

Audit Report 2020-21

**INDIA HIV/AIDS ALLIANCE
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH 2021**

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Income:			
Grant Incomes (To the extent utilized)		632,499,948	542,893,064
General Donations		29,200,868	31,934,587
Interest		2,206,710	7,894,484
Total Income		663,907,526	582,722,135
Expenses:			
Programme Expenses	11	541,139,827	454,157,628
Employee Benefit Program Staff	12-A	36,784,550	42,794,396
Employee Benefit Admin Staff	12-B	27,897,995	26,941,323
Administrative Expenses	13	38,632,126	52,486,572
Total Expenses		644,454,498	576,379,919
Surplus/ (Deficit) before exceptional and extraordinary			
Prior period items		19,453,028	6,342,216
Exceptional Items		-	-
Surplus/ (Deficit) before extraordinary items and tax			
		19,453,028	6,342,216
Surplus/ (Deficit) before tax			
		19,453,028	6,342,216
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Deferred tax assets/ (liabilities)		-	-
Surplus/ (Deficit) for the year			
		19,453,028	6,342,216

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 to 33

This is the Income & Expenditure Account referred to in our report of even date.

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN:010500N

(Signature)
(Amrish Gupta)
Partner
M. No. 090553



By order of the Board for and on behalf of
India HIV/AIDS Alliance

(Signature)
Shahabuddin Yaqoob Quraishi
Chairperson
DIN: 07443898

(Signature)
Sanjay Patra
Director
DIN: 03257125

(Signature)
Rivu Banerjee
Director- Finance & Operations



(Signature)
Ashim Chowla
Chief Executive

Place: New Delhi
Date: 02.11.2021

INDIA HIV/AIDS ALLIANCE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Cash Flow from Operating Activities		
Grant/ Donations	786,742,862	564,146,865
Interest Received on grant accounts	3,175,721	
Less: Payments towards Operations	(644,454,498)	(576,379,919)
Less: Fixed Assets in transit	(32,752,530)	-
Less: Refund to Donor	(36,458)	-
Adjustments		
Change in other Current Assets	(12,582,518)	4,640,729
Change in Short term Advances	372,363	28,107,490
Change in short term provisions	(907,662)	-
Change in Current Liabilities	7,101,547	1,854,780
Net Cash used in Operating Activities (A)	106,658,827	22,369,944
Cash Flow from Investing Activities	-	-
Net Cash Flow from Investing Activities (B)	-	-
Cash Flow from Financing Activities	-	-
Interest Received	2,206,710	10,490,576
Net Cash Flow from Financing Activities (C)	2,206,710	10,490,576
Net Increase in Cash and Cash Equivalents(A+B+C)	108,865,537	32,860,521
Cash and Cash Equivalent at the beginning of the year	84,374,335	51,513,814
Cash and Cash Equivalent at the end of the year (Cash & Bank Balance)	193,239,872	84,374,335

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 to 33

This is the Cash Flow Statement referred to in our report of even date.

For **KUMAR MITTAL & CO.**

Chartered Accountants

FRN:010500N

(Signature)

(Amrish Gupta)

Partner

M. No. 090553



By order of the Board for and on behalf of
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Notes on Financial Statements for the period ended 31st March 2021

Significant Accounting Policies

1. General Information

The Company has been incorporated as a private company limited by guarantee under Section 8 of the Companies Act, 2013. The Company is also registered under Section 12AA of the Income Tax Act, 1961. The Company is operating in partnership with Civil Society, Government and communities to support sustained responses to HIV in India that protect rights and improve health. Complementing the Indian National Programme, the company builds capacity, provide technical support and advocate strengthening delivery of effective, innovative, community-based HIV programmes to vulnerable populations affected by the epidemic.

2. Significant Accounting Policies

2.1 Accounting Convention

The Company has prepared these financial statements to comply with the Accounting Standards on a going concern basis notified under the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except to the extent disclosed separately.

2.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/materialised.

2.3 Property, Plant and Equipment

Property, Plant and Equipment procured for programs are, in the first instance, debited under various programme heads as per the requirement of the donor agencies. Subsequently, these assets are reflected in the Balance Sheet by debiting Property, Plant and Equipment and crediting Property, Plant and Equipment Fund.

Property, Plant and Equipment physically not received or not put to use has been shown under fixed assets in transit.

2.4 Depreciation/ Amortization

No Depreciation is provided/claimed in the Statement of Income and Expenditure

2.5 Revenue Recognition

- i) **Voluntary Contribution & Unrestricted Grant** of revenue-nature are recognized as income in the Statement of Income and Expenditure along with the related costs which they compensate. Such Grant Income has been shown separately in the Statement of Income and Expenditure.



- ii) **Restricted Grants** are accounted for as Income to the extent utilized during the year.

Restricted Grants are utilized as per the conditions of the grant agreement and to the extent utilized are recorded as Income & Expenditure in the Income and Expenditure account. The balance of unutilized grant is reflected under Programme Fund Balance under Current Liabilities in the Balance Sheet.

Upon completion of the life of obligation of the restricted grant surplus grant remaining unutilised if any, is, either in compliance with the grant agreement or upon due consent of the granting authority, either returned to the granting authority or transferred to unrestricted grant or income in the statement of Income and Expenditure Account.

- iii) Interest on balance of funds from restricted grants is credited to respective grant fund. Interest income of unrestricted grant is credited to revenue in year of its accrual. The income in both cases is stated in full with tax deducted thereon being accounted for under the head tax refunds/ payments.

2.6 Allocation And Apportionment of Expenses

Direct expenses identifiable with restricted grants have been charged to such grants confirming with the approved work plan. All other indirect administrative expenses and expenses which cannot be attributed to single program are apportioned proportionately to all grants.

2.7 Employee's Benefits

Employee Benefits are accounted for as under:

- i) Provident Fund and Pension Contribution- as a percentage of salary / wages as per the provision of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- ii) Gratuity and leave encashment is maintained as a defined benefit retirement plan and contribution is made to Fund Manager, as per Company's Scheme. Further provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuer. Provision is treated as a liability and write back is treated as an asset to be adjusted against liability.

2.8 Prior Period Adjustments, Extra Ordinary Items and Changes in Accounting Policies

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

2.10 Events after the Balance Sheet Date

Events occurring after the date of the Balance Sheet, which affect the financial position to the material extent, are taken cognizance of.



Other Current Liabilities - Unutilized Grant Balance

Name of Donors	Opening Balance as on 1.04.2020	Grant Received during the year	Interest	Total (INR)	Application of Grants during the year	Adjustment /Transfer	Programme Balance as on 31.03.2021
GLOBAL FUND/LOCAL CONTRIBUTION PROGRAM BALANCE							
- The Global Fund(Vihaan)	31,705,444	641,782,677	2,668,172	676,156,293	536,399,844	-	139,756,449
UNFPA		9,251,024		9,251,024	8,134,610		1,116,414
We care Society		1,699,920		1,699,920	1,529,928		169,992
APPI		1,965,600		1,965,600	1,884,375		81,225
- The Global Fund(HR Asia)	2,719,987	37,384,244	503,419	40,607,650	32,645,275		7,962,375
Sub Total (A)	34,425,431	692,083,465	3,171,591	729,680,487	580,594,032	-	149,086,455
FOREIGN CONTRIBUTION FUND BALANCE							
- Frontline Aids, United Kingdom	7,070,734	21,302,056		28,372,790	16,740,791		11,631,999
- APCASO Foundation, Waltana, Bangkok	575,324	353,642	-	928,966	928,966		-
- MAC Aids Foundation, San Fransisco	2,316,262	4,440,600	-	6,756,862	2,663,375		4,093,487
- Global Giving Foundation, USA	456,986		-	456,986	162,259		294,727
- Elton John Aids Foundation (EJAF), United Kingdom	1,623,770	20,644,573	4,130	22,272,473	17,500,151		4,772,322
- Manniel Deniels (AmplifyChange), United Kingdom	718,146	18,275,085	-	18,993,231	10,087,327		8,905,904
- Swadesh Foundation, Mumbai (Second Recipient)	36,458		-	36,458		36,458	0
U.K. Giving Foundation		60,239		60,239			60,239
- Give to Asia, San Fransisco USA		382,334	-	382,334			382,334
- NIH, ALBERT EINSTEIN COLLEGE OF MEDICINE, USA	2,289,342		-	2,289,342	3,823,047		(1,533,705)
Sub Total (B)	15,087,022	65,458,529	4,130	80,549,681	51,905,916	36,458	28,607,307
Grand Total (A+B)	49,512,453	757,541,994	3,175,721	810,230,168	632,499,948	36,458	177,693,762



NOTE NO. 7: Short Term Provisions

Particulars	Amount (Rs.)	
	As at 31st March 2021	As at 31st March 2020
Provision for Leave Encashment	837,658	783,504
Provision for Gratuity	2,392,337	3,354,153
Total	3,229,995	4,137,657

NOTE NO. 8: CASH AND CASH EQUIVALENT:

Particulars	Amount (Rs.)	
	As at 31st March 2021	As at 31st March 2020
Cash in hand and at bank:		
Cash in hand	27,532	27,402
Cash at Bank:	156,082,310	48,780,756
Fixed Deposits (including interest accrued)	37,130,030	35,566,177
Total	193,239,872	84,374,335

NOTE NO. 9: Short Term Loans and Advances

Particulars	Amount (Rs.)	
	As at 31st March 2021	As at 31st March 2020
Security Deposits	2,445,100	2,967,100
TDS Receivable	779,263	654,190
TCS Receivable	24,564	
Total	3,248,927	3,621,290

NOTE NO. 10: Other Current Assets

Particulars	Amount (Rs.)	
	As at 31st March 2021	As at 31st March 2020
Advance against Programme expenses	14,853,319	1,145,077
Advance recoverable from Staff	279,974	1,119,697
Interest Receivable	50,950	50,950
Prepaid Expenses	-	286,001
Total	15,184,243	2,601,725

NOTE NO. 11: PROGRAMME EXPENSES:

Particulars	Amount (Rs.)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Sub Grants	387,048,430	379,625,198
Work Shop and Meeting Costs	3,325,020	32,186,008
Data Collection	365,716	
Covid Relief (PPE Kit, Dry Ration & support)	106,122,400	
Beneficiary Health Tracking System	6,605,748	6,494,628
Program Consultants	31,587,696	21,573,918
Travel	4,990,460	14,130,346
Acquisition of Fixed Asset	1,094,357	147,530
Total	541,139,827	454,157,628



NOTE NO. 12: Employee Benefit

Particulars	Amount (Rs.)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Program Staff Cost		
Salary	34,395,663	39,409,127
Gratuity	1,524,496	2,039,223
Staff Welfare	43,458	
Leave Encashment	482,255	205,284
Health and Accidental Insurance	338,678	1,140,762
Sub Total (A)	36,784,550	42,794,396
B. Admin Staff Cost		
Salary	26,314,949	25,010,569
Gratuity	867,841	1,314,929
Staff Welfare	96,026	
Health and Accidental Insurance	263,776	
Leave Encashment	355,403	615,825
Sub Total (B)	27,897,995	26,941,323
Grand Total	64,682,545	69,735,719

NOTE NO. 13: Administrative Expenses

Particulars	Amount (Rs.)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Project Audit Fees	8,437,524	7,908,161
Statutory Audit Fees	389,400	389,400
Rent	11,011,907	9,891,997
Electricity & Water Charges	1,794,465	1,871,920
Communication	1,698,936	2,217,882
Local Travel	727,127	975,985
Bank Charges	790,916	770,404
Annual Maintainance	694,353	495,576
Repair and Maintainance	717,729	1,041,505
Printing and stationery	424,286	907,939
Legal And professional charges	1,197,997	1,852,410
Face to Face connect for Donation	6,604,713	19,884,860
Office Security and insurance	951,480	846,834
Office Supplies	1,321,612	1,214,351
Other Office Costs	830,927	882,388
Sub-Grant non recoverable	113,639	-
Publications Cost	925,115	1,334,958
Total	38,632,126	52,486,572



Note No.14 Disclosure of Related Parties pursuant to Accounting Standard – 18

Key Management Personnel and their relatives	
Name	Designation / Status
Shahabuddin Yaqoob Quraishi	Chairperson
Madhu Bala Nath	Director
Sanjay Patra	Director
Shalini Bharat	Director
Saroj Pachauri	Director
Krishnamurthy Gopalakrishnan	Director (Resigned in December 2020)
Arati Radhika Jerath	Director (Joined on 05.09.2020)
Ashim Chowla	CEO

Following is the company in which any one of the directors of the Company was also a Whole Time Director and with whom transactions were carried out during the period ended March 31st 2021
NA

Transaction with related party during the period ended March 31st2021		
Particulars	Amount (Rs.) 2020-21	Amount (Rs.) 2019-20
Ashim Chowla		
Salary	46,49,736	3,15,803
Sonal Indravandan Mehta		
Salary & Retirement Benefits (upto 10 th Jan 2020)	-	44,43,954
Grand Total	46,49,736	47,59,757

Balance as at Year End

Nature Transaction	Name	Nature of Relationship	Year Ended 31st March 2021	Year Ended 31st March 2020
NIL				

Note No.15 Remuneration /Payment to Director :

No Remuneration is paid to any of the Directors during the year 2020-21



Note no. 16 Restoration of 12A and Income tax refund

The Company had filed income tax return for various assessment years claiming exemption under section 12A of the Income Tax Act 1961. During assessment of some of the earlier years, the tax authorities raised objection on charitable status of Company and passed orders accordingly raising demand for tax for certain years. They resorted to withholding Rs. 2,77,86,599 of taxes paid/ taxes deposited on behalf of the Company. Out of this, Rs. 2,77,86,599 withheld by the department included Rs. 2,63,62,133 from FCRA designated Bank account maintained by the company.

Based on the above assessment orders, the income tax department cancelled registration under section 12AA. The Company contested these decisions of the department at various forums including CIT (A) and ITAT and obtained favourable decisions by restoring the 12A and 80G status. Out of the tax withheld, the company received a consolidated sum of Rs.2,74,21,900 plus interest of Rs. 62,61,750 in 2019-20 which included the tax withheld from foreign funds as well as local funds in the local funds, bank account and balance is under process.

Further, the consolidated refund included Rs.2,63,62,133 and interest of Rs. 59,40,745 on proportionate basis though related to FCRA funds but was refunded by Income Tax Department in the Bank account maintained for local funds in 2019-20.

The company is in the process of obtaining the approval from FCRA to transfer these funds from their local Bank account to FCRA designated bank account.

The status of any further actions/appeals by the income tax department is yet to be updated.

Note No. 17 Remuneration to Auditors:

Particulars	Amount (Rs) 2020-21	Amount (Rs) 2019-20
Statutory Auditors:		
Audit Fees (Excluding GST)	3,30,000	3,30,000
TOTAL	3,30,000	3,30,000

Note No. 18

The Company is exempt from income tax under Section 12AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. Since, the Company is exempt from income tax, no deferred tax (assets or liability) is recognized in respect of timing differences.

Note No. 19 Employee benefits Defined Contribution plan and state Plan

i) Leave Encashment

Actuarial Valuation amounting to Rs. 8,37,658/- (PY-Rs.7,83,504/-) was done in respect of the aforesaid defined benefit plans.

The obligation in respect of Leave encashment calculated as per actuarial valuation is recognized as expense in the Statement of Income & Expenditure and as per Company policy



ii) Gratuity

In accordance with Accounting Standard – 15 (revised 2005); actuarial Valuation of Rs.23,92,337 /- (P.Y- Rs. 33,54,153) for Gratuity liability was done in respect of the aforesaid defined benefit plans.

The obligation in respect of gratuity calculated as per actuarial valuation is recognized as expense in the Statement of Income & Expenditure as per the Company policy.

Note No. 20 Current Assets, Loans & Advances

In the Opinion of the management, the value of realization of Current Assets, loan & Advance in ordinary course of Business will not be less than the amount at which they are stated in the balance sheet and Provision for known liabilities has been made.

Note No. 21 Statutory Liabilities

The Statutory Liabilities outstanding as at 31.03.2021 are as follows:-

Particulars	Amount (Rs.)	Amount (Rs.)
	2020-21	2019-20
Employer's Contribution to Provident Fund and misc. Act, 1952 (including admin charges)	5,63,765	5,60,290
Tax Deducted At Source	12,73,710	12,07,301

Note No.22 Covid Relief Expenditure:

During the year, Company has carried out activities for Covid-19 Relief by providing PPE Kit, Cash support, distribution of dry ration (through Sodexo Card) and Safety Kits to various beneficiaries. Details of expenditure is as follows:

Particulars	Amount (Rs.)
PPE Kits	9,88,12,221
Dry ration through sodexo card	41,98,051
Safety kits	18,79,128
Cash Support	12,33,000
Total	10,61,22,400

Note No. 23 Disclosure as per Micro, Medium and Small Enterprises Development Act, 2006

Based on the information available with the Company, no supplier has provided the information's about their registration under MSME Act hence there are no amounts due to Micro, Medium and Small Enterprises as defined in per Micro, Medium and Small Enterprises Development Act, 2006 and no interest has been paid or payable under the terms of the MSMED Act, 2006. In view of the same, all trade payables have been shown as due to others.



Note No. 24 Accrual of Expenses

The company is following accrual basis of accounting in the cost-centres/separate books of accounts maintained for each funder as well as in the books of local and foreign contributions. However, in the Global fund project, no accrued liabilities have been provided due to donor conditions to maintain the books on cash basis. An amount equal to liabilities accrued under Global fund has been provided in the General fund as per the past practice to comply with the policy of accrual basis of accounting.

Note No. 25 FCRA Compliances

During the year 2019-20, there was a consolidated refund from Income Tax Department in Company's local fund account which included Rs.3,23,02,878/- towards TDS and interest pertaining to Foreign Fund account and we are informed that the company is in the process to seek approval for transfer of these funds to Foreign Fund Bank Account.

Similarly, other than dedicated staff and direct expense under FCRA, for the common staff salaries, rent and administrative expenses and also the Statutory dues viz provident fund etc. (which cannot be made from two bank accounts) allocation is finalized based on time sheets of staff and activities carried out and first paid from a common local bank account and thereafter settled through inter bank payments. We were informed that the company has carried out these transactions due to the limitations as above, hence it may not be treated as Violation of FCRA, 2010.

Note No. 26 Questionable Cost

The grant from Global Fund was also audited by their appointed project auditors for calendar year 2019 in which they have reported a questionable cost of Rs. 254582 (USD 3597). In the current year, the expenses to the extent of Rs. 250370 has been approved and balance Rs. 4212 has been charged to general account.

Note No.27 Fixed Assets in Transit

During the year, Company has raised purchase order for purchase of laptops worth Rs. 3,27,52,530, the supplier has raised invoice in last week of March 2021 but the laptop/Computer System were not delivered/put to use upto 31.03.2021 hence same has been shown as Fixed Assets in Transit and the liability to supplier (net of Advances) has been recognized in the Financial Statement.

Note No.28 Advance Against Expenses

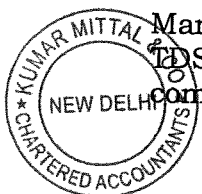
During the year, the company has received the credit notes against the expenses made in the previous year thus there is a final debit balance of Rs. 18,17,316 in the Vendor account. In the opinion of the management, the amount is good for recovery hence included under advance against expenses.

Note No.29 Refund of Grant

During the year, the company has refunded on 21st September 2020, unutilized grant of Rs. 36,458 to funder. In addition to the above, the company has also refunded on 21st September 2020 Rs.1,13,639, the unutilized balance with sub-grantee and charged to expense.

Note No.30 Non Deduction Tax at source

No tax at source has been deducted by the company on provisions for expenses in March for expenses pertaining to current year, however, the company has deducted TDS on such provisions at the time of payment i.e. next year which is not in compliance with Income Tax Act pertaining to deduction of tax at source.



Note No.31 Impact of COVID-19

The novel coronavirus (COVID-19) outbreak which was declared as global pandemic by the World Health Organization (WHO) on March 11, 2020 continues to spread across the globe including India resulting in significant impact on global and India's economic environment.

The Company has assessed the impact of COVID-19, to the best of its information, on its operations, as well its financial statements, including but not limited to the areas of revenue, costs, operational controls and processes followed as at March 31, 2021. Based on the overall assessment, the Company is of the view that no additional provision needs to be made in the books of account for the year ended March 31, 2021.

Further, there is no material impact on the financial statements due to the changes in the operational controls and processes followed by the Company during the COVID-19 pandemic situation in the country considering the lockdowns implemented. The Company will however continue to closely monitor any material changes to the future economic conditions that may have any significant impact on its business and financial position.

Note No.32 Schedule - III

The company has prepared these financial statements as per the format prescribed by Schedule III Division-1 to the Companies Act, 2013 issued by Ministry of corporate Affairs.

Note No.33 Previous Year Figures

Previous year figure have been re-grouped/ reclassified wherever necessary to meet the classifications of the current year.

For Order of the Board for and on behalf of
For **KUMAR MITTAL & CO.**

Chartered Accountants

FRN: 010500N

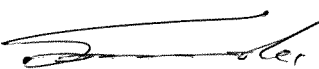


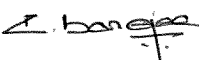

(Amrish Gupta)
Partner


M. No.090553


Place: New Delhi
Date: 02.11.2021

For **India HIV/AIDS Alliance**


Shahabuddin Yaqoob Quraishi
(Chairperson)
(DIN : 07443898)


Rivu Banerjee
Director-Finance & Operations


Sanjay Patra
(Director)
(DIN: 03257125)


Ashim Chowla
Chief Executive

