

CERTIFICATE

We have audited the financial statements, consisting the Balance sheet as at March 31, 2020, the Income and Expenditure account, the Receipts and Payments account and related schedule of **Population Foundation of India ("the Foundation"), B-28, Qutub Institutional Area, Tara Crescent, New Delhi -110016** for the year ended 31st March, 2020 and examined all relevant books and vouchers and certify that according to the audited account and based on our comments provided in the attached notes:

- (i) the brought forward foreign contribution at the beginning of the financial year was **Rs. 232,339,760;**
- (ii) foreign contribution of **Rs. 233,271,282** and no donation in kind was received by the Foundation during the financial year **2019-2020.**
- (iii) interest and other income derived from foreign contribution of **Rs. 12,580,577** was received by the Foundation during the year **2019-2020;**
- (iv) the balance of unutilised foreign contribution with the Foundation at the end of the financial year **2019-2020** was **Rs. 207,736,576;**
- (v) Certified that the Foundation 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 rule 17 of the Foreign Contribution (Regulation) Rules, 2011.
- (vi) Based on such checks and tests considered and performed by us, the information furnished in the certificate and in the enclosed Balance Sheet and Statement of Receipt and Payments appears to be correct in all material respects.
- (vii) The Foundation has utilized the foreign contribution received for the purpose(s) it is registered under Foreign Contribution (Regulation) Act, 2010.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)



Rajesh Kumar Agarwal
(Partner)

(Membership No: 105546)

(UDIN: 20105546AAAADQ6638)

Place: New Delhi

Date: September 25, 2020

Notes to Certificate:

1. This certificate is issued in accordance with the terms of our engagement letter dated December 18, 2019.

Management's Responsibility

2. The preparation of the accompanying financial statements and FORM FC-4 is the responsibility of the Management of the Foundation. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Form, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management of the Foundation is also responsible for compliance of the provisions of the Foreign Contribution (Regulation) Act, 2010, rules, notifications/ orders issued there under from time to time.

Auditor's Responsibility

4. We have examined the books of account and other relevant records and documents maintained by the Foundation as a part of our audit as at and for the year ended March 31, 2020 for the purpose of providing reasonable assurance on the particulars mentioned in the certificate.
5. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing issued by ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

7. The certificate has been provided by Deloitte Haskins & Sells LLP at the request of the Foundation and prepared for the purpose of submission to the Ministry of Home Affairs on a confidential basis. This certificate is not intended for general circulation or publication and is not to be reproduced or used for any purpose, other than for the purpose stated above. 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No: 117366W/ W-100018)



Rajesh Kumar Agarwal
(Partner)
(Membership No: 105546)

Place: New Delhi
Date: September 25, 2020

POPULATION FOUNDATION OF INDIA
Balance Sheet as at March 31, 2020
(Financial Statements under Foreign Contribution (Regulation) Act, 2010)


| Particulars | Schedule | As at March 31, 2020 Rs. |
|---|----------|--------------------------------|
| SOURCES OF FUNDS | | |
| DEFERRED GRANT | 1 | 4,340,269 |
| LIABILITIES AND PROVISIONS | | |
| Restricted project fund | 3 | 206,352,036 |
| Current liabilities | 2 | 11,061,079 |
| | | 221,753,384 |
| APPLICATION OF FUNDS | | |
| FIXED ASSETS | | |
| Net block | 4 | 4,340,269 |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| Cash and bank balances | 5 | 207,736,576 |
| Loans and advances | 6 | 9,676,539 |
| | | 221,753,384 |

Significant accounting policies and notes to the accounts 11

The schedules referred to above form an integral part of the accounts

In terms of our report attached


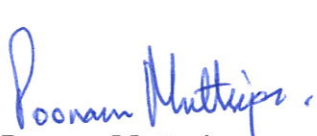
For Deloitte Haskins & Sells LLP
Chartered Accountants


Rajesh Kumar Agarwal
Partner

Place : New Delhi
Date : September 25, 2020



For Population Foundation of India

 
Raam Kumar **Poonam Muttreja**
Chief Financial Officer Executive Director

Place : New Delhi
Date : September 25, 2020



POPULATION FOUNDATION OF INDIA
Income and Expenditure Account for the year ended March 31, 2020
(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

| Particulars | Schedule | For the year ended March 31, 2020 Rs. |
|--|----------|---|
| INCOME | | |
| Grant income | 7 | 274,338,128 |
| | | 274,338,128 |
| EXPENDITURE | | |
| Health and family planning expense | 8 | 133,077,636 |
| Behaviour change communication expense | 9 | 105,395,749 |
| Community action for health expense | 10 | 35,864,743 |
| | | 274,338,128 |

Excess of Income over Expenditure

-

Significant accounting policies and notes to the accounts

11



The schedules referred to above form an integral part of the accounts

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Rajesh Kumar Agarwal
Partner

For Population Foundation of India

 
Raam Kumar **Poonam Muttreja**
Chief Financial Officer Executive Director

Place : New Delhi
Date : September 25, 2020



Place : New Delhi
Date : September 25, 2020



| POPULATION FOUNDATION OF INDIA | | | | | | | | |
|---|--------------------|-------------------|--------------------|---|--------------------|---------------------------|------------------------|--------------------|
| Receipts and payments account for the year ended March 31, 2020 | | | | | | | | |
| (Financial Statements under Foreign Contribution (Regulation) Act, 2010) | | | | | | | | |
| RECEIPTS | | | | PAYMENTS | | | | |
| | Grant income | Interest income | Total | | Program expenses | Administrative expenses * | Fixed Assets purchased | Total |
| Opening balance as at April 1, 2019 | | | | | | | | |
| - with Yes Bank Ltd, New Delhi | | | 232,339,760 | | | | | |
| Grants received | | | | Project payments | | | | |
| Johns Hopkins University, Bloomberg School of Public Health - Advance family planning - II | 11,001,656 | 132,051 | 11,133,707 | Johns Hopkins University, Bloomberg School of Public Health - Advance family planning - II | 11,838,214 | 2,953,802 | - | 14,792,016 |
| Bill and Melinda Gates Foundation - Realizing commitments to family planning | - | 448,334 | 448,334 | Bill and Melinda Gates Foundation - Realizing commitments to family planning | 22,906,208 | 7,323,319 | - | 30,229,527 |
| Bill and Melinda Gates Foundation - Realising commitment to family planning II | 64,159,200 | 1,377,149 | 65,536,349 | Bill and Melinda Gates Foundation - Realising commitment to family planning II | 4,464,565 | 3,236,041 | 495,558 | 8,196,164 |
| Bill and Melinda Gates Foundation - Family planning serial - Main Kuch Bhi Kar Sakti Hoon | - | 4,798,232 | 4,798,232 | Bill and Melinda Gates Foundation - Family planning serial - Main Kuch Bhi Kar Sakti Hoon | 77,486,685 | 16,973,542 | 635,460 | 95,095,687 |
| Bill and Melinda Gates Foundation - Entertainment education initiative MKBKSH II | 10,724,216 | 303,850 | 11,028,066 | Bill and Melinda Gates Foundation - Entertainment education initiative MKBKSH II | 6,441,632 | 1,033,750 | - | 7,475,382 |
| International Foundation for Research and Education - Enhancement of AI component in Snehai to improve user experience and personalisation for MKBKSH | 2,800,000 | 27,654 | 2,827,654 | International Foundation for Research and Education - Enhancement of AI component in Snehai to improve user experience and personalisation for MKBKSH | 2,178,280 | 640,801 | - | 2,819,081 |
| John D and Catherine T MacArthur Foundation - Scaling up phase IV | - | 171,321 | 171,321 | John D and Catherine T MacArthur Foundation - Scaling up phase IV | 5,554,847 | 1,123,008 | - | 6,677,855 |
| The David & Lucile Packard Foundation - Network strengthening and strategic planning of ARC Coalition | - | - | - | The David & Lucile Packard Foundation - Network strengthening and strategic planning of ARC Coalition | 64,889 | 99,242 | - | 164,131 |
| The David & Lucile Packard Foundation - Strengthening the governance and operations of ARC coalition | 7,049,838 | 129,721 | 7,179,559 | The David & Lucile Packard Foundation - Strengthening the governance and operations of ARC coalition | 772,624 | 154,801 | 190,059 | 1,117,484 |
| The David & Lucile Packard Foundation - Community based monitoring of health services | 3,553,714 | 2,068,921 | 5,622,635 | The David & Lucile Packard Foundation - Community based monitoring of health services | 23,467,793 | 6,735,465 | 851,036 | 31,054,294 |
| The David & Lucile Packard Foundation - Elevating beneficiary voices in advocacy | - | 86,790 | 86,790 | The David & Lucile Packard Foundation - Elevating beneficiary voices in advocacy | 2,134,660 | 602,887 | - | 2,737,547 |
| Children's Investment Fund Foundation - Expanding the quality of and access to adolescent reproductive health services | 32,834,172 | 1,247,762 | 34,081,934 | Children's Investment Fund Foundation - Expanding the quality of and access to adolescent reproductive health services | 16,370,396 | 9,095,220 | 322,985 | 25,788,601 |
| Children's Investment Fund Foundation - Youth-led action for sex education | 51,051,678 | 956,386 | 52,008,064 | Children's Investment Fund Foundation - Youth-led action for sex education | 19,909,191 | 6,514,414 | - | 26,423,605 |
| Children's Investment Fund Foundation - Matrix of change - adolescents | 7,173,805 | 366,569 | 7,540,374 | Children's Investment Fund Foundation - Matrix of change - adolescents | 10,174,388 | 3,574,378 | 172,522 | 13,921,288 |
| Children's Investment Fund Foundation - Investing in health and well being of adolescents | 42,923,003 | 465,837 | 43,388,840 | Children's Investment Fund Foundation - Investing in health and well being of adolescents | 2,511,239 | 1,451,142 | - | 3,962,381 |
| Total grants received | 233,271,282 | 12,580,577 | | Total project payments | 206,275,611 | 61,511,812 | 2,667,620 | |
| | | | | Closing balance as at March 31, 2020 | | | | |
| | | | | - with Yes Bank Ltd, New Delhi | | | | 169,670,438 |
| | | | | - with Kotak Mahindra Bank Ltd, New Delhi** | | | | 38,066,138 |
| | | | 478,191,619 | | | | | 478,191,619 |

* Administrative expenses have been computed as provided in Rule 5, The Foreign Contribution (Regulation) Rules, 2011.

** Approved by Ministry of Home Affairs w.e.f. 11/03/2020.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh Kumar Agarwal
Partner

Place : New Delhi
Date : September 25, 2020



For Population Foundation of India

Raam Kumar
Chief Financial Officer

Place : New Delhi
Date : September 25, 2020

Poonam Muttreja
Executive Director



POPULATION FOUNDATION OF INDIA

(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

Schedules forming part of the accounts

| Particulars | As at March 31, 2020 Rs. |
|--|---|
| Schedule 1: Deferred grant | |
| Opening balance | 3,550,026 |
| Add: Purchase of assets out of donor funds (Refer schedule 4) | 2,667,620 |
| Less: Assets written off out of above | - |
| Less: Depreciation on assets | 1,877,377 |
| Closing balance | <u><u>4,340,269</u></u> |

Schedule 2: Current liabilities

| | |
|------------------------|--------------------------|
| Interproject balances | 5,037,158 |
| Payable to subgrantees | 657,114 |
| Other liabilities | 5,366,807 |
| | <u><u>11,061,079</u></u> |



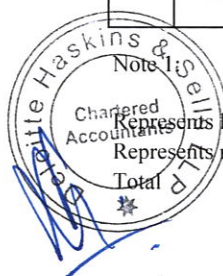
POPULATION FOUNDATION OF INDIA

(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

Schedules forming part of the accounts

Schedule 3 : Restricted project fund

| S.No. | Source of Fund | Balance as at April 1, 2019 Payable/(Receivable) (Refer Note 1) | Receipts during the year | Interest and other income during the year | Transferred to Income and Expenditure Account | Balance as at March 31, 2020 Payable/ (Receivable) (Refer Note 1) |
|-------|---|--|-----------------------------|---|--|--|
| | | (A) | (B) | (C) | (D) | (E=A+B+C-D) |
| | | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1 | Johns Hopkins University, Bloomberg School of Public Health - Advance family planning - II | 2,988,506 | 11,001,656 | 132,051 | 14,122,213 | - |
| 2 | Bill and Melinda Gates Foundation - Realizing commitments to family planning | 25,491,481 | - | 448,334 | 25,939,815 | - |
| 3 | John D and Catherine T MacArthur Foundation - Scaling up phase IV | 5,985,501 | - | 171,321 | 6,156,822 | - |
| 4 | The David & Lucile Packard Foundation - Network strengthening and strategic planning of ARC Coalition | 163,622 | - | - | 163,622 | - |
| 5 | Bill and Melinda Gates Foundation - Family planning serial - Main Kuch Bhi Kar Sakti Hoon | 113,454,979 | - | 4,798,232 | 92,557,519 | 25,695,692 |
| 6 | Children's Investment Fund Foundation - Expanding the quality of and access to adolescent reproductive health services | 11,075,495 | 32,834,172 | 1,247,762 | 26,336,628 | 18,820,801 |
| 7 | Children's Investment Fund Foundation - Youth-led action for sex education | 18,771,495 | 51,051,678 | 956,386 | 29,948,314 | 40,831,245 |
| 8 | Children's Investment Fund Foundation - Matrix of change - adolescents | 6,072,575 | 7,173,805 | 366,569 | 14,258,167 | (645,218) |
| 9 | The David & Lucile Packard Foundation - Elevating beneficiary voices in advocacy | 3,476,553 | - | 86,790 | 3,563,343 | - |
| 10 | The David & Lucile Packard Foundation - Community based monitoring of health services | 44,627,721 | 3,553,714 | 2,068,921 | 32,301,400 | 17,948,956 |
| 11 | Bill and Melinda Gates Foundation - Realising commitment to family planning II | - | 64,159,200 | 1,377,149 | 8,438,983 | 57,097,366 |
| 12 | The David & Lucile Packard Foundation - Strengthening the governance and operations of ARC coalition | - | 7,049,838 | 129,721 | 1,117,555 | 6,062,004 |
| 13 | Children's Investment Fund Foundation - Investing in health and well being of adolescents | - | 42,923,003 | 465,837 | 6,595,517 | 36,793,323 |
| 14 | Bill and Melinda Gates Foundation - Entertainment education initiative MKBKSH II | - | 10,724,216 | 303,850 | 7,925,417 | 3,102,649 |
| 15 | International Foundation for Research and Education - Enhancement of AI component in Snehai to improve user experience and personalisation for MKBKSH | - | 2,800,000 | 27,654 | 4,912,813 | (2,085,159) |
| | TOTAL | 232,107,928 | 233,271,282 | 12,580,577 | 274,338,128 | 203,621,659 |



Represents liability on account of restricted project funds
Represents receivable from donors for projects (Refer Schedule 6)

As at
April 1, 2019

232,107,928

-

232,107,928

As at
March 31, 2020

206,352,036

(2,730,377)

203,621,659



POPULATION FOUNDATION OF INDIA

(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

Schedules forming part of the accounts

Schedule 4 : Fixed assets

| S.No. | PARTICULARS | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | NET BLOCK |
|-------|----------------------|------------------------|------------------|-----------------------|-------------------------|---------------------------|------------------|-------------------------------------|------------------------|-------------------------|
| | | As at April 1, 2019 | Additions | Sale / written off | As at March 31, 2020 | Upto March 31, 2019 | For the Year | Adjustment on sale/ write off | Upto March 31, 2020 | As at March 31, 2020 |
| | Donor funded* | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1 | Office equipment | 7,038,839 | 1,415,760 | - | 8,454,599 | 4,535,911 | 587,806 | - | 5,123,717 | 3,330,882 |
| 2 | Computers/printers | 3,094,228 | 1,251,860 | - | 4,346,088 | 2,226,725 | 1,271,609 | - | 3,498,334 | 847,754 |
| 3 | Furnitures & fixture | 199,549 | - | - | 199,549 | 19,954 | 17,962 | - | 37,916 | 161,633 |
| | Total | 10,332,616 | 2,667,620 | - | 13,000,236 | 6,782,590 | 1,877,377 | - | 8,659,967 | 4,340,269 |

* Depreciation on fixed assets, funded by donors has been adjusted against Deferred Grant created for the same. (Refer schedule 1)



POPULATION FOUNDATION OF INDIA

(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

Schedules forming part of the accounts

| Particulars | As at March 31, 2020 Rs. |
|---|---|
| Schedule 5: Cash and Bank balances | |
| Cash on hand | - |
| Balances with scheduled banks | |
| - in saving accounts | 207,736,576 |
| | <u>207,736,576</u> |

Schedule 6: Loans and advances

| | |
|--|------------------|
| Advances recoverable in cash or in kind or for value to be received | 20,457 |
| Advances to subgrantees | 6,925,704 |
| <u>Reimbursable for projects (Refer note 1 in Schedule 3):</u> | |
| - Children's Investment Fund Foundation - Matrix | 645,219 |
| - International Foundation for Research and Education - Enhancement of AI for MKBKSH | 2,085,159 |
| | <u>9,676,539</u> |



POPULATION FOUNDATION OF INDIA
(Financial Statements under Foreign Contribution (Regulation) Act, 2010)
Schedules forming part of the accounts

| Particulars | For the year ended March 31, 2020 Rs. |
|-------------|---|
|-------------|---|

Schedule 7: Grant income
(Refer schedule 3)

| | |
|--------------------------|--------------------|
| Grant from FCRA agencies | 274,338,128 |
| | 274,338,128 |

Schedule 8: Health and family planning expense
(Refer Schedule 11-Note 2 (ix))

| | |
|--|--------------------|
| Advance family planning - II - John Hopkins University | 14,122,213 |
| Realising commitment to family planning - Bill and Melinda Gates Foundation | 25,939,815 |
| Strengthening capacity of rogi kalyan samitis - John D and Catherine T MacArthur Foundation | 6,156,822 |
| Network strengthening and strategic planning of ARC Coalition - The David & Lucile Packard Foundation | 163,622 |
| Expanding the quality of and access to adolescent reproductive services- Children's Investment Fund Foundation | 26,336,628 |
| Youth-led Action for Sex Education - Children's Investment Fund Foundation | 29,948,314 |
| Matrix of change - Children's Investment Fund Foundation | 14,258,167 |
| Realising commitment to family planning II- Bill and Melinda Gates Foundation | 8,438,983 |
| Strengthening the governance and operations of ARC coalition - The David & Lucile Packard Foundation | 1,117,555 |
| Investing in health and well being of adolescents - Children's Investment Fund Foundation | 6,595,517 |
| | 133,077,636 |

Schedule 9: Behaviour change communication expense
(Refer Schedule 11-Note 2 (ix))

| | |
|---|--------------------|
| Entertainment education initiative MKBKSH - Bill and Melinda Gates Foundation | 92,557,519 |
| Entertainment education initiative MKBKSH II - Bill and Melinda Gates Foundation | 7,925,417 |
| Enhancement of AI component in Snehai to improve user experience and personalisation for MKBKSH - International Foundation for Research and Education | 4,912,813 |
| | 105,395,749 |

Schedule 10: Community action for health expense
(Refer Schedule 11-Note 2 (ix))

| | |
|--|-------------------|
| Community based monitoring systems - The David & Lucile Packard Foundation | 32,301,400 |
| Elevating beneficiary voices in advocacy - The David & Lucile Packard Foundation | 3,563,343 |
| | 35,864,743 |




Population Foundation of India

(Financial Statements under Foreign Contribution (Regulation) Act, 2010)

Schedule 11: Statement of significant accounting policies and notes to the accounts

Background

1. (a) Population Foundation of India (PFI) is a non-government organization established in 1970 as a Society under the Societies Registration Act, 1860 by a group of socially committed industrialists led by Mr J.R.D. Tata and Dr Bharat Ram. PFI is at the forefront of policy advocacy and research on population issues in the country. PFI promotes and advocates for effective formulation and implementation of gender-sensitive population, health and development policies, strategies and programs.
- (b) PFI has the following significant registrations under various Acts, which are given below:
 - Permanent Account Number (PAN) – AAATP0002F
 - Under Section 12A of Income-tax Act, 1961 bearing registration number DLI (C) (I-1877)
 - Under Section 10(23C) of Income-tax Act, 1961 vide letter dated October 15, 2008.
 - Under Section 80 (G) of Income-tax Act, 1961 vide letter dated February 19, 2008.
 - Goods and Service Tax Registration No. 07AAATP0002F1ZA.
 - Provident Fund Registration No. DS/NHP/0003219/000
 - Employees State Insurance Corporation Registration No. 20001251200000999
 - Under Foreign Contribution (Regulation) Act, 1976 bearing registration No. 231650340. PFI has renewed the registration under the Foreign Contribution (Regulation) Act, 2010 / Foreign Contribution (Registration) Rules, 2011, for carrying out activities of social nature for a period of five years with effect from November 1, 2016 to October 31, 2021.
2. **Significant accounting policies:**

i) **Accounting convention:**

The financial statements have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India (Indian GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India, unless otherwise stated.

The accounting policies have been consistently applied by PFI and are consistent with those used in the previous years.

ii) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires PFI to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revisions to accounting estimates is recognized prospectively in current and future periods.



iii) **Fixed assets and depreciation:**

- (a) Fixed assets are stated at cost less accumulated depreciation.

Cost of acquisition/construction includes freight, duties, taxes and other incidental expenses incurred until installation/commissioning of the asset concerned.

Fixed Assets purchased specifically from Project/Program grants implemented by PFI/sub-grantees are charged to respective projects /programs in the year of purchase. Further, in order to keep quantitative and financial control over such assets, respective fixed assets account is debited with an equal credit to Deferred Grant in the Balance Sheet. Depreciation on such assets as per rates indicated in (b) below are reduced from respective fixed assets account and Deferred Grant account.

- (b) Fixed assets are depreciated on the written down value method at the following rates of depreciation:

| | |
|--|------|
| Building | 5% |
| Motor vehicles | 15% |
| Furniture and fixtures | 10% |
| Equipment | 15% |
| Computers/Printers | 60% |
| Temporary Wooden Partitions/Structures | 100% |

- (c) Leasehold land is amortized over the life of the lease.
- (d) Depreciation on additions are charged for the full year irrespective of the date of acquisition and no depreciation is charged on assets sold/discarded during the year.
- (e) Assets costing less than Rs. 5,000 each are charged off to the Income and Expenditure Account in the year of purchase.

iv) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to PFI and the revenue can be reliably measured.

Grant income

Financial assistance provided by the donors and funding agencies is recognized in the year it is received or when the entitlement for the grant is established. The grants and assistance received are recognized as revenue when all of the following conditions have been satisfied: -

- (i) PFI obtains control of the grant or the right to receive the grant;
- (ii) it is probable that the contribution will flow to PFI; and



(iii) the amount of the grant can be reliably measured.

The revenue from grant income is recognized over the periods necessary to match with related costs and only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

Interest on grant funds is credited to the restricted project fund, based on the rate implicit in the transaction.

v) **Grant expenses:**

Grant expenses comprise of: -

- a. Projects carried out by PFI out of donor funds;
- b. Projects carried out by other organisations out of donor funds as subgrantee.

Expenses carried out by PFI out of donor funds are booked on accrual basis. In respect of expenditure incurred by grantees on projects funded by PFI out of grant funds, they are accounted for based on the Quarterly Expenditure Reports and finally settled on the basis of Utilisation Certificates issued by independent firms of Chartered Accountants or by the Management.

Recovery of overheads from funded projects is made as per duly approved "Overhead Policy" of PFI and accordingly reflected in the financial statements.

vi) **Foreign currency transactions:**

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end exchange rate.

The exchange differences arising on such conversion and on settlement of the transactions are dealt with in the Income and Expenditure Account.

vii) **Taxes on income**

PFI prepares the computation of taxable income and application of income under the Income-tax Act 1961 as per Income and Expenditure Account (on accrual basis). Since there is no business activity carried out by PFI and all expenses are towards the objects of PFI / are for projects for which grant is received from government and non-government agencies and exempted under Section 12A of Income-tax Act, accordingly provisions for income-tax is not required to be recorded by PFI.

viii) **Contingent liabilities and provisions**

PFI makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:



- a) Possible obligation, the existence of which will be confirmed by the occurrence / non-occurrence of one or more uncertain events, not fully with-in the control of PFI.
- b) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
- c) Present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

As on March 31, 2020, PFI does not have any pending litigation.

- ix) Project expenses includes expenses allocated between projects on suitable basis (Also refer note (x) below). Nature wise summary of expenses shown under schedule 8, 9 and 10 is given below: -

| Summary of Expense - Schedule 8, 9 & 10 | Amount (Rs.) |
|---|--------------------|
| Salary and staff welfare | 93,779,902 |
| Consultancy and professional fee | 65,453,218 |
| Program promotion | 1,834,676 |
| Office running | 11,475,403 |
| Meeting and consultation | 3,766,437 |
| Printing and stationary | 1,810,970 |
| Travel | 17,003,070 |
| Communication | 2,420,661 |
| Production | 40,356,000 |
| Research and evaluation | 5,942,491 |
| Sub-grant | 27,573,081 |
| Purchase of fixed assets | 2,667,619 |
| Others | 254,600 |
| Total | 274,338,128 |

- x) (a) During the year a sum of Rs. 107,956,990 has been charged to the Projects funded by International and other agencies as salaries and overheads, including employee costs, on a basis considered reasonable by the management.
- (b) Administrative expenses of Rs. 61,511,812 have been paid as provided in Rule 5, The Foreign Contribution (Regulation) Rules, 2011.

For Population Foundation of India


Raam Kumar
 Chief Financial Officer


Poonam Muttreja
 Executive Director

Place: New Delhi
 Date: September 25, 2020

