

**ActionAid Association**  
**Statutory Audit**  
**For the year ended 31 March 2017**

# B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
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## Independent Auditor's Report

To the Chairperson of ActionAid Association

## Report on Financial Statements

We have audited the accompanying financial statements of ActionAid Association ('the Society') which comprise the Balance Sheet as at 31 March 2017 and the Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Society in accordance with the accounting principles generally accepted in India and the Accounting Standards, to the extent applicable, issued by Institute of Chartered Accountants of India. 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.

## Auditor's Responsibility

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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 Society's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 31 March 2017; and
- (ii) in the case of the Statement of Income and Expenditure, excess of expenditure over income of the Society for the year ended on that date.

*For B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration No.: 116231W/ W-100024



**Sandeep Batra**

*Partner*

Membership No.: 093320

Place: Gurugram

Date: 12 October 2017

## Balance sheet as at 31 March 2017

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

Schedule	As at 31st March 2017		As at 31 March 2016	
	FC	NFC	FC	NFC
Total	Total		Total	
<b>Funds employed</b>				
<b>Unrestricted funds</b>				
General fund	(2,93,78,420)	(76,586)	(94,88,312)	(60,55,214)
				(1,55,43,526)
<b>Restricted funds</b>				
Specific projects fund	5,60,98,753	1,46,06,870	2,29,14,987	1,64,54,766
				3,93,69,753
<b>Total</b>	<b>2,67,20,333</b>	<b>1,45,30,284</b>	<b>1,34,26,675</b>	<b>1,03,99,552</b>
				<b>2,38,26,227</b>
<b>Application of funds</b>				
<b>Fixed assets</b>				
Gross block	1,57,70,137	2,73,901	1,28,06,267	2,63,596
Less: Accumulated depreciation	90,64,865	2,12,830	61,40,341	2,02,671
Net block	67,05,272	61,071	66,65,926	60,925
				1,30,69,863
				63,43,012
				67,26,851
<b>Current assets, loans and advances</b>				
Cash and bank balances	4,09,94,805	1,52,15,082	2,12,46,459	1,12,02,040
Loans and advances	1,18,95,247	12,40,412	2,65,62,585	3,52,997
	5,28,90,052	1,64,55,494	4,78,09,044	1,15,55,037
				5,93,64,081
<b>Less: Current liabilities and provisions</b>				
Current liabilities and provisions	3,28,74,991	19,86,281	4,10,48,295	12,16,410
	2,00,15,061	1,44,69,213	67,60,749	1,03,38,627
				1,70,99,376
<b>Net current assets</b>	<b>2,67,20,333</b>	<b>1,45,30,284</b>	<b>1,34,26,675</b>	<b>1,03,99,552</b>
				<b>2,38,26,227</b>

Significant accounting policies and notes to the accounts 10

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

As per our report of even date attached

For BSR &amp; Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/ W-100024

Sandeep Batra

Partner

Membership No.: 093320

Place: Gurugram

Date : 12 October 2017

For and on behalf of ActionAid Association

D Chakr

Sandeep Chachra

Secretary

Place: New Delhi

Date : 12 October 2017





**Statement of Income and Expenditure for the year ending 31 March 2017**  
(All amounts are in Indian Rupees, unless otherwise stated)

Income	Schedule	For the year ended 31 March 2017			For the year ended 31 March 2016		
		FC	NFC	Total	FC	NFC	Total
Grants received from ActionAid International and its affiliates		43,65,67,162	-	43,65,67,162	59,54,51,971	-	59,54,51,971
General donation		14,78,431	17,29,034	32,07,465	29,24,180	23,88,349	53,12,529
Grants received (from sponsorship fund)		-	1,04,81,945	1,04,81,945	-	88,72,001	88,72,001
<b>Amount transferred from restricted funds to the extent of expenditure incurred</b>							
- restricted funds		20,21,28,037	4,36,63,520	24,57,91,557	22,44,85,213	94,80,498	23,39,65,711
- sponsorship fund		-	2,44,57,871	2,44,57,871	-	2,07,01,337	2,07,01,337
Other income:							
- Interest income		17,28,194	5,59,079	22,87,273	26,08,050	4,12,432	30,20,482
- Miscellaneous income		36,420	-	36,420	42,003	20,968	62,971
		<b>64,19,38,244</b>	<b>8,08,91,449</b>	<b>72,28,29,693</b>	<b>82,55,11,417</b>	<b>4,18,75,585</b>	<b>86,73,87,002</b>
<b>Expenditure</b>							
Grants disbursed							
- restricted funds		8,30,85,058	2,14,33,082	10,45,18,140	11,29,47,715	61,78,779	11,91,26,494
- sponsorship fund		-	2,44,57,871	2,44,57,871	-	2,07,01,337	2,07,01,337
- others		21,61,43,812	61,19,294	22,22,63,106	28,02,44,870	1,72,41,391	29,74,86,261
Internal programme expenses							
- restricted funds		8,85,01,186	2,22,30,438	11,07,31,624	7,74,03,565	33,01,719	8,07,05,284
- others		2,50,98,219	58,990	2,51,57,209	3,62,88,660	1,08,184	3,63,96,844
Fundraising expenses	7	3,05,41,795	-	3,05,41,795	3,41,33,934	-	3,41,33,934
Depreciation	4	30,66,917	10,159	30,77,076	33,34,550	10,835	33,45,385
Employee benefits expense	8	13,56,12,932	1,612	13,56,14,544	15,29,82,682	6,312	15,29,88,994
Administrative and other expenses	9	7,97,78,433	6,01,375	8,03,79,808	7,90,91,408	5,94,890	7,96,86,298
		<b>66,18,28,352</b>	<b>7,49,12,821</b>	<b>73,67,41,173</b>	<b>77,64,27,384</b>	<b>4,81,43,447</b>	<b>82,45,70,831</b>
<b>Excess of expenditure over income transferred to general fund</b>		<b>(1,98,90,108)</b>	<b>59,78,628</b>	<b>(1,39,11,480)</b>	<b>4,90,84,033</b>	<b>(62,67,862)</b>	<b>4,28,16,171</b>

Significant accounting policies and notes to the accounts 10

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

As per our report of even date attached

For **BSR & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 116231W/W-100024

*(Signature)*  
**Sandeep Batra**  
Partner

Membership No.: 093320  
Place: Gurugram  
Date: 12 October 2017

For and on behalf of ActionAid Association

*(Signature)*  
**Sandeep Chachra**  
Secretary

Place: New Delhi  
Date: 12 October 2017



**Schedules to the financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees, unless otherwise stated)

**Schedule 1: General fund**

	FC	As at 31 Mar 2017 NFC	Total	FC	As at 31 Mar 2016 NFC	Total
Opening balance						
Add: Transferred from restricted fund	(94,88,312)	(60,55,214)	(1,55,43,526)	(6,12,32,869)	2,12,648	(6,10,20,221)
Add: Transferred from statement of income and expenditure	(1,98,90,108)	59,78,628	(1,39,11,480)	26,60,524	(62,67,862)	26,60,524
	<b>(2,93,78,420)</b>	<b>(76,586)</b>	<b>(2,94,55,006)</b>	<b>(94,88,312)</b>	<b>(60,55,214)</b>	<b>(1,55,43,526)</b>

**Schedule 2: Restricted funds - Specific projects fund**

**a) From various donors except mentioned in b) below**

Opening balance	2,29,14,987	1,64,54,767	3,93,69,754	7,08,96,748	70,53,182	7,79,49,930
Add: Funds received during the year	11,47,64,373	4,18,15,623	15,65,79,996	4,44,79,541	1,88,82,083	6,33,61,624
Less: Grants disbursed during the year	13,76,79,360	5,82,70,390	19,59,49,750	11,53,76,289	2,59,35,265	14,13,11,554
Less: Expenditure on project	5,85,07,149	2,14,33,082	7,99,40,231	4,99,37,031	61,78,779	5,61,15,810
	6,51,15,888	2,22,30,438	8,73,46,326	4,25,24,271	33,01,719	4,58,25,990
<b>Total (a)</b>	<b>1,40,56,323</b>	<b>1,46,06,870</b>	<b>2,86,63,193</b>	<b>2,29,14,987</b>	<b>1,64,54,767</b>	<b>3,93,69,754</b>

**b) From Action Aid International and its affiliates**

Opening balance	(87,48,867)	-	(87,48,867)	2,57,97,133	-	2,57,97,133
Add: Funds received during the year	12,92,96,297	-	12,92,96,297	10,01,38,436	-	10,01,38,436
Less: Transferred to general fund	-	-	-	26,60,524	-	26,60,524
Less: Fundraising expenses	12,05,47,430	-	12,05,47,430	12,32,75,045	-	12,32,75,045
Less: Grants disbursed during the year	3,05,41,793	-	3,05,41,793	3,41,33,934	-	3,41,33,934
Less: Expenditure on project	2,45,77,909	-	2,45,77,909	6,30,10,684	-	6,30,10,684
	2,33,85,298	-	2,33,85,298	3,48,79,294	-	3,48,79,294
Add: Funds receivable to the extent of excess expenditure	4,20,42,430	-	4,20,42,430	(87,48,867)	-	(87,48,867)
	-	-	-	87,48,867	-	87,48,867
<b>Total (b)</b>	<b>4,20,42,430</b>	<b>-</b>	<b>4,20,42,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a) + (b)</b>	<b>5,60,98,753</b>	<b>1,46,06,870</b>	<b>7,07,05,623</b>	<b>2,29,14,987</b>	<b>1,64,54,767</b>	<b>3,93,69,754</b>

**Schedule 3: Sponsorship fund**

Opening balance	-	-	-	-	-	-
Add: Funds received during the year	-	3,49,39,816	3,49,39,816	-	2,95,73,338	2,95,73,338
Less: Transferred to Statement of Income and Expenditure	-	1,04,81,945	1,04,81,945	-	88,72,001	88,72,001
Less: Grants disbursed during the year	-	2,44,57,871	2,44,57,871	-	2,07,01,337	2,07,01,337
- Transferred to Statement of Income and Expenditure	-	2,44,57,871	2,44,57,871	-	2,07,01,337	2,07,01,337
- Admin and Personnel Expenses	-	-	-	-	-	-
	-	-	-	-	-	-





## Schedule 4 : Fixed assets

## NON FOREIGN CONTRIBUTION (NFC)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	For the year	Deletions/ adjustments	As at 31 Mar 2017	As at 31 Mar 2016
<b>Tangible assets</b>								
Computers	89,609	-	-	89,609	78	-	89,557	52
Office equipment	1,49,500	-	-	1,49,500	6,808	-	1,10,923	38,577
Vehicle	21,000	-	-	21,000	2,105	-	9,071	11,929
Furniture and fixtures	3,487	10,305	-	13,792	1,168	-	3,279	10,513
<b>Current year</b>	<b>2,63,596</b>	<b>10,305</b>	-	<b>2,73,901</b>	<b>10,159</b>	-	<b>2,12,830</b>	<b>61,071</b>
Previous year	2,63,596	-	-	1,91,837	10,834	-	2,02,671	60,925
								<b>71,759</b>

## FOREIGN CONTRIBUTION (FC)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	For the year	Deletions/ adjustments	As at 31 Mar 2017	As at 31 Mar 2016
<b>Tangible assets</b>								
Computers	74,09,318	22,00,246	1,99,800	94,09,764	23,83,582	1,42,392	70,67,740	23,42,024
Office equipment	27,59,226	8,07,527	-	35,66,753	4,12,792	-	9,27,562	26,39,191
Vehicle	22,80,282	-	-	22,80,282	2,30,592	-	9,73,592	13,06,690
Furniture and fixtures	3,57,441	1,55,897	-	5,13,338	39,951	-	95,971	4,17,367
<b>Current year</b>	<b>1,28,06,267</b>	<b>31,63,670</b>	<b>1,99,800</b>	<b>1,57,70,137</b>	<b>30,66,917</b>	<b>1,42,392</b>	<b>90,64,865</b>	<b>67,05,272</b>
Previous year	83,20,010	45,43,167	56,910	1,28,06,267	33,34,350	40,975	61,40,341	66,65,926
								<b>54,73,244</b>

## TOTAL

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	For the year	Deletions/ adjustments	As at 31 Mar 2017	As at 31 Mar 2016
<b>Tangible assets</b>								
Computers	74,98,927	22,00,246	1,99,800	94,99,373	23,83,660	1,42,392	71,57,297	23,42,076
Office equipment	29,08,726	8,07,527	-	37,16,253	4,19,600	-	10,38,485	26,77,768
Vehicle	23,01,282	-	-	23,01,282	2,32,697	-	9,82,662	13,18,620
Furniture and fixtures	3,60,928	1,66,202	-	5,27,130	41,119	-	99,251	4,27,880
<b>Current year</b>	<b>1,30,69,863</b>	<b>31,73,975</b>	<b>1,99,800</b>	<b>1,60,44,038</b>	<b>30,77,076</b>	<b>1,42,392</b>	<b>92,77,695</b>	<b>67,66,344</b>
Previous year	85,83,606	45,43,167	56,910	1,30,69,863	33,45,384	40,975	63,43,012	67,26,851
								<b>55,45,003</b>



## Schedules to the financial statements for the year ended 31 March 2017

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

	As at 31 March 2017		As at 31 March 2016		Total
	FC	NFC	FC	NFC	Total
<b>Schedule 5: Current assets, loans and advances</b>					
<b>Cash and bank balances</b>					
Cash in hand	3,30,567	13,121	3,69,601	271	3,69,872
Balances with scheduled banks					
- in saving accounts	4,03,24,758	1,43,07,696	2,08,76,858	1,12,01,769	3,20,78,627
- in current accounts	3,39,480	8,94,265	-	-	-
	<u>4,09,94,805</u>	<u>1,52,15,082</u>	<u>2,12,46,459</u>	<u>1,12,02,040</u>	<u>3,24,48,499</u>
<b>Loans and advances</b>					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received	44,64,462	10,57,745	45,53,571	2,52,022	48,05,593
Advances to employees	20,22,621	58,948	17,65,493	475	17,65,968
Advance income tax	3,607	23,219	28,758	-	28,758
Grant receivable	-	-	87,48,867	-	87,48,867
Balance in gratuity fund (net of provision for gratuity of Rs. 45,004,604 (previous year Rs. 34,423,391))	(2,54,119)	-	58,14,101	-	58,14,101
Security deposits	56,58,676	1,00,500	56,51,795	1,00,500	57,52,295
	<u>1,18,95,247</u>	<u>12,40,412</u>	<u>2,65,62,585</u>	<u>3,52,997</u>	<u>2,69,15,582</u>

**Schedule 6: Current liabilities and provisions**

Sundry creditors	1,14,39,910	12,21,627	1,71,94,184	6,78,240	1,78,72,424
Other liabilities	35,36,046	73,459	45,48,207	36,205	45,84,412
Employee related payables	1,33,94,660	6,91,195	1,48,91,531	5,01,965	1,53,93,496
Provision for compensated absences	45,04,375	-	44,14,373	-	44,14,373
	<u>3,28,74,991</u>	<u>19,86,281</u>	<u>4,10,48,295</u>	<u>12,16,410</u>	<u>4,22,64,705</u>





## Schedules to the financial statements for the year ended 31 March 2017

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

## For the year ended 31 March 2017

## For the year ended 31 March 2016

## Schedule 7: Fundraising expenses

	FC	NFC	Total	FC	NFC	Total
Awareness and dissemination	87,95,050	-	87,95,050	2,16,28,575	-	2,16,28,575
Communication expenses	5,13,603	-	5,13,603	3,64,850	-	3,64,850
Legal and professional charges	1,82,46,075	-	1,82,46,075	85,37,634	-	85,37,634
Meeting and seminar expenses	3,35,967	-	3,35,967	1,50,392	-	1,50,392
Power and fuel	65,218	-	65,218	62,583	-	62,583
Printing and stationery	1,06,819	-	1,06,819	1,93,810	-	1,93,810
Rates & taxes	653	-	653	820	-	820
Rent	5,14,872	-	5,14,872	7,61,800	-	7,61,800
Repairs and maintenance expenses	2,02,129	-	2,02,129	5,23,931	-	5,23,931
Staff recruitment expenses	44,104	-	44,104	2,488	-	2,488
Travelling and conveyance	13,81,813	-	13,81,813	17,90,305	-	17,90,305
Miscellaneous expenses	3,35,492	-	3,35,492	1,16,746	-	1,16,746
	<b>3,05,41,795</b>	<b>-</b>	<b>3,05,41,795</b>	<b>3,41,33,934</b>	<b>-</b>	<b>3,41,33,934</b>

## Schedule 8: Employee benefits expense

Salaries and wages	11,33,51,611	(1,06,482)	11,32,45,129	13,14,37,932	(4,140)	13,14,33,792
Contribution to provident fund	84,24,040	1,07,567	85,31,607	95,86,986	10,452	95,97,438
Contribution to other funds	64,33,990	-	64,33,990	36,14,986	-	36,14,986
Staff welfare expenses	74,03,291	527	74,03,818	83,42,778	-	83,42,778
	<b>13,56,12,932</b>	<b>1,612</b>	<b>13,56,14,544</b>	<b>15,29,82,682</b>	<b>6,312</b>	<b>15,29,88,994</b>

## Schedule 9: Administrative and other expenses

Auditors' remuneration	16,20,925	-	16,20,925	17,76,427	-	17,76,427
Awareness and dissemination	27,71,634	-	27,71,634	35,59,163	-	35,59,163
Communication expenses	80,34,486	-	80,34,486	95,93,428	-	95,93,428
Documentation and research charges	1,79,200	-	1,79,200	7,08,822	-	7,08,822
Power and fuel	31,14,317	-	31,14,317	36,72,910	-	36,72,910
Printing and stationery	7,87,795	-	7,87,795	9,08,492	-	9,08,492
Legal and professional charges	2,13,39,212	(5,581)	2,13,33,631	92,46,391	-	92,46,391
Rates and taxes	19,903	-	19,903	31,627	-	31,627
Rent	1,52,77,006	-	1,52,77,006	1,55,77,597	-	1,55,77,597
Repairs and maintenance expenses	90,16,841	-	90,16,841	76,32,043	-	76,32,043
Staff recruitment expenses	7,21,239	-	7,21,239	11,80,087	-	11,80,087
Training and workshops	14,06,693	-	14,06,693	26,82,101	1,33,844	28,15,945
Travelling and conveyance	1,48,58,318	72,040	1,49,30,358	2,19,22,616	-	2,19,22,616
Miscellaneous expenses	6,30,864	5,34,916	11,65,780	5,99,704	4,61,046	10,60,750
	<b>7,97,78,433</b>	<b>6,01,375</b>	<b>8,03,79,808</b>	<b>7,90,91,407</b>	<b>5,94,890</b>	<b>7,96,86,297</b>





**ActionAid Association**  
**Schedules forming parts of the financial statements**  
**(All amount are in rupees)**

**Schedule 10: Significant accounting policies and notes to the accounts**

**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 an exemption under Section 12A of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25th April 2008. The Society has also obtained exemption under section 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT (E) 2011-12/A-2513/5744 dated 29th 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 our 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.

**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 practices prevailing in India as applied consistently by AAA.

**(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**

*Restricted fund* are grants received from various funding agencies/ individuals to carry out specific activities. These are held in Society until used for the purpose specified against them. 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.

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.

*Unrestricted funds* are contributions received or funds generated by the Society, the use of which is not restricted by the contributors/ donors.

**(d) Revenue recognition**

General donations and grants received for welfare programs carried out by the society are accounted in the Statement of Income and Expenditure on cash basis.

Interest income on Savings Bank accounts is accounted on accrual basis and interest income on fixed deposits is accounted on accrual basis.





**ActionAid Association**  
**Schedules forming parts of the financial statements**  
**(All amount are in rupees)**

**(e) 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 Income and Expenditure account.

**(f) Fixed assets**

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 at the following rates:

Asset	Rate (in %) Per annum
Computers	60
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.

**(g) Impairment**

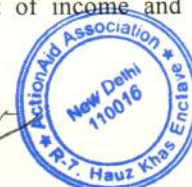
The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An 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 Profit and Loss Account. 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.

**(h) 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.

**(i) Leases**

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.





**ActionAid Association**  
**Schedules forming parts of the financial statements**  
**(All amount are in rupees)**

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**(j) Employee Benefit**

Benefits such as salaries, etc., are recognized in the statement of income and expenditure in the period in which the employee renders the related service.

**Defined contribution plan:** The AAA's employee provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Income and Expenditure in the year when the employee renders the related service. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

**Defined benefit plans:**

**Gratuity plan**

The AAA's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined annually based on an actuarial valuation carried out by an independent actuary for the plan using the Projected Unit Credit Method, which recognizes each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

The Society has taken a policy with the Life Insurance Corporation of India to cover its liability towards gratuity. The difference between the fund balance with the Life Insurance Corporation of India and the gratuity liability of the society, as determined by an independent actuary, is charged/written back to the Statement of Income and Expenditure.

**Other long term benefits**

Benefits under leave encashment constitute other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure.

**(k) 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.

**11. Employee Benefit Obligations:**

**Provident fund:** An amount of Rs. 8,531,607 (Previous year Rs. 9,597,438) 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. 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 / heiress 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.

**Other long term benefits:** The society operates a leave encashment plan wherein every employee shall be entitled to encash privilege leave up to maximum of 30 days a year. The salary for calculation of earned leave





**ActionAid Association**  
**Schedules forming parts of the financial statements**  
**(All amount are in rupees)**

is last drawn gross salary. Leave can be encashed up to a maximum of 30 days only at the time of resignation or death of the employee while in service.

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

Economic assumptions	As at 31 March 2017	As at 31 March 2016
Discount rate*	7.31%	8%
Expected rate of salary increase*	7%	7%
<b>Demographic assumptions</b>		
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	3.00	3.00
31-44 years	2.00	2.00
Above 44 years	1.00	1.00

\*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.

**12. Leases**

The Society has taken office premises under operating lease arrangements. The lease rent charged to Statement of Income and Expenditure is Rs 15,791,878 (Previous year Rs. 16,339,397).

**13. Expenditure in foreign currency:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Travelling and conveyance	108,629	264,660
Legal and professional charges	148,370	-

**14. Related Parties**

(a) Related party and nature of the relationships, where control exists :

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
ActionAid - India Branch	Enterprise under the common control
ActionAid India- Karnataka Project	Enterprise under the common control
ActionAid India Society	Enterprise under the common control

(b) Related party where transactions have taken place:

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
Action Aid - India Branch	Enterprise under the common control



**ActionAid Association**  
**Schedules forming parts of the financial statements**  
**(All amount are in rupees)**

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

Name of the Party	Nature of transaction	For the year ended 31 March 2017	For the year ended 31 March 2016
Action Aid International, United Kingdom	Receipt of funds	421,942,079	683,590,407
Action Aid - India Branch	Receipt of funds	3,500,000	120,000,000

(d) Particulars of balances in respect of related party transactions:

Name of the Party	Nature of transaction	For the year ended 31 March 2017	For the year ended 31 March 2016
Action Aid International, United Kingdom	Grant receivable	-	8,748,866
Action Aid International, United Kingdom	Other receivable	-	177,755

**15. Income Taxes**

Since the society is registered with the Income Tax Authorities U/s.12A and its activities falls under the definition of "charitable purpose" as defined in section 2(15) of the Income Tax Act, 1961 accordingly, has not created any provision for income tax in its books of accounts.

16. The Society is classified as Small and Medium Sized Enterprise (SME) of Level – III entity 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 as applicable to a Small and Medium Sized Enterprise.

17. 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 overdue outstanding 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.

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

As per our report of even date attached

**For B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 116231W/ W-100024

**Sandeep Batra**

*Partner*

Membership No.: 093320

Place: Gurugram

Date: 12 October 2017

**For and on behalf of ActionAid Association**

*Sandeep Chachra*

**Sandeep Chachra**

*Secretary*

Place: New Delhi

Date: 12 October 2017





# B S R & Associates LLP

Chartered Accountants

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Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
Fax: + 91 124 235 8613

## FORM 10B (See Rule 17B)

### Audit Report under section 12A (b) of the Income -tax Act, 1961 in the case of charitable or religious Company's or institutions

1. We have examined the Balance Sheet of **ActionAid Association** as at 31 March 2017 and the Statement of Income and Expenditure for the year ended on that date which are in agreement with the books of account maintained by the said Society.
2. We have obtained all the information and explanations which to the best of our knowledge, and belief, were necessary for the purposes of the audit. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of the books.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, 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 31 March 2017; and
  - ii) in the case of the Statement of Income and Expenditure, of the excess of expenditure over income of the Society for the year ended on that date.

The prescribed particulars are annexed hereto.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024



**Sandeep Batra**

Partner

Membership No.: 093320

Place: Gurugram

Date: 12 October 2017

**ANNEXURE  
STATEMENT OF PARTICULARS**

**I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES**

- |     |   |                 |
|-----|---|-----------------|
| 1.  | Amount of income of the previous year applied to charitable or religious purposes in India during that year.  | INR 736,838,072 |
| 2.  | Whether the Institution has exercised the option under clause (2) of the explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year.                                    | Nil             |
| 3.  | Amount of income accumulated or set apart/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 percent* of the income derived from property held under Company wholly for such purposes.<br>(* - as amended by Finance Act, 2002) | Nil             |
| 4.  | Amount of income eligible for exemption under section 11(1) (c).  | NA              |
| 5.  | Amount of income in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2).  | Nil             |
| 6.  | Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b).  | Not applicable  |
| 7.  | Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B).   | No              |
| 8.  | Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier  |                 |
| (a) | has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or  | No              |
| (b) | has ceased to remain invested in any  | No              |



security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b) (ii) or section 11(2)(b) (iii), or

- |     |  |    |
|-----|--|----|
| (c) | has not been utilised for purposes for which was accumulated or set apart during the period for which it was to be accumulated or set apart, in the year immediately following the expiry thereof. | No |
|-----|--|----|

**II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)**

- |   |  |    |
|---|--|----|
| 1 | Whether any part of the income or property of the Institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such persons.                                      | No |
| 2 | Whether any land, building or other property of the Institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any | No |
| 3 | Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so give details  | No |
| 4 | Whether the services of the Institution were made available to any such person during the previous year.   | No |
| 5 | Whether any share, security, or other property was purchased by or on behalf of the Institution during the previous year from any such person.   | No |
| 6 | Whether any share, security or other property was sold by or on behalf of the Institution during the previous year to any such person.   | No |
| 7 | Whether any income or property of the Institution was diverted during the previous year in favour of any such person.  | No |
| 8 | Whether the income or property of the Institution was used or applied during the previous year for the benefit of any such person in any other manner.   | No |

*Handwritten signature/initials in blue ink.*



**III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST**

Sl. No.	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the Investment	Income from the investment	Whether the amount in col. 4 exceeded 5 percent of the capital of the concern during the previous year say, Yes/ No
1	2	3	4	5	6
Nil, no such investments held at any time during the previous year.					

This is the Annexure which is referred to in our Audit Report of even date. Part-II and Part-III of the Annexure has been prepared by the Director of the Company who has certified to us that no part of the income or property has been applied for the benefit of persons referred to in Section 13(3) of the Income Tax Act, 1961, which has been relied upon by us in accordance with Circular No. 143[F.No.180/74/73-IT (A-I)] dated 20.8.1974 issued by Central Board of Direct Taxes (CBDT).

*For B S R & Associates LLP*

*Chartered Accountants*

Firm Registration No.: 116231 W/W-100024

  
**Sandeep Batra**

*Partner*

Membership No.: 093320

Place: Gurugram

Date: 12 October 2017