

# SMS & Associates

Chartered Accountants

13/82, LGF, Vikram Vihar  
Lajpat Nagar-IV, New Delhi-110024  
Tel. : 011-41729407, 46103248, 9811991182  
E-mail : [ssadhoo@smscorporate.net](mailto:ssadhoo@smscorporate.net)  
Website : [www.smscorporate.net](http://www.smscorporate.net)

## INDEPENDENT AUDITOR'S CERTIFICATE

We have audited the accounts of Indus Action Initiatives ("the Association") having its registered office at G-7 2nd Floor, Lajpat Nagar-3 New Delhi South Delhi Delhi-110024 (registered under section 8 of the Companies Act, 2013 vide registration number U80904DL2013NPL256964, PAN No: AADCI3253R and FC Reg No:- 231661684) for the year ending March 31, 2019 and examined the relevant books and vouchers and certify that according to the audited account:

1. The brought forward foreign contribution at the beginning of the year was Rs. 604,112
2. Foreign contributions of Rs. 11,910,190 was received by the Association during the financial year 2018-19.
3. Interest/other receipts of Rs. 13,500 (net of TDS Rs. 1,500) was received by the Association during the financial year 2018-19.
4. The balance of unutilised foreign contribution with the Association at the end of the year 31-03-2019 was Rs. 9,435,312 /-
5. Certified that the Association has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with sub-rule (17) of the Foreign Contribution (Regulation) Rules, 2011.
6. The information furnished in this certificate and in the enclosed financial statements comprising of the Balance sheet, Income and Expenditure Account, Receipts and Payments and Notes to the financial statements is correct as checked by us
7. The Association has utilized the foreign contribution received for the purpose it is registered under Foreign Contribution (Regulation) Act, 2010.

The Certificate is to be read along with the notes in Appendix I.

**For SMS & ASSOCIATES**

Chartered Accountants

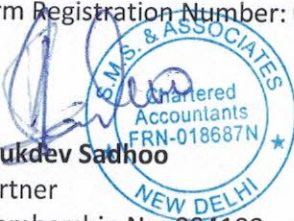
Firm Registration Number: **018687N**

**Shukdev Sadhoo**

Partner

Membership No: 084188

UDIN: 19084188AAAAJT9377



Place: New Delhi

Date: December 24, 2019

## **Appendix I-Notes to Auditor's Certificate on Foreign Contribution Regulation Act, 2010**

1. This Certificate is issued in accordance with the terms of our engagement letter.

### **Management's Responsibility**

2. The Association Management is responsible for the compilation of the information, maintenance of separate set of accounts and records, exclusively, for the foreign contribution received and utilized in terms of Foreign Contribution Regulation Act, 2010 (the "Act") and Rule 17 of the Foreign Contribution (Regulation) Amendment Rules (the "Rules") and preparation of these financial statements, based on the said set of accounts and records, are in accordance with the accounting principles generally accepted in India.
3. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements and applying an appropriate basic of preparation; and making estimates that are responsible in the circumstances

### **Auditor's Responsibility**

4. We have examined the books and other relevant records and documents maintained by the Association in the normal course of business for the purpose of providing reasonable assurance on the particulars mentioned in the certificate
5. This certificate is based on our examination the financial statements attached to this certificate and other relevant records and information considered necessary for the purpose of issuing this certificate and the information and explanation given to us by the Association.
6. We conducted our examination of the statement in accordance with the Guidance Note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accounts of India (ICAI) and the standards of auditing specified on Auditing under section 143(10) of the Companies Act 2013, This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for Firms that perform Audits and reviews of Historical Financial Information, and other Assurance and related Services Engagements

### **Restriction to Use**

8. This certificate has been issued at the request of the Association for submission to Secretary to the Government of India, Ministry of Home affairs and is not to be used for any other purposes or to be distributed to any other parties, Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

### **For SMS & ASSOCIATES**

Chartered Accountants

Firm Registration Number: **018687N**

  
**Shukdev Sadhoo**  
Partner

Membership No: 084188

UDIN: 19084188AAAAJT9377

Place: New Delhi

Date: December 24, 2019



Indus Action Initiatives  
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)  
G-7 2nd Floor, Lajpat Nagar-3 New Delhi South Delhi DL 110024 IN  
CIN : U80904DL2013NPL256964

Balance Sheet (FCRA) as at 31 March 2019  
(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
<b>SOURCES OF FUNDS</b>			
Corpus Fund	2		
General fund	3	66,68,429	5,32,174
		66,68,429	5,32,174
<b>Non Current Liabilities</b>			
<b>Current liabilities</b>			
Trade payables			
- Total outstanding dues of Micro and Small Enterprises (MSME)	4	25,35,389	
- Total outstanding dues of Creditors other than (MSME)	5	4,05,408	1,11,793
Other current liabilities		29,40,797	1,11,793
		96,09,226	6,44,469
<b>TOTAL</b>		<b>96,09,226</b>	<b>6,44,469</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible Fixed Assets	6	44,206	38,954
<b>Current assets</b>			
Cash and bank balances	7	94,35,312	6,04,112
Short-term loans and advances	8	1,16,563	
Other current assets	9	13,145	1,403
		95,65,020	6,05,515
		96,09,226	6,44,469
<b>TOTAL</b>		<b>96,09,226</b>	<b>6,44,469</b>

Significant Accounting Policies and Notes to Accounts  
forming part of the Financial Statements

For SMS & Associates

Chartered Accountants  
Firm No. 018687N

Shrikdev Sadhoo  
Partner  
Membership No. 084188

Place: Delhi

Date: 24/12/2019

For and on behalf of the Board of Directors  
Indus Action Initiatives

Tarun Cherukuri  
Director  
DIN: 06622010

Place: Delhi

Date: 24/12/2019



Vaibhav Mathur  
Director  
DIN: 05293624

Place: Delhi

Date: 24/12/2019



Indus Action Initiatives  
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)  
G-7 2nd Floor, Lajpat Nagar-3 New Delhi South Delhi DL 110024 IN  
CIN : U80904DL2013NPL256964

Income and Expenditure Account (FCRA) for the year ended 31 March 2019

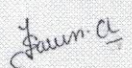
	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Grants and donation received	10	1,19,10,190	96,19,404
Other income	11	15,000	14,029
Total		1,19,25,190	96,33,433
Expenditure			
Employee benefits	12	8,32,781	56,02,846
Depreciation	6	17,558	82,778
Other expenses	13	49,39,098	39,60,280
Total expenses		57,89,437	96,45,904
Surplus/ ( Deficit) for the year		61,35,753	(12,471)

Significant Accounting Policies and Notes to Accounts  
forming part of the Financial Statements

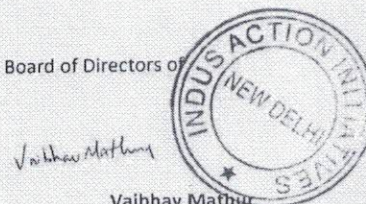
For SMS & Associates  
Chartered Accountants  
ICAI Firm Registration No. 018687N  
  
Shrikdev Sadhoo  
Partner  
Membership No.: 084188  

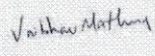

Place: Delhi  
Date: 24/12/2019

For and on behalf of the Board of Directors of  
Indus Action Initiatives

  
Tarun Cherukuri  
Director  
DIN: 06622010

Place: New Delhi  
Date: 24/12/2019



  
Vaibhav Mathur  
Director  
DIN: 05293624

Place: New Delhi  
Date: 24/12/2019



**Indus Action Initiatives  
Foreign Contribution Account**

**Receipts And Payment Account For the Year Ended March 31, 2019**

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>Total Receipts</b>		
Opening Balances B/f	627	
Cash in hand	6,03,485	4,53,368
Bank Balances	1,19,10,190	96,19,404
Grant Received	13,500	12,626
Interest Received (net of TDS)	<u>1,25,27,802</u>	<u>1,00,85,398</u>
<b>Total Funds Available (A)</b>		
 <b>Utilization</b>		
Employee benefit Expenses	8,32,781	56,02,846
Other expenses (net of Current Liabilities)	21,10,094	38,48,488
Purchase of Fixed Assets	22,810	29,952
Advance to Suppliers and Others	1,26,805	
<b>Total Fund Utilised (B)</b>	<u>30,92,490</u>	<u>94,81,286</u>
 <b>Closing Balance (A-B)</b>	94,35,312	6,04,112
Include:		
Cash in hand	822	627
Bank Balances	94,34,490	6,03,485

**Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements**

For SMS & Associates  
Chartered Accountants  
ICAI Firm Registration No. 018687N



Shukdev Sastri  
Partner  
Membership No. 084188

Place: Delhi  
Date: 24/12/2019

For and on behalf of the Board of Directors of  
Indus Action Initiatives



Tarun Cherukuri  
Director  
DIN: 06622010

Vaibhav Mathur  
Director  
DIN: 05293624

Place: New Delhi  
Date: 24/12/2019

Place: New Delhi  
Date: 24/12/2019



1. Background

Indus Action initiatives the ("Company") was incorporated in India on 26 August 2013. The Company is registered as Section 8 Company under the provisions of Companies Act, 2013.

The main focus area of the company is to mobilize public resources and empower communities to solve India's deep rooted problems in areas such as education, public health, law enforcement and accountability.

The Company is also registered under Foreign Contribution (Regulation) Act, 2010 ("FCRA") vide registration no 231661684 dated June 06, 2017. The current registration is valid from 03.11.2016 to 02.11.2021.

2. Significant accounting policies

a) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 133 of Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The Financial statements are presented in Indian Rupees.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Companies Act 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to the small and medium Sized Company.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of expenses incurred during the reported period. Differences between actual results and estimates are recognised in the year in which the actual result are known or materialized. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Current-non –current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle ;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date ; or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.



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Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle ;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date ; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date . Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of operation and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the organization has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

#### d) Fixed assets and depreciation / amortization

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets include inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto date of commissioning of the assets. Assets held for disposal are stated at their estimated residual values as at the balance sheet date.

Depreciation is provided on pro-rata basis as per written down value (WDV) method as per the useful life in part C of Schedule II of the Act.

#### e) Impairment of assets

In Accordance with Accounting Standard 28 (AS 28) on "Impairment of Assets", the carrying amount of Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount assets estimated at the higher of its useful life. An impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and Loss.

#### f) Cash and cash equivalents



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**Indus Action Initiatives**

**(A Private Company Limited by Guarantee under section 8 of the Companies Act, 2013)**

**Notes to the financial statements for the year ended 31 March 2016**

Cash and cash equivalents comprise each cash balances on hand, cash balance with bank and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

**g) Revenue recognition**

- The unrestricted grants and donations received by the company are recognised as income in the accounts in the year of receipt.
- The restricted grants and donation received and spent are recognised as income in the accounts whereas the utilized grants is shown as liability in the books
- Survey receipts are recognized on accrual basis.

**h) Employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short- term employee benefits. Benefits such as salaries, wages, performance incentives, etc are recognized in the Income and Expenditure Account in the period in which the employee renders related services and measured accordingly.

**i) Operating lease**

Lease rentals under an operating lease are recognized as an expense in the Income and Expenditure Account on the straight line basis over the lease terms.

**j) Income Taxes**

The company has license to operate under section 8 of the companies Act, 2013 and Certificate of registration under section 12A of the Income Tax Act, 1961. Accordingly, the company is not liable to pay Income Tax under Income Tax Act, 1961.

**k) Provisions and contingent liabilities**

A provision is recognized in the financial statements where there exists a present obligation as a result of past event, the amount of which is reliable estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is possible obligation that arises from past events and the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise, or is a present obligation that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**l) Foreign exchange transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/(losses) arising on account of realization/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognized in the statement of Profit and Loss.



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Indus Action Initiatives  
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes to financial statements (FCRA) for the year ended 31 March 2019  
(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>2 Corpus Fund</b>		
Opening balance	-	-
Add: Additions during the year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>3 General fund</b>		
	As at 31 March 2019	As at 31 March 2018
Opening balance	5,32,676	5,45,147
Add: Additions during the year	61,35,753	(12,471)
<b>Total</b>	<b>66,68,429</b>	<b>5,32,676</b>
<b>4 Trade payables</b>		
	As at 31 March 2019	As at 31 March 2018
Micro enterprises and small enterprises	-	-
Others	25,35,389	-
<b>Total</b>	<b>25,35,389</b>	<b>-</b>
Note: There is no amount due by the company to micro and small enterprises as defined under the MSMED Act, 2006 to the knowledge of Company.		
<b>5 Other current liabilities</b>		
	As at 31 March 2019	As at 31 March 2018
Employee related payables	1,63,535	53,916
Statutory dues	2,41,873	53,821
Other Liabilities	-	4,056
	<b>4,05,408</b>	<b>1,11,793</b>

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Indus Action Initiatives  
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes to financial statements (FCRA) for the year ended 31 March 2019

6. Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			Amount (Rs.)	
	As on 01.04.2018	Additions	Deletions	As on 31.03.2019	For the year	Deletions	As on 31.03.2019	As on 31.03.2018
Tangible Assets								
Computers	1,21,275		-	1,21,275	-	-	1,15,211	6,064
Office Equipment	17,908	11,500	-	1,29,408	5,183	-	17,332	12,076
Furniture & Fixture	77,202	11,310	-	88,512	12,375	-	62,446	26,066
Total (a)	2,16,385	22,810	-	2,39,195	17,558	-	1,94,989	44,206
Previous Year	1,86,433	29,952	-	2,16,385	82,778	-	1,77,431	38,954
								91,780



Sumit



Indus Action Initiatives

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes to financial statements (FCRA) for the year ended 31 March 2019

(All amounts are in Indian Rupees unless otherwise stated)

7	Cash and bank balances	As at	As at
		31 March 2019	31 March 2018
	Cash and cash equivalents:		
	Cash on hand	822	627
	Balance with scheduled banks		
	- on current accounts	94,34,490	6,03,485
		<u>94,35,312</u>	<u>6,04,112</u>
8	Short-term loans and advances (Unsecured, considered good)	As at	As at
		31 March 2019	31 March 2018
	Advances to vendors	1,16,563	-
		<u>1,16,563</u>	<u>-</u>
9	Other current assets (Unsecured, considered good)	As at	As at
		31 March 2019	31 March 2018
	Other Current Assets	10,242	-
	TDS receivable	2,903	1,403
		<u>13,145</u>	<u>1,403</u>



*Sum. A.*





Indus Action Initiatives

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes to financial statements (FCRA) for the year ended 31 March 2019

(All amounts are in Indian Rupees unless otherwise stated)

10 Grants and donations received

Grants and donations received

For the year ended 31 March 2019	For the year ended 31 March 2018
1,19,10,190	96,19,404
<b>1,19,10,190</b>	<b>96,19,404</b>

11 Other income

Interest on FDR

For the year ended 31 March 2019	For the year ended 31 March 2018
15,000	14,029
<b>15,000</b>	<b>14,029</b>

12 Employee benefits expense

Salary, wages and bonus  
Staff welfare

For the year ended 31 March 2019	For the year ended 31 March 2018
7,91,672	55,85,021
41,109	17,825
<b>8,32,781</b>	<b>56,02,846</b>

13 Other expenses

Rent  
Legal and professional  
Conference and campaign expenses  
Printing and stationery  
Travelling and conveyance  
Communication expenses  
Office expenses  
Bank charges  
Interest on late TDS Payment  
Repair and Maintenance  
Miscellaneous expenses

For the year ended 31 March 2019	For the year ended 31 March 2018
5,000	10,000
17,81,828	15,98,121
-	2,34,918
1,85,301	77,928
11,05,135	2,10,945
18,05,155	16,48,871
52,663	1,30,922
2,992	3,127
	562
200	44,343
824	543
<b>49,39,098</b>	<b>39,60,280</b>



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**Indus Action Initiatives**

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

**Notes to financial statements (FCRA) for the year ended 31 March 2019**

(All amounts are in Indian Rupees unless otherwise stated)

14 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information received and available with the Company, there are no amounts payable to Micro and Small Enterprises (Suppliers) covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2019.

**15 Related party disclosures**

a) Related party and nature of the relationship where control exists- Nil.

b) Related party with whom the transactions have taken place during the year:

**Key Management Personnels:**

Tarun Cherukuri

Vaibhav Mathur

c) Details of transactions during the year:

Transactions during the year	For the year ended 31 March 2019	For the year ended 31 March 2018
Reimbursement of Expenses paid to Mr. Tarun Cherukuri	2,99,370	53,916

d) Balances at the year end :

Nature of Transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
Recoverable/(Payable)		
Other Receivable/(Payable)	5,162	(53,916)

16 Previous year figures have been regrouped/ reclassified wherever considered necessary, to make them comparable to those of current year.

As per our report of even date attached.

For SMS & Associates

Chartered Accountants

ICAI Firm Registration No. 018687N

Chartered Accountants

FRN-018687N

Shukdev Sadhoo

Partner

Membership No. 084128

Place: Delhi

Date: 24/12/2019

For and on behalf of the Board of Directors  
Indus Action Initiatives

Tarun Cherukuri

Director

DIN: 06622010

Place: New Delhi

Date: 24/12/2019



Vaibhav Mathur

Director

DIN: 05293624

Place: New Delhi

Date: 24/12/2019