

## Balance Sheet as at 31st March 2019



|                                      | Note No. | As At<br>March 31st 2019<br>(₹) | As At<br>March 31st 2018<br>(₹) |
|--------------------------------------|----------|---------------------------------|---------------------------------|
| <b>CORPUS FUND &amp; LIABILITIES</b> |          |                                 |                                 |
| Share Capital                        | 3        | -                               | -                               |
| General Reserve                      | 4        | 7,85,87,722                     | 4,46,44,596                     |
|                                      |          | <u>7,85,87,722</u>              | <u>4,46,44,596</u>              |
| <b>CURRENT LIABILITIES</b>           |          |                                 |                                 |
| Program Fund Balance                 | 5        | 5,48,54,809                     | 4,39,65,667                     |
| Other Current Liabilities            | 6        | 1,68,93,788                     | 1,57,95,020                     |
|                                      |          | <u>7,17,48,597</u>              | <u>5,97,60,687</u>              |
|                                      |          | <u>15,03,36,319</u>             | <u>10,44,05,283</u>             |
| <b>ASSETS</b>                        |          |                                 |                                 |
| <b>NON CURRENT ASSETS</b>            |          |                                 |                                 |
| Fixed Assets                         | 7        | 5,98,51,270                     | 2,59,08,144                     |
| Long Term Loans & Advances           | 8        | 3,16,83,780                     | 3,26,43,750                     |
|                                      |          | <u>9,15,35,050</u>              | <u>5,85,51,894</u>              |
| <b>CURRENT ASSETS</b>                |          |                                 |                                 |
| Cash & Cash Equivalent               | 9        | 5,15,13,814                     | 1,96,80,493                     |
| Short Term Loans and Advances        | 10       | 72,67,455                       | 2,61,72,896                     |
|                                      |          | <u>5,88,01,269</u>              | <u>4,58,53,389</u>              |
|                                      |          | <u>15,03,36,319</u>             | <u>10,44,05,283</u>             |

### Significant Accounting Policies

The accompanying notes are an integral part of the Balance Sheet

2

As per our Report of even date attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No: 301072E

Samir Marocha  
Partner  
Membership No.: 91479



Dated : 22nd October 2019  
Place : New Delhi

India HIV/AIDS Alliance  
For on the behalf of Board

Tushar  
Tushar Palorkar  
Director- Finance  
& Operations

Sonal Mehta  
Chief Executive

S. Y. Quraishi  
Chair, Board of Directors



## Statement of Income and Expenditure for the Year ended 31st March 2019



|                    | Note<br>No. | Year ended<br>March 31st, 2019<br>(₹) | Year ended<br>March 31st, 2018<br>(₹) |
|--------------------|-------------|---------------------------------------|---------------------------------------|
| <b>INCOME</b>      |             |                                       |                                       |
| Other Income       | 11          | 2,76,499                              | 18,97,901                             |
|                    |             | <u>2,76,499</u>                       | <u>18,97,901</u>                      |
| <b>EXPENDITURE</b> |             |                                       |                                       |
| Employee Benefits  | 12          | -                                     | 2,64,916                              |
| Other Expenses     | 13          | 2,76,499                              | 16,32,984                             |
|                    |             | <u>2,76,499</u>                       | <u>18,97,900</u>                      |

### Significant Accounting Policies

The accompanying notes are an integral part of  
the statement of Income & Expenditure

2

As per our Report of even date attached

For Ray & Ray  
Chartered Accountants


Firm Registration No: 301072E

  
Samir Manocha  
Partner

Membership No.: 91479



India HIV/AIDS Alliance  
For on the behalf of Board

  
Tushar Palorkar  
Director- Finance  
& Operations

  
Sonal Mehta  
Chief Executive

  
S. Y. Quraishi  
Chair, Board of Directors

Dated : 22nd October 2019  
Place : New Delhi



## Cash Flow Statement for the year ended 31st March, 2019

|   | Year ended<br>March 31st, 2019 | Year ended<br>March 31st, 2018 |
|---|--------------------------------|--------------------------------|
|   | (₹)                            | (₹)                            |
| <b>A. Cash From Operating Activities</b>                    |                                |                                |
| Surplus/ deficit as per statement of Income and Expenditure | -                              | -                              |
| Interest Received   | -2,76,499                      | -15,62,410                     |
| Movement in Programme Fund ( Net)                           | 108,89,142                     | -149,21,209                    |
| Total   | <u>106,12,643</u>              | <u>-164,83,619</u>             |
| Adjustment for:   |                                |                                |
| -Loans and Advances   | 198,45,411                     | -63,29,900                     |
| -Liabilities and Provisions                                 | 10,98,768                      | 27,252                         |
| -Income Tax Payment (Net)                                   | -                              | 1,95,050                       |
| Cash generated from operating activities                    | <u>315,56,822</u>              | <u>-225,91,216</u>             |
| <b>B. Cash From Investing Activities</b>                    |                                |                                |
| -Interest Received  | 2,76,499                       | 15,62,410                      |
| Cash From Investing Activities                              | <u>2,76,499</u>                | <u>15,62,410</u>               |
| Net Increase/decrease in cash and cash equivalents (A+B)    | <u>318,33,321</u>              | <u>-210,28,806</u>             |
| Cash & Cash Equivalents at the beginning of the year        | <u>196,80,493</u>              | <u>407,09,299</u>              |
| Cash & Cash Equivalents at the end of the year              | <u>515,13,814</u>              | <u>196,80,493</u>              |

Note : The cash flow statement has been prepared on the basis of Indirect Method. Purchase of fixed assets out of donated funds has been shown under movement in project fund payment as per requirement of the grant agreement and has been shown as part of operating activities.

For Ray & Ray  
Chartered Accountants  
Firm Registration No: 301072E

Samir Mahocha  
Partner  
Membership No.: 91479



Dated : 22nd October 2019  
Place : New Delhi

India HIV/AIDS Alliance  
For on the behalf of Board

Tushar  
Tushar Palorkar  
Director- Finance  
& Operations

Sonal Mehta  
Chief Executive

S. Y. Quraishi  
Chair, Board of Directors



## Notes Forming Part of the Balance Sheet



### NOTE 3 SHARE CAPITAL

Company is limited by Guarantee. Liability of shareholder is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound-up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding-up and for the adjustment of the rights of the contributories among themselves, such amount may be required, not exceeding Rs. 100,000/- (Rupees one Lac).

#### Right of Shareholder

Liability of shareholder is limited by guarantee. As company is registered under section 8 of the Company Act, 2013 (earlier known as 25 of the Companies Act, 1956), shareholders are not entitled to any dividend.

### NOTE 4 GENERAL RESERVE

#### a) Corpus Fund

Balance at the beginning of the Year  
Add receipt/transfer  
Balance at the closing of the Year

#### b) Fixed Assets Fund (Note 21)

| As At<br>March 31st, 2019<br>(₹) | As At<br>March 31st, 2018<br>(₹) |
|----------------------------------|----------------------------------|
| 1,87,36,452                      | 1,87,36,452                      |
| -                                | -                                |
| 1,87,36,452                      | 1,87,36,452                      |
| 5,98,51,270                      | 2,59,08,144                      |
| <b>7,85,87,722</b>               | <b>4,46,44,595</b>               |

### NOTE 5 PROGRAM FUND BALANCE (NET)

**5,48,54,809**      **4,39,65,667**

### NOTE 6 OTHER CURRENT LIABILITIES

#### Statutory Dues

#### Expenses payable to NGOs/Partners

#### Expenses payable to Vendors

#### Contribution to Leave Encashment Fund

#### Contribution to Gratuity Fund

#### Expenses payable to Staff

#### Other Payable

|                    |                    |
|--------------------|--------------------|
| 22,14,201          | 18,43,259          |
| -                  | 62,306             |
| 1,11,81,523        | 81,71,096          |
| 4,28,962           | 4,62,622           |
| 25,27,913          | 42,21,345          |
| 5,24,421           | 6,52,689           |
| 16,768             | 3,81,703           |
| <b>1,68,93,788</b> | <b>1,57,95,021</b> |

### NOTE 8 LONG TERM LOAN AND ADVANCES ( Considered Good)

#### Tax Deducted At Source

#### Recoverable from Income Tax

#### Security deposit

|                    |                    |
|--------------------|--------------------|
| 29,23,599          | 29,23,599          |
| 2,48,63,000        | 2,48,63,000        |
| 38,97,181          | 48,57,151          |
| <b>3,16,83,780</b> | <b>3,26,43,750</b> |

### NOTE 9 CASH AND CASH EQUIVALENT

#### Cash in hand

#### Cash at Bank

#### Fixed Deposit less than three months maturity

|                    |                    |
|--------------------|--------------------|
| 64,943             | 35,478             |
| 5,14,05,112        | 1,91,23,414        |
| 43,759             | 5,21,601           |
| <b>5,15,13,814</b> | <b>1,96,80,493</b> |

### NOTE 10 SHORT TERM LOAN AND ADVANCES ( Considered Good)

#### Advance to Vendors

#### Advances Recoverable from Staff

#### Advances to NGO Partners

#### Security deposit

|                  |                    |
|------------------|--------------------|
| 27,53,076        | 1,25,87,268        |
| 27,32,195        | 35,05,308          |
| 17,57,184        | 1,00,35,320        |
| 45,000           | 45,000             |
| <b>72,87,455</b> | <b>2,61,72,896</b> |





## Notes Forming Part of the Statement of Income and Expenditure



### NOTE 11 OTHER INCOME

|           | Year ended<br>March 31st, 2019<br>(₹) | Year ended<br>March 31st, 2018<br>(₹) |
|-----------|---------------------------------------|---------------------------------------|
| Interest  | 2,76,499                              | 15,62,410                             |
| Donations | -                                     | 3,35,491                              |
|           | <u>2,76,499</u>                       | <u>18,97,901</u>                      |

### NOTE 12 EMPLOYEE BENEFITS

#### Program Staff

|                                |   |          |
|--------------------------------|---|----------|
| Salary                         | - | 1,97,147 |
| Contribution to Provident Fund | - | 14,786   |

#### Administrative Staff

|                                |   |        |
|--------------------------------|---|--------|
| Salary                         | - | 49,287 |
| Contribution to Provident Fund | - | 3,697  |

|  |          |                 |
|--|----------|-----------------|
|  | <u>-</u> | <u>2,64,916</u> |
|--|----------|-----------------|

### NOTE 13 OTHER EXPENSES

#### A) Programme Implementation Expenses

|                           |        |          |
|---------------------------|--------|----------|
| Workshop Expenses         | 81,799 | 7,67,233 |
| Books and publications    | -      | 14,208   |
| Travelling and conveyance | -      | 1,36,270 |

|  |               |                 |
|--|---------------|-----------------|
|  | <u>81,799</u> | <u>9,17,711</u> |
|--|---------------|-----------------|

#### B) Technical Assistance & Capacity Building

|                       |          |               |
|-----------------------|----------|---------------|
| Consultants fees, etc | -        | 99,456        |
|                       | <u>-</u> | <u>99,456</u> |

#### C) Other Expenses

|                               |                 |                 |
|-------------------------------|-----------------|-----------------|
| Rent                          | -               | 2,07,438        |
| Office expenses               | -               | 18,979          |
| Payment to Auditors (Note 18) | 1,94,700        | 3,89,400        |
|                               | <u>1,94,700</u> | <u>6,15,817</u> |

Total (A+ B+ C)

|  |                 |                  |
|--|-----------------|------------------|
|  | <u>2,76,499</u> | <u>18,97,900</u> |
|--|-----------------|------------------|



## Notes 7 Fixed Assets

Amount in (₹)

| Assets                       | GROSS BLOCK                |                          |  |                             | NET BLOCK              |                        |
|------------------------------|----------------------------|--------------------------|--|-----------------------------|------------------------|------------------------|
|                              | Cost As at April 1st, 2018 | Addition during the year | Deletions/ Adjustments during the year | Cost as at March 31st, 2019 | As at March 31st, 2019 | As at March 31st, 2018 |
| <b>A) Tangible Assets</b>    |                            |                          |  |                             |                        |                        |
| Computers                    | 2,48,40,799                | 2,02,478                 | -                                      | 2,50,43,277                 | 2,50,43,277            | 88,62,925              |
| Furniture and Fittings       | 18,94,125                  | 4,46,823                 | -                                      | 23,40,948                   | 23,40,948              | 16,780                 |
| Office Equipment             | 53,63,318                  | 1,13,977                 | -                                      | 54,77,295                   | 54,77,295              | 8,78,955               |
| <b>Total</b>                 | <b>3,20,98,242</b>         | <b>7,63,278</b>          | <b>-</b>                               | <b>3,28,61,520</b>          | <b>3,28,61,520</b>     | <b>97,58,660</b>       |
| <b>B) Intangible Assets</b>  |                            |                          |  |                             |                        |                        |
| Developed Software           | 2,69,89,750                | -                        | -                                      | 2,69,89,750                 | 2,69,89,750            | 1,61,49,483            |
| <b>Grand Total ( A + B )</b> | <b>5,90,87,992</b>         | <b>7,63,278</b>          | <b>-</b>                               | <b>5,98,51,270</b>          | <b>5,98,51,270</b>     | <b>2,59,08,143</b>     |

**NOTE 5: PROGRAM FUND BALANCE**

| Name of Donors                                    | Opening Balance as on 1.04.2018 | Grant Received during the year | Interest         | Total (INR)         | Amount in (₹)                         |                      |   |                    | Programme Balance as on 31.03.2019 | Accruals | Net Fund Balance as on 31.03.2019 |
|---|---------------------------------|--------------------------------|------------------|---------------------|---------------------------------------|----------------------|---|--------------------|------------------------------------|----------|-----------------------------------|
|   |                                 |                                |                  |                     | Application of Grants during the year | Adjustment /Transfer |   |                    |                                    |          |                                   |
| - International HIV/AIDS Alliance/Frontline Aids  | -13,61,492                      | 2,00,20,175                    | -                | 1,86,58,683         | 2,46,51,131                           | -                    | - | -59,92,443         | 7,43,799                           | -        | -67,36,247                        |
| - Bill & Melinda Gates Foundation                 | 93,23,029                       | -                              | -                | 93,23,029           | -                                     | 93,23,029            | - | -                  | -                                  | -        | -                                 |
| - The Global Fund(Vihaan)                         | 41,97,929                       | 45,58,78,197                   | 19,54,131        | 46,20,30,257        | 42,50,82,613                          | -                    | - | 3,69,47,644        | 25,23,422                          | -        | 3,44,24,222                       |
| - New Venture Fund(GFAN)                          | -                               | 56,96,850                      | -                | 56,96,850           | 27,51,963                             | -                    | - | 29,44,887          | 56,364                             | -        | 28,88,023                         |
| - MAC Aids Foundation                             | 87,34,067                       | 51,86,250                      | -                | 1,39,20,317         | 65,52,445                             | -                    | - | 73,67,872          | -                                  | -        | 73,67,872                         |
| - Global Giving                                   | 2,51,206                        | 2,05,780                       | -                | 4,56,985            | -                                     | -                    | - | 4,56,985           | -                                  | -        | 4,56,985                          |
| - Elton John Aids Foundation (EJAF)               | -21,47,694                      | 3,68,43,497                    | -                | 3,46,95,803         | 2,46,47,478                           | -                    | - | 98,48,324          | 3,56,390                           | -        | 94,91,934                         |
| - AmplifyChange                                   | 43,42,090                       | 98,30,608                      | -                | 1,41,72,698         | 95,06,024                             | -                    | - | 46,66,674          | 96,458                             | -        | 45,70,216                         |
| - Center for Disease Control and Prevention (CDC) | -43,06,428                      | 2,90,41,750                    | -                | 2,47,35,322         | 2,47,35,322                           | -                    | - | -                  | -                                  | -        | -                                 |
| - Charity Aids Foundation (Oracle)                | 40,97,534                       | 31,92,274                      | -                | 72,89,808           | 57,27,815                             | -                    | - | 15,61,993          | -                                  | -        | 15,61,993                         |
| - Youth Lead India                                | -                               | 4,90,199                       | -                | 4,90,199            | 4,21,865                              | -                    | - | 68,503             | -                                  | -        | 68,503                            |
| - FHI 360   | 15,21,226                       | 2,73,32,755                    | -                | 2,88,53,981         | 3,12,30,459                           | -                    | - | -23,75,478         | 1,28,604                           | -        | -25,05,082                        |
| - Global Fund(HR Asia)                            | 95,60,988                       | 2,48,24,215                    | 2,43,918         | 3,46,29,122         | 3,93,74,124                           | -                    | - | -47,45,003         | 48,54,755                          | -        | -55,99,758                        |
| - Swadesh Foundation                              | -48,425                         | 15,55,470                      | -                | 15,07,045           | 5,13,088                              | -                    | - | 9,93,957           | -                                  | -        | 9,93,957                          |
| - APTN & GNP+                                     | -                               | 3,84,872                       | -                | 3,84,872            | 3,84,872                              | -                    | - | -                  | -                                  | -        | -                                 |
| - End Aids India                                  | -                               | 17,10,000                      | 14,226           | 17,24,226           | -                                     | -                    | - | 17,24,226          | -                                  | -        | 17,24,226                         |
| - Give to Asia                                    | -                               | 65,409                         | -                | 65,409              | 65,409                                | -                    | - | -                  | -                                  | -        | -                                 |
| - Other Balance (General A/c)                     | 98,01,637                       | -                              | 2,76,499         | 1,00,78,136         | 88,65,818                             | -93,23,029           | - | 1,05,35,347        | 3,87,382                           | -        | 1,01,47,965                       |
|   | <b>4,39,65,667</b>              | <b>62,22,58,300</b>            | <b>24,88,774</b> | <b>66,87,12,742</b> | <b>60,47,10,259</b>                   | -                    | - | <b>6,40,02,482</b> | <b>91,47,674</b>                   | -        | <b>5,48,54,809</b>                |

Note 1 : The Liabilities for gratuity and Leave Encashment is valued by the qualified acturial as required by mandatory AS 15 - employee benefit. The payment made towards this liability has been disclosed under the specific program head. The provision adjustment over and above this payment alongwith payments not disclosed under any specific donor head and has been shown under Other Balance General Account.

Note 2 : To reconcile the Fund Balances as on 31st March 2019 with various donors, certain inter fund re-grouping / re-classification of balances has been carried out in the adjustment column without any corresponding impact on the financials.

Note 3: Based on written communication received from the donor, the Company has transferred the unutilised part of the grant to the general fund to be utilised for various charitable and religious purposes of the company in line with its objectives.

# Statement of Sources and Application for the Year ended 31st March 2019



| Sources   |          |              |                     | Application   |          |              |                     |
|---|----------|--------------|---------------------|---|----------|--------------|---------------------|
| Particulars                                       | Note No. | Amount (₹)   |                     | Particulars   | Note No. | Amount (₹)   |                     |
| <b>Opening Balances:</b>                          |          |              |                     | <b>Contribution/Grant Utilized</b>                      |          |              |                     |
| - Cash in hand                                    | 9        | 35,478       |                     | - International HIV/AIDS Alliance                       |          | 2,63,94,900  |                     |
| - Cash at bank                                    |          | 1,96,45,015  |                     | - Center for Disease Control and Prevention (CDC)       |          | 2,47,35,322  |                     |
| - Loans and Advances                              | 8 & 10   | 5,88,16,646  | 7,84,97,139         | - The Global Fund/Vihavan                               |          | 42,76,08,035 |                     |
|   |          |              |                     | - MAC Aids Foundation                                   |          | 65,52,445    |                     |
|   |          |              |                     | - Elton John Aids Foundation (EJAF)                     |          | 2,62,03,868  |                     |
| <b>Contribution/Grant received</b>                |          |              | <b>62,22,58,300</b> | - Charity Aids Foundation (Oracle)                      |          | 57,27,815    |                     |
| - International HIV/AIDS Alliance                 |          | 2,00,20,175  |                     | - APTN & GNP+   |          | 3,84,872     |                     |
| - Center for Disease Control and Prevention (CDC) |          | 2,90,41,750  |                     | - Amplify Change  |          | 96,02,482    |                     |
| - The Global Fund/Vihavan                         |          | 45,58,78,197 |                     | - FHI 360   |          | 3,13,59,063  |                     |
| - MAC Aids Foundation                             |          | 51,86,260    |                     | - The Global Fund(HR Asia)                              |          | 4,42,28,879  |                     |
| - Elton John Aids Foundation (EJAF)               |          | 3,68,43,497  |                     | - Swadesh Foundation                                    |          | 5,13,088     |                     |
| - Charity Aids Foundation                         |          | 31,02,274    |                     | - New Venture Fund                                      |          | 26,08,627    |                     |
| - Global Giving                                   |          | 2,05,780     |                     | - Others  |          | 94,63,806    |                     |
| - Amplify Change                                  |          | 98,30,608    |                     |   |          |              |                     |
| - FHI 360   |          | 2,73,32,755  |                     | Sub total   |          | 61,35,81,434 | 61,35,81,434        |
| - The Global Fund(HR Asia)                        |          | 2,48,24,215  |                     |   |          |              |                     |
| - Swadesh Foundation                              |          | 15,55,470    |                     | - Expenditure reported under Income and Expenditure A/c |          | 2,76,499     | 2,76,499            |
| - New Venture Fund                                |          | 56,96,850    |                     |   |          |              |                     |
| - APTN & GNP+                                     |          | 3,84,872     |                     | <b>Adjustment/Settlement of Liabilities/provision</b>   |          | -10,98,768   | -10,98,768          |
| - Others  |          | 22,66,908    |                     |   |          |              |                     |
| <b>Interest earnings</b>                          |          |              |                     | <b>Closing balances:</b>                                |          |              |                     |
| - On Fixed Deposits & Savings Account             |          | 24,06,774    | 24,88,774           | - Cash in hand  | 9        | 64,943       |                     |
|   |          |              |                     | - Cash at bank  |          | 5,14,48,871  |                     |
|   |          |              |                     | - Loans and Advances                                    | 8 & 10   | 3,86,71,236  |                     |
|   |          |              |                     |   |          |              | 9,64,85,049         |
|   |          |              | <b>70,32,44,214</b> |   |          |              | <b>70,32,44,214</b> |

As per our Report of even date attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No: 301072E

Samir Mathur  
Partner  
Membership No: 91479  
Dated: 22nd October 2019  
Place: New Delhi



India HIV/AIDS Alliance  
For on the behalf of Board

Tushar  
Tushar Patilkar  
Director- Finance  
& Operations

Sonal Mehta  
Chief Executive

S. Y. Qureshi  
Chair Board of Directors



## Notes to Accounts

### 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 FIXED ASSETS

Fixed assets 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 Fixed Assets and crediting Fixed Asset Fund.

#### 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** represent grants that form a legal obligation and result into increase in the net worth of the Company. These are credited to the Program Account in the Balance Sheet, without routing it through the Statement of Income and Expenditure.

Restricted Grants are utilized as per the conditions of the grant agreement and to the extent utilized they are netted off from the Programme Fund Balance. 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 & Expenditure.

- iii) Interest on balance of funds from restricted grants are 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**

- i) 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:

- a) 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.
- b) 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.

## **2.9 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.

## **2.10 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. There are no contingent liabilities and assets.

## **2.11 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.

14. The Company has 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 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 INR 2,77,86,599 of taxes paid/ taxes deposited on behalf of the Company.

During the previous financial year, 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 status.

The income tax department has gone to higher forum against ITAT decision. The company expects similar favourable decision in pending case and accordingly no provision is considered necessary. The company has received refund for previous taxes withhold and deposited.

15. The Company has not received any information / memorandum (as required to be filed by Suppliers / Vendors with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006), claiming their status as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable together with interest paid/ payable to these parties under the Act is Nil.
16. In the Opinion of Board, 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.
17. The company has proper system of recording all direct costs related to each program separately which inter alia includes all program costs including but not limited to human resource, traveling, printing and stationary, consultancy charges, training and workshops, meetings etc. These are shown as application in accordance with the conditions of respective grant agreement.

18. Payments made to auditors including service tax are as under.

|                            | Year ended<br>March 31 <sup>st</sup> 2019 | Year ended<br>March 31 <sup>st</sup> 2018 |
|----------------------------|---|---|
| I. For Statutory Audit     | ₹ 3,89,500                                | ₹ 3,89,500                                |
| II. Out of pocket expenses | ₹ NIL                                     | ₹NIL                                      |

The payments for statutory audit is charged to the Statement of Income & Expenditure of Rs. 1,94,700 and balance of Rs. 1,94,800 though program fund. The payments made for project audit and related out of pocket expenses have been charged to respective program fund account.

19. Organisation has entered into lease agreements for office space.

- a. General description of the Organization's lease arrangements:

The company has entered into lease arrangement for office space. Some of the significant terms and conditions of the agreements are as follows:

- agreements may be terminated by either party by serving notice period;
  - the agreements are renewable on expiry of their duration and subject to mutual consent;
  - the organization shall not sub-let or assign or part with possession of premises without prior written consent of lessor.
- b. The lease rent payments are charged to respective programs. For the current year total amount of ₹1, 10,03,500 (last year ₹1, 59, 85,562) paid as rental.

- i. Disclosure relating to Defined Benefit Plan as per actuarial valuation as on 31.03.2019 as certified by Bajaj Allianz & recognised in the financial statement.

|  |   |            |
|--|---|------------|
| <b>Actuarial assumptions</b><br>Attrition Rate: 20%<br>Salary escalation Rate : 5% | Gratuity Ceiling: with cap of 20lakhs<br>Life covers Ceiling: with cap of 10 lakhs<br>Amount in ₹ |            |
|  | <b>Results of Valuation / Summary Sheet</b>   |            |
|  | 2019  | 2018       |
| a) Initial Contribution towards past Service Gratuity                              | 8,291,845   | 7,682,144  |
| b) Annual Contribution Towards Future service Gratuity                             | 0   | 0          |
| c) Life Cover Sum assured  | 35,803,915  | 43,716,944 |
| d) Life cover Premium w/o tax  | 68,258  | 75,895     |
| e) GST   | 12,286  | 13,661     |
| f) Life cover Premium with tax   | 80,544  | 89,556     |
| g) Total Premium Payable (a+b+d+e)   | 8,372,389   | 7,771,700  |

ii. Leave Encashment Benefit

|                               |   | 2019 (funded)                | 2018 (funded)                |
|-------------------------------|---|------------------------------|------------------------------|
| Mortality Table               | : | IALM 2006-08 ULTIMATE        | IALM 2006-08 ULTIMATE        |
| Superannuation at age         | : | 65                           | 65                           |
| Early retirement              | : | 17.79%                       | 17.79%                       |
| Valuation rate of Interest    | : | 6.650%                       | 7.400%                       |
| Salary inflation rate assumed | : | 5.00%                        | 10.00%                       |
| Formula used                  | : | PROJECTED UNIT CREDIT METHOD | PROJECTED UNIT CREDIT METHOD |

Results of valuation

|                           |   |        |         |
|---------------------------|---|--------|---------|
| Accrued days leave        | : | 295    | 439     |
| Accrued encashment ₹      | : | 871966 | 1178400 |
| Accrued leave liability ₹ | : | 916992 | 1264902 |

Gratuity/leave encashment expenses have been recognised under the employee's benefits/ relevant program heads as per company policy.

20. In accordance with Accounting Standard on "Related Party Disclosures" (AS 18), the disclosure in respect of transactions with Company's related parties are as follows:

a) Names of related parties\* and description of relationships having transactions during the year:

i) Enterprises under common control: : Alliance Regional Technical Support Hub

\*as certified by the management

b) Transactions carried out with related parties referred in (a) (i) above, in ordinary course of business:

Alliance Regional Technical Support Hub

| Transactions                      | Year ended<br>March 31 <sup>st</sup> 2019 | Year ended<br>March 31 <sup>st</sup> 2018 |
|-----------------------------------|---|---|
| Expenses incurred on their behalf | ₹ NIL                                     | ₹56,89,038                                |
| Expenses Recoverable              | ₹ NIL                                     | ₹ 6,12,551                                |

21. During the year, to make the disclosure in line with the requirement of the donor, the Company has changed its accounting policy towards valuation and disclosure of fixed assets in the balance sheet from "cost less accumulated depreciation" to historical cost. Accordingly, the depreciation already provided on the assets upto the previous year has been written back which has resulted in increase of Rs. 3,31,79,848 in the cost of fixed assets with a corresponding increase in the fixed asset fund. This has however no impact on the statement of income and expenditure or reserve fund.
22. The Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to make it comparable with current year figures.

For Ray & Ray.  
Chartered Accountants  
Firm Registration No.301072F

  
Samir Menocha  
Partner  
Membership No.: 91479



  
Tushar Palorkar  
Director- Finance  
& Operations

India HIV/AIDS Alliance  
For on the behalf of board

  
Senal Mehta  
Chief Executive

  
S.Y. Quraishi  
Chair, Board of  
Directors

Dated: 22nd October 2019

