Statements for the year ended 31 March 2019

(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	FC	NFC	Total	FC	NFC	Total
Schedule 6: Employee benefits expense						
Contribution for gratuity	19,601,964	-	19,601,964	(15,098,088)	(15,460)	(15,113,548)
Contribution to provident fund	8,377,482	426,404	8,803,886	7,799,889	134,983	7,934,872
Salaries and wages	104,052,605	578,996	104,631,601	107,780,703	(38,880)	107,741,823
Staff welfare expenses	9,308,220	3,738	9,311,958	7,468,029	3,135	7,471,164
	141,340,271	1,009,138	142,349,409	107,950,533	83,778	108,034,311

Schedule 7: Administrative and other expenses

Organisation Promotional event	-	-	-	1,691,565	1,462,055	-	1,462,055
Auditors' remuneration:	1,691,565	-	-	1,691,565	3,287,856	-	3,287,856
Awareness and dissemination	1,534,743	-	-	1,534,743	12,977	-	528,544
Bank Charges	99,194	592,005	-	691,199	1,126,193	-	1,126,193
Books and periodicals	913,695	-	-	913,695	1,277,788	-	1,277,788
Computer maintenance expenses	1,200,162	3,100	-	1,203,262	35,296,624	-	35,296,624
Consultancy Expenses	37,979,338	805,774	-	38,785,112	80,512	-	80,512
Documentation & Research	124,789	-	-	124,789	2,358,492	-	2,358,492
Electricity and water	2,075,163	-	-	2,075,163	6,241,631	-	6,241,631
Office repair & Maintenance	5,412,405	-	-	5,412,405	4,285,750	-	4,285,750
Postage and Courier	4,586,111	-	-	4,586,111	586,079	-	586,079
Printing and stationery	933,168	90	-	933,258	28,177	-	28,177
Rates & Taxes	84,800	3,745	-	88,545	15,952,639	-	15,952,639
Rent	12,765,682	49,220	-	12,814,902	416,682	-	416,682
Software Expenses-Others	383,776	-	-	383,776	418,718	-	418,718
Staff Recruitment Expenses	254,703	114,265	-	368,968	3,709,289	-	3,709,289
Telephone & Email Charges	2,830,728	692	-	2,831,420	1,153,861	-	1,153,861
Training and workshops	450,352	-	-	450,352	13,631,588	-	13,631,588
Travelling and conveyance	14,310,617	130,031	-	14,440,648	1,050,926	-	1,050,926
Vehicle Running Expenses	849,017	-	-	849,017	92,377,837	-	92,377,837
	88,480,008	1,698,922		90,178,930	643,542		93,021,379



ActionAid Association
Schedules forming parts of the financial statements
(All amount are in Rupees unless otherwise stated)

Schedule 8: Significant accounting policies and notes to the accounts

1. Background

ActionAid Association ('AAA' or 'the Society') is registered under the Societies Registration Act, 1860 vide registration certificate number S-56828 dated 5 October 2006.

The Society has been granted registration under section 12A read with section 12AA of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25 April 2008. The Society has also obtained registration under section 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT (E) 2011-12/A-2513/5744 dated 29 March 2012 for the period from 1 April 2012 to till it is rescinded. Further, the Society has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of social nature with registration no. 231661299, vide letter no. II/21022/83(0070)/2011-FCRA.II- dated 29 December 2011. The registration of the Society has been renewed for a period of five years with effect from 29 December 2016 vide letter no. 0300051042016 - dated 22 August 2016.

The Society receives funds for charitable purpose in India. The Society aims to deepen understanding of peoples' ability for progressive expressions and solidarities within the context of widespread social and ecological injustices, economic, political and cultural dispossession and feminization of dispossession.

2. Significant accounting policies

(a) Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ('GAAP') in India, and in all material aspects comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India as applicable for Level III Non-Corporate entity.

(b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets etc. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(c) Fund accounting and Revenue recognition

- (i) Grants and donations received for which there are stipulations as to use recognised in the Statement of Income and Expenditure as income in the year of utilization and as at balance sheet date, to unutilized amount i.e. represented by the restricted funds. At the end of the agreement, the unutilized restricted fund is returned to the respective donor. In case the unutilized amount is not required to be returned to the respective donor, the same is transferred to Statement of Income and Expenditure in the relevant year in which the project is completed. In cases income generated from assets held in restricted funds is not subject to the same restrictions and the fund therefore the same has not been classified to restricted funds and credited to Statement of Income and Expenditure.
- (ii) Remittances received from donors for specific projects/ activities are disclosed under restricted funds. Disbursements made to other non-governmental organizations and project expenditures out of the restricted funds are netted off from the restricted funds and included in the Statement of Income and Expenditure as "Amount transferred from restricted funds to the extent of expenditure incurred".
- (iii) Unrestricted funds are contributions received or funds generated by the Society, the use of which is not restricted by the contributors/ donors and are recognized on a receipt basis. Donations received in kind are not valued or accounted in the books of account.
- (iv) General donations and grants received for welfare programs carried out by the society for which there are stipulation as to use are recognised in the Statement of Income and Expenditure as income in the year of receipt.
- (v) Interest income on savings bank accounts fixed deposits is accounted on accrual basis.



J. Chatterjee



ActionAid Association

Schedules forming parts of the financial statements

(All amount are in Rupees unless otherwise stated)

(d) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realized gain and losses on foreign currency transactions during the year are recognized in the Statement of Income and Expenditure. Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at year end rates and resultant gains/ losses on foreign currency translation are recognized in the Statement of Income and Expenditure.

(e) Fixed assets and Depreciation

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided on written down value method in accordance with the rate prescribed under Appendix I in the Income Tax Rule, 1962.

Asset	Rate (in %) Per annum
Computers	40
Office equipment	15
Vehicles	15
Furniture and fixtures	10

The above rates and methods of depreciation are also in line with the estimated useful lives, as determined by the management.

The appropriateness of depreciation rate and depreciation method is reviewed by the management in each financial year.

Individual asset received as donation, if any, is recognised in the books of account at Re. 1.

(f) Impairment of assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognized in the Statement of Income and Expenditure. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



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(h) Leases

As a lessee

Lease payment under an operating lease is recognized as expenditure in the Statement of Income and Expenditure on a straight line basis over the lease term.

(i) Employee Benefit

Employee's benefits comprise provident fund, gratuity and leave encashment/ compensated absences.

Defined contribution plan - Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Society has no further obligations. Such benefits are classified as Defined Contribution Plan, as the Society does not carry any obligation, apart from the contributions made on a monthly basis.

Defined Benefit Plan- Gratuity plan (Funded):

- Contribution towards Society's gratuity liability made to the Life Insurance Corporation of India (LIC) are adjusted against the gratuity liability determined by an independent actuary at the balance sheet date on the basis of "Projected Unit Credit Method" and the short fall, if any, is charged to the Income and Expenditure Account.
- Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions are recognized in the Income and Expenditure Account as income or expense in the year in which they arise.

Other Employee Benefit- Compensated Absences benefits:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Society's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(j) Expenditure

The Society implements its programmes for strengthening training, research and policy development in the area of eradication of poverty through projects conducted by itself or by other local non-governmental organizations to which it disburses grants. Accordingly, expenditure incurred by the Society during the year to monitor such non-governmental organizations and implement their internal projects is charged to Statement of Income and Expenditure.

9. Employee Benefit Obligations:

Provident fund: An amount of Rs. 8,803,886 (Previous year Rs. 7,934,872) has been recognized as an expense in respect of the AAA's contribution for provident fund deposited with the government authorities and has been shown under Employee benefits expense in the Statement of Income and Expenditure.

Gratuity plan: The Society operates a gratuity plan wherein every regular and contractual employees (with fixed term of three years and above) and who has completed three years of service, is eligible for gratuity as per the group gratuity scheme of the Life Insurance Corporation of India. The plan allows one month's basic salary per year of service (after a minimum of three years' service) to be paid. In addition, in case of death in service, the legal heir / heirless or the nominee of the staff as the case may be, is eligible to receive gratuity for the balance potential service up to the normal retirement age.



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Principal actuarial assumptions in respect of provision for gratuity at the balance sheet date are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate*	7.75%	7.72%
Expected rate of salary increase*	3.44%	7%
Demographic assumptions		
Retirement age	58 Years	58 Years
Mortality table	Standard Indian Assured Lives (2006-08) Ultimate Table	Standard Indian Assured Lives (2006-08) Ultimate Table
Withdrawal rates (%):		
Age		
Up to 30 years	1.00	4.00
31-44 years	1.00	10.00
Above 44 years	1.00	2.00

*The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

10. Leases

The Society has taken office premises under operating lease arrangements. The lease rent charged to Statement of Income and Expenditure is Rs. 12,814,902 (Previous year Rs. 15,952,639).

11. Expenditure in foreign currency:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2019
Travelling and conveyance	903,481	103,112

12. Related Parties

i) Related parties where transactions have taken place during the year:

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
Mr. Sandeep Chachra	Secretary
Ms. Shabana Azmi	Governing Member
Mr. V. K. Shunglu	Governing Member



S Chachra



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ii) Related party and nature of relationship with whom transactions have taken place during the year:

Name of the Party	Nature of transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
Action Aid International, United Kingdom	Receipt of funds	275,240,766	462,010,600
Mr. Sandeep Chachra	Salary	6,251,604	6,508,960
Mr. Sandeep Chachra	Reimbursement of Travel Cost	1,310,767	974,732
Ms. Shabana Azmi	Reimbursement of Travel Cost	282,302	217,200
Mr. V. K. Shunglu	Reimbursement of Travel Cost	24,989	78,216

13. Income Taxes

The society is registered under section 12A read with sections 12AA of Income Tax Act, 1961 vide letter dated April 25, 2008 and subject to compliance with the conditions specified therein, it is no longer liable to pay tax on excess of income over expenditure.

14. The Society is classified as Small and Medium Sized Enterprise (SME), being Level – III for the purposes of applicability of Accounting Standards as defined by the Council of the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards and availed certain exemptions as applicable to a Small and Medium Sized Enterprise. Accordingly, the society has not recognized any provision for income tax in its books of accounts.
15. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no outstanding balance to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Society has not received any claim for interest from any supplier under the said Act.
16. The Society has covered all its employees who in accordance with Employee State Insurance Corporation Act, 1948 are eligible for Employee State Insurance under Society's Group Mediciam Insurance Policy. The Society through its letter dated August 21, 2014 to the ESI Inspector has sought an exemption from applicability of Employee State Insurance Corporation Act, 1948 ('ESIC Act') which is pending for disposal with prescribed authorities.
17. The Society is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Basis the ongoing assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these financial statements.



ActionAid Association

Schedules forming parts of the financial statements

(All amount are in Rupees unless otherwise stated)

18. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/N500016

Jyoti

Jyoti Vaish
Partner
Membership No.: 096521

Place: Gurugram
Date: September 28, 2019

For and on behalf of **ActionAid Association**

S Chachra

Sandeep Chachra
Secretary

Place: New Delhi
Date: September 28, 2019

