

**Charities Aid Foundation India  
Foreign Contributions Account  
Balance Sheet as at March 31, 2021**

PARTICULARS	Notes	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
<b>SOURCES OF FUNDS</b>			
Surplus Fund	1	5,99,61,572	5,42,13,984
Institutional Development Fund	2	2,00,00,000	2,00,00,000
Unutilised Grants / Donations	3A	18,04,61,423	68,74,09,754
<b>TOTAL</b>		<b>26,04,22,995</b>	<b>76,16,23,738</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Tangible Assets	4	1,18,96,414	1,29,11,451
b. Intangible Assets	4	14,37,463	11,07,063
c. Less : Accumulated Depreciation		(1,21,11,301)	(1,23,71,967)
		<b>12,22,576</b>	<b>16,46,547</b>
<b>Current Assets, Loans and Advances</b>			
Cash and Bank Balances	5	25,11,19,535	75,94,58,990
Loans and Advances	6	1,53,22,877	1,39,90,891
Total Current Assets		26,64,42,412	77,34,49,881
<b>Less: Current Liabilities and Provisions</b>	7	72,41,993	1,33,85,026
<b>Net Current Assets</b>		<b>25,92,00,419</b>	<b>76,00,64,855</b>
<b>Non Current Liabilities and Provisions</b>	8	-	87,664
<b>TOTAL</b>		<b>26,04,22,995</b>	<b>76,16,23,738</b>
<b>Summary of significant accounting policies</b>	11.2		

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

As per our report of even date

**For S.Sahoo & Co.**  
**Chartered Accountants**  
F.R.N.:322952E



**CA Subhajit Sahoo, FCA, LLB**  
Partner  
Membership No.057426



Place of signature: New Delhi  
Date: 23.12.2021

**For and on behalf of**  
**Charities Aid Foundation India**

  
**Dr Nivedita Narain**  
Chief Executive officer



**CHARITIES AID FOUNDATION INDIA**  
**FOREIGN CONTRIBUTIONS ACCOUNT**  
**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021**

Receipts	Amount ( ₹ )	Payments	Amount ( ₹ )
<b>Opening Cash, Bank Balances &amp; Advances</b>			
Cash-in-hand	1,46,841	<b>Grants / Donations Utilised</b>	
Balance in Saving Account with HDFC Bank	54,23,82,166	CAF India Operating expenses	4,72,04,238
Fixed Deposits with HDFC Bank Ltd.	6,83,43,978	Absolute Return For Kids - UK	90,81,845
Fixed Deposits with Corporation Bank	1,62,22,420	Aon Consulting Pvt Ltd	4,72,551
Fixed Deposits with HDFC Ltd.	10,41,09,238	AstraZeneca Pharma India Ltd	1,40,002
Fixed Deposits with State Bank of India	2,82,54,347	Bernard Van Leer Foundation	71,68,594
Advances	38,90,902	CAF - America	46,47,521
Tax Deducted at Source	13,27,296	CAF UK - the Saptrish Hospital	25,71,161
	<b>76,46,77,188</b>	D E Shaw India software Pvt Ltd	7,590
<b>1st Recipient</b>		Girl Rising Global funds - Slam out	12,59,000
<b>Directly form Foreign sources</b>		Global Logic India Ltd	3,06,601
Absolute Return for Kids-UK	2,04,62,500	Global Logic Technologies Ltd	1,70,093
Bernard Van Leer Foundation	1,99,44,550	NTT Coumminalcon India Pvt. Ltd.	1,874
The UK online Givinq foundation -Benevity	57,34,934	Oracle Financial Services Software Ltd	48,61,55,540
Barclays Bank PLC	4,07,717	Centre for wildlife Studies - Oracle project	1,30,73,376
Carqill Financial Services International Inc	4,66,314	Pepsico Foundation	2,26,569
Charities Aid Foundation America	99,05,209	Rolls Royce India pvt Ltd	2,26,850
Genuine Interest Limited	7,95,000	Rolls Royce PLC	24,95,723
Girls Rising Global Education Fund	29,33,013	SPX Flow Technology(I) Pvt Ltd	81,782
Give a hand light for kids	1,39,876	Symantec Education & Awareness	38,53,353
Herbalife Nutrition Foundation	5,34,938	UBS Security India pvt Ltd	6,13,764
Oracle America	18,07,750	Appeal & Campaign grant Expenditure	3,47,47,010
Rolls Royce PLC	17,64,818	One time donation grant Expenditure	7,12,780
Rational Games Inc	7,10,203		
	<b>6,56,06,822</b>	<b>Purchase of Fixed Assets</b>	
<b>From a Local Sources</b>		Computers	1,700
AON Consulting Pvt Ltd	11,52,858	Intangible Assets - Geo Taadinq	3,30,400
Arcesium India Pvt Ltd	27,000	Equipments	12,600
Astrazeneca Pharma India Limited-Covid	31,00,000		<b>3,44,700</b>
Astrazenca India Pvt Ltd	52,49,627	<b>Other Payments</b>	
Barclays	27,801	Prepaid Expense	5,05,542
D E Shaw India Software Pvt. Ltd.	15,20,203	Expense Payable	4,38,294
Global Logic India Ltd	54,37,440	TDS payable & EPFO Payable	25,46,652
Global Logic Technologies Ltd.	20,12,040	Gaye ,Corporate and International Donation	48,46,664
Nasscom Foundation	38,14,961		<b>83,37,152</b>
Nestle - Covid 19	11,53,767	<b>Closing Cash, Bank Balances &amp; Advances</b>	
Philips India Ltd	5,00,000	Cash-in-hand	2,07,939
Rio Tinto India Private Limited	35,07,527	Balance in Saving Account with HDFC Bank	18,86,401
SPX Flow Technoloqy India Pvt. Ltd.	3,31,448	Balance in Saving Account with State Bank of India	1,41,95,927
TetraPak India Pvt.Ltd.	39,99,958	Fixed Deposits with HDFC Bank Ltd.	7,82,02,943
Give Foundation	10,00,000	Fixed Deposits with Corporation Bank	1,67,04,155
	<b>3,28,34,630</b>	Fixed Deposits with HDFC Ltd.	11,04,09,814
<b>2nd Recipient</b>		Fixed Deposits with State Bank of India	2,95,12,356
Interest on Fixed Deposits with Bank	1,20,90,639	Advances	33,72,012
Interest on Saving Bank Account	41,22,665	Tax Deducted at Source	11,06,146
Sale of Fixed Assets	82,100		
Mobile Cretches	83,318		
	<b>1,63,78,722</b>		<b>25,55,97,693</b>
<b>Total</b>	<b>87,94,97,362</b>	<b>Total</b>	<b>87,94,97,362</b>

Significant Accounting Policies and Notes to Accounts forming part of the accounts - Schdeule 11 of Balance Sheet

As per our report of even date  
**For S.Sahoo & Co.**  
**Chartered Accountants**  
 F.R.N.:322952E

**CA Subhajit Sahoo, FCA, LLB**  
 Partner  
 Membership No.057426

Place: New Delhi  
 Date: 23.12.2021



*(Signature)*  
 ( Dr Nivedita Narain )  
 Chief Executive Officer



**Charities Aid Foundation India  
Foreign Contributions Account  
Income and Expenditure Account  
For the year ended March 31, 2021**



PARTICULARS	Notes	Year ended March 31, 2021 (₹)	Year ended March 31, 2020 (₹)
<b>INCOME</b>			
<b>Grants/Donations Received</b>			
Specific Purpose Grant	3A	60,57,36,061	67,21,75,536
Other Income	9	1,81,95,959	2,10,59,231
		<b>62,39,32,020</b>	<b>69,32,34,767</b>
<b>EXPENDITURE</b>			
<b>Grants/Donations Paid</b>			
Specific Purpose Grant Expenditure	3B	57,02,05,878	61,39,53,216
Depreciation and Amortisation	4	7,63,909	11,05,411
Other Expenses	10	4,72,14,644	7,64,31,466
		<b>61,81,84,431</b>	<b>69,14,90,093</b>
<b>Excess of Income over Expenditure for the year</b>		<b>57,47,588</b>	<b>17,44,674</b>
<b>Appropriations</b>			
- Transfer from Capital Assets Fund		-	-
- Transfer to Institutional Development Fund		-	-
- Transfer to Surplus Fund		57,47,588	17,44,674

**Summary of significant accounting policies** 11.2

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

As per our report of even date

**For S.Sahoo & Co.**  
**Chartered Accountants**  
F.R.N.:322952E

**CA Subhajt Sahoo, FCA, LLB**  
Partner  
Membership No.057426

Place of signature: New Delhi  
Date: 23.12.2021

**For and on behalf of**  
**Charities Aid Foundation India**


**Dr Nivedita Narain**  
Chief Executive officer

**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	( ₹ )	( ₹ )
<b>Note 1</b>		
<b>Surplus Fund</b>		
Opening Balance	5,42,13,984	5,24,69,310
Add: Appropriations from excess of income over expenditure for the year	57,47,588	17,44,674
	<b>5,99,61,572</b>	<b>5,42,13,984</b>

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	( ₹ )	( ₹ )
<b>Note 2</b>		
<b>Institutional Development Fund</b>		
Opening Balance	2,00,00,000	2,00,00,000
Add: Appropriations from excess of income over expenditure for the year	-	-
	<b>2,00,00,000</b>	<b>2,00,00,000</b>



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**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

**Note 3 A**

**Unutilised Grants / Donations**

	All amounts in ( ₹ )					
	As at March 31, 2020	Contributions	Transfer to Income and Expenditure Account (Income)	Transfer to Capital Assets Fund/ Adjustments	As at March 31, 2021	As at March 31, 2020
<b>GRANTS</b>						
Grants from Foundations	4,40,30,033	5,10,18,796	3,01,58,704	-	6,48,90,125	4,40,30,033
Grants from Companies	63,25,71,527	18,37,432 *	53,39,96,597	-	10,04,12,362	63,25,71,527
Employees Matched Giving	11,01,008	3,66,200	7,11,713	-	7,55,495	11,01,008
Individual Giving	9,05,346	(40,714)	7,50,319	-	1,14,313	9,05,346
Campaigns	22,09,809	-	2,45,000	-	19,64,809	22,09,809
Appeals	56,58,744	4,48,11,491	3,93,56,154	-	1,11,14,081	56,58,744
Other funds	1,95,339	7,94,525	5,17,574	-	4,72,290	1,95,339
Grant for Designated Project	7,37,948	-	-	-	7,37,948	7,37,948
<b>Total</b>	<b>68,74,09,754</b>	<b>9,87,87,730</b>	<b>60,57,36,061</b>	<b>-</b>	<b>18,04,61,423</b>	<b>68,74,09,754</b>
<b>Previous Year</b>	<b>65,03,76,066</b>	<b>70,92,09,224</b>	<b>67,21,75,536</b>	<b>-</b>	<b>68,74,09,754</b>	<b>65,03,76,066</b>

\* Includes interest earned on invested funds as per specific terms.

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**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

**Note 3 B**

	All amounts in (₹)	
	Year ended 31.03.21	Year ended 31.03.20
<b>Expenditure</b>		
<b>Foreign Contribution Account</b>		
	<b>Transferred to Income and Expenditure Account</b>	
	<b>(Expenses)</b>	
<b>GRANTS</b>		
Disbursal out of :		
Grants from Foundations	2,79,71,388	6,98,21,542
Grants from Companies	50,57,14,968	51,20,60,110
Employees Matched Giving GAYE Program	2,41,138	14,22,533
Individual Giving	7,12,780	19,35,693
Campaigns	1,15,200	1,21,36,385
Appeals	3,54,50,404	1,62,06,816
Oracle Workshop Grant Expense	-	3,70,137
<b>Total</b>	<b>57,02,05,878</b>	<b>61,39,53,216</b>



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Charities Aid Foundation India  
Foreign Contributions Account  
Notes to Financial Statements for the year ended March 31, 2021

Note 4

Fixed Assets

PARTICULARS	Gross Block			Depreciation / Amortisation		Net Block	
	As at April 1, 2020	Additions	Deletions / Adjustments	As at April 1, 2020	For the year	As at March 31, 2021	As at March 31, 2020
<b>A. Tangible Assets</b>							
Fixed Assets acquired out of specific purpose grants							
Equipments	7,61,341	-	29,667	7,61,341	-	29,667	7,31,674
Computers	12,70,001	-	2,99,676	12,70,001	-	2,99,676	9,70,325
Furniture & Fixtures	8,29,519	-	-	8,29,519	-	-	8,29,519
<b>Total</b>	<b>28,60,861</b>	<b>-</b>	<b>3,29,343</b>	<b>28,60,861</b>	<b>-</b>	<b>3,29,343</b>	<b>25,31,518</b>
Fixed Assets acquired out of Surplus Fund							
Equipments	22,29,771	12,600	22,000	11,78,289	4,17,654	17,242	15,78,701
Leasehold improvement	22,98,345	-	-	22,98,345	-	-	22,98,345
Computers	38,12,307	1,700	6,09,073	33,27,063	2,20,590	6,09,073	29,38,580
Furniture & Fixtures	16,88,462	-	47,216	16,88,462	-	47,216	16,41,246
<b>Total</b>	<b>1,00,28,885</b>	<b>14,300</b>	<b>6,78,289</b>	<b>84,92,159</b>	<b>6,38,244</b>	<b>6,73,531</b>	<b>84,56,872</b>
<b>Total - A Tangible Assets</b>	<b>1,28,89,746</b>	<b>14,300</b>	<b>10,07,632</b>	<b>1,13,53,020</b>	<b>6,38,244</b>	<b>10,02,874</b>	<b>1,09,88,390</b>
<b>B. Intangible Assets</b>							
Website	2,35,861	-	-	2,35,861	-	-	2,35,861
Tully Customization	7,16,740	-	-	6,92,554	24,186	-	7,16,740
DMS Hive Customization	1,54,462	-	-	68,831	51,482	-	1,20,313
Geo Tagging	-	3,30,400	-	-	49,997	-	49,997
<b>Total - B Intangible Assets</b>	<b>11,07,063</b>	<b>3,30,400</b>	<b>-</b>	<b>9,97,246</b>	<b>1,25,665</b>	<b>-</b>	<b>11,22,911</b>
<b>Grand Total (A+B)</b>	<b>1,39,96,809</b>	<b>3,44,700</b>	<b>10,07,632</b>	<b>1,23,50,266</b>	<b>7,63,909</b>	<b>10,02,874</b>	<b>1,21,11,301</b>
Previous Year	1,37,79,865	7,06,828	4,68,179	1,17,20,131	11,05,411	4,53,575	1,23,71,967
							16,46,547
							20,59,734

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**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	(₹)	(₹)
<b>Note 5</b>		
<b>Cash and Bank balances</b>		
Cash in hand	2,07,939	1,46,841
Balances with scheduled banks		
- Saving account	1,60,82,328	54,23,82,166
- Fixed deposits	23,48,29,268	21,69,29,983
	<b>25,11,19,535</b>	<b>75,94,58,990</b>
<b>Note 6</b>		
<b>Loans and Advances</b>		
Advances recoverable in cash or kind	59,77,125	52,82,024
Interest accrued but not due on fixed deposits	65,17,854	47,97,638
TDS recoverable	11,06,146	13,27,296
Advance paid under Protest	-	11,11,571
Grant/Donations receivable	6,67,752	4,18,362
Security deposits	10,54,000	10,54,000
Advance for gratuity with LIC (net of plan assets)	-	-
	<b>1,53,22,877</b>	<b>1,39,90,891</b>

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**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

Note 7	As at March 31, 2021 ( ₹ )	As at March 31, 2020 ( ₹ )
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry creditors and payables	36,35,851	75,47,640
Statutory liabilities payable	3,15,408	25,46,652
	<u>39,51,259</u>	<u>1,00,94,292</u>
<b>Provisions</b>		
Provision for compensated leave absences	32,90,734	32,90,734
	<u>32,90,734</u>	<u>32,90,734</u>
	<u><b>72,41,993</b></u>	<u><b>1,33,85,026</b></u>
Note 8	As at March 31, 2021 ( ₹ )	As at March 31, 2020 ( ₹ )
<b>Non Current Liabilities and Provisions</b>		
Provision for gratuity (net of plan assets)	-	87,664
	<u>-</u>	<u><b>87,664</b></u>



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**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to Financial Statements for the year ended March 31, 2021**

Note 9	Year ended March 31, 2021 (₹)	Year ended March 31, 2020 (₹)
<b>Other Income</b>		
Interest on fixed deposits and saving accounts	1,79,76,689	2,10,00,376
Less: Transferred to grants (Refer note 5A)	-	-
Miscellaneous Income	2,19,270	58,855
	<u>1,81,95,959</u>	<u>2,10,59,231</u>
<b>Note 10</b>	<b>Year ended March 31, 2021 (₹)</b>	<b>Year ended March 31, 2020 (₹)</b>
<b>Other expenses</b>		
Operating and other Expenses	4,72,14,644	7,64,31,466

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**NOTE – 11**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Background**

Charities Aid Foundation, India (“CAF India” / “the Trust”) was set up in New Delhi as an independent Trust under the Indian Trust Act 1882 on October 15, 1998. The CAF India operation was set up to further the mission of Charities Aid Foundation, UK (“CAF UK”) i.e. to raise resources for the non-profit sector and build the capacity of the sector worldwide. CAF India is a part of the CAF International Network and raises resources from individuals, foundations and companies, to disburse the same to charity partners for charitable purposes.

**2. Significant accounting policies**

**2.1 Basis of accounting and preparation of financial statements**

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India (“Indian GAAP”) and comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**2.3 Fixed Assets and depreciation**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use.

The cost of the fixed assets not ready for their intended use before balance sheet date is disclosed under capital work in progress.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Income and Expenditure Account when the asset is derecognized.

Assets purchased out of specific grants are capitalized and an equal amount is transferred out of such funds to the capital assets fund. Accordingly, deletions of such fixed assets are also adjusted from the capital assets fund.

Assets received as donations are capitalised at nominal value.



**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to the Financial Statements for the year ended March 31, 2021**

Depreciation on fixed assets has been provided on the straight line method at the following rates based on the management's estimate of the useful lives of the assets.

<b>Asset category</b>	<b>Depreciation rate Per annum (%)</b>
Office equipment	25.00
Computers	33.33
Furniture and fixtures	25.00
Intangible Assets	33.33

Leasehold improvements are amortised on straight line basis over shorter of the primary lease period or economic useful life of respective assets.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated within a year of purchase. Depreciation on fixed assets purchased out of specific grants is debited to the capital assets fund through the Income and Expenditure Account.

#### **2.4 Intangible assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Trust uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Trust amortizes the intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income and expenditure account when the asset is derecognized.

#### **2.5 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. On disposal of an investment, the difference between its carrying amount and net

Disposal proceeds is charged or credited to the income and expenditure account and is included under the head "Other Income".



**2.6 Accounting for Grants / Donations:**

Grants / Donations received for specific purposes pursuant to agreements entered into with donors are considered as liability (Unutilised grants) in the financial statements until these funds have been utilised. Funds are treated as utilised on the disbursement of funds as per agreed terms.

Income in respect of specific purpose grants is recognised to the extent the amount has been utilised for the intended purpose. The unspent balance of the grant is carried forward as unutilised grants / donations in the balance sheet under sources of fund.

The trust retains a certain portion of the funds raised to meet project planning and monitoring costs which is recognised as part of income at the time of utilisation of funds for the intended purpose.

CAF implementation and support cost recovered from the Donor includes common cost incurred by the Trust which cannot be directly allocated to specific project. The Trust spends these costs, from grant received, to implement the activities identified for charitable purpose without any commercial intent.

**2.7 Interest income:**

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Income and Expenditure Account. Interest earned on corpus fund is added to NGO Capacity Building Fund.

**2.8 Foreign currency transactions:**

**i. Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

**iii. Exchange differences**

Exchange difference arising on the settlement or on re-statement of the monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or expense in the year in which they arise.



**2.9 Employee benefits:**

**i. Employment benefit plans**

**a. Defined Contribution Plan**

The Trust's contribution to the employees' provident fund is a defined contribution plan and is charged as expense to the Income and Expenditure Account during the period in which the employee renders the related services. The Trust has no obligation, other than the contribution payable to the provident fund. The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 became applicable to the Trust w.e.f. 1 April 2011, upon voluntary registration with the Employees Provident Fund Organization.

**b. Defined Benefit Plan**

- The Trust's gratuity scheme is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ("the Act"). Under the Act, employee who has completed five years of services entitled to specific benefit. Trust estimates its liability as of each balance sheet date based on an actuarial valuation performed by an independent actuary using projected unit credit method. All the actuarial gain and losses are recognized immediately under the Gratuity Plan.
- The plan assets include a group policy with Life Insurance Corporation of India ("LIC").

**c. Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The trust measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The trust treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Income & Expenditure and are not deferred. The trust presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**2.10 Leases:**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.



### **2.11 Provisions and contingencies:**

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Trust does not recognize a contingent liability but discloses its existence in the financial statements, unless the possibilities of an outflow of resources embodying economic benefit is remote.

### **2.12 Impairment of assets:**

Management at each reporting date assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment in an asset occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets net sales price or present value as determined above.

### **3. Income Tax:**

The Trust is exempt from income tax under Section 12AA of the Income Tax Act, 1961. Donations received by the Trust qualify for deduction under Section 80G of the Income Tax Act, 1961 in terms of approvals received vide Order No. DIT(E) 2009-2010/C-536/408 dated 29/05/2009 read together with Letter No. DIT(E) 2012-2013/1064 dated 30/08/2012. The Government of India has amended the section 35 AC through Finance Act 2016 wherein it was declared that no deduction shall be allowed in respect of any assessment year commencing on or after April 01, 2018.

The Trust has received demands of ₹ 22,563,576 (including interest and penalties) for the Assessment years 2017-18 and 2018-19 on account of excess of income over expenses being subjected to tax treating the operations of the Trust in the nature of commercial activity. The Trust is contesting these demands at the appellate and based on its internal legal assessment believes that the contention of assessing officer isn't tenable and therefore didn't make any provision for such demand.

### **4. Institutional Development Fund:**

Institutional Development fund had been set up during the year 2013-14. Appropriation from excess of income over expenditure aggregating to ₹ 5,000,000 on an annual basis was considered upto FY 2017-18. Such fund will be utilised by appropriating expenditure on infrastructure/ activities as may be specified.

### **5. Capital and Other Commitments (net of advances):**

Capital and other commitments as at March 31, 2021 is ₹ NIL (March 31, 2020: ₹. NIL)



**Charities Aid Foundation India**  
**Foreign Contributions Account**  
**Notes to the Financial Statements for the year ended March 31, 2021**

**6. Defined contribution plan:**

The Trust makes contribution towards employees' provident fund and under the rules of the scheme; the Trust is required to contribute a specified percentage of payroll costs. The Trust has recognised ₹ 25,28,393 (March 31, 2020: ₹ 35,94,670) as expense towards contributions during the year to these plans and included expense in the Income and Expenditure Account.

**7. Leases**

The Trust has taken office premises on operating lease and has recognised rent of ₹ 23,51,430 (March 31, 2020: ₹ 43,04,905) in the Income and Expenditure Account during the year.

**8. Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED).**

Amounts due to micro and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 aggregate to ₹ Nil (March 31, 2020: – ₹ Nil) based on the information available with the Trust:

Particulars	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon [₹ Nil (March 31, 2020: – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**9.** The Trust is a Level III enterprise as defined in the scheme for applicability of accounting standards to SMEs, announced by ICAI, which is effective for all accounting periods commencing on or after 1 April 2004. Accordingly, the Trust has complied with the Accounting Standards, applicable to a Level III Entity- Small and Medium Sized Enterprise (SME).

**10.** The Trust is in the process of obtaining the final utilization certificates for the funds disbursed to certain NGO partners in the current year which is delayed due to COVID-19 lockdown restrictions.





**Charities Aid Foundation India**  
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**Notes to the Financial Statements for the year ended March 31, 2021**

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11. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Trust will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
12. Subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country, the Trust has continued to operate and fund various NGO's/ projects for accomplishing their charitable purposes. Though the pandemic is causing significant disturbance and slowdown of economic activity globally and in India, it has evaluated the impact on its operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial results.
13. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

**For S. SAHOO & Co.**  
**Chartered Accountants**  
F.R.N:322952E



**CA. Subhajit Sahoo, FCA, LLB**  
**Partner**  
Membership Number: 057426



**For and on behalf of**  
**Charities Aid Foundation India**



**Dr Nivedita Narain**  
**Chief Executive officer**

Place :New Delhi  
Date : 23.12.2021