



**AASA & Associates**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

To

**The Members of  
GRAM VIKAS**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **GRAM VIKAS, MOHUDA, BERHAMPUR – 760002, ODISHA** a society registered under the Society Registration Act which comprise the Balance Sheet as at 31st March 2022, and the Statement of Income & Application for the year then ended and notes to the financial statements, including a summary of significant accounting policies and notes there on.

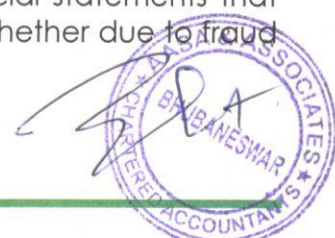
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information in the manner so required and give a true and fair view in conformity of the Society as at March 31, 2022 and of the excess of Application over Income for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management for the Standalone Financial Statements**

The Society's Management are responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Society and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



[www.aasaassociates.com](http://www.aasaassociates.com)



Plot No : 1149 I Govind Prasad  
Behind Ekamra Cinema  
Bhubaneswar I Odisha -751010



+91 9437029129  
+91 8249128976



[info@aasaassociates.com](mailto:info@aasaassociates.com)  
[amit@aasaassociates.com](mailto:amit@aasaassociates.com)

In preparing the financial statements, the management is responsible for assessing the Society ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those Management are also responsible for overseeing the Society's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

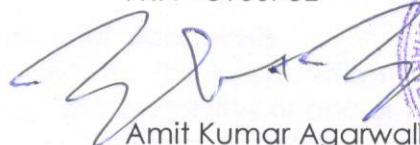
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a) In Our Opinion, proper books of account as required by law have been kept by the Society so far as it appears from our examination of those books.
- b) The Balance Sheet and the Income & Application Account dealt with by this Report are in agreement with the books of account.

Place: Bhubaneswar  
Date: 07.09.2022  
UDIN: 22063572ARLDQS5216

For **AASA & Associates**  
Chartered Accountants  
FRN - 310073E

  
Amit Kumar Agarwalla  
Partner  
Membership No. - 063572



## GRAM VIKAS

### BALANCE SHEET AS AT 31st MARCH 2022

Particulars	Sch.	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
<b>LIABILITIES</b>			
General Fund	I	36,32,61,547	37,05,21,169
Deferred Project Receipts	II	4,83,38,947	4,65,78,713
Project Funds - Restricted Grants	III A	5,07,32,532	7,17,05,398
Capital Asset Fund	IV	8,81,72,908	8,85,60,593
Other Funds	V	1,67,22,053	1,66,49,270
Current Liabilities and Provisions	VI	1,18,16,513	1,25,17,280
		<u>57,90,44,500</u>	<u>60,65,32,423</u>
<b>ASSETS</b>			
Fixed Assets	VII	8,81,72,908	8,85,60,593
Investments	VIII	14,38,45,705	17,29,69,942
Piped Water Supply Projects' Advances	III B	4,38,57,003	5,67,55,276
Current Assets	IX	21,93,62,173	20,67,93,523
Application out of Past Accumulations	X	8,38,06,711	8,14,53,089
		<u>57,90,44,500</u>	<u>60,65,32,423</u>

In terms of our attached report of even date.

FOR: AASA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:310073E



[ Amit Kumar Agarwalla, FCA ]  
P A R T N E R  
M. No.: 063572

Joe Madiath  
(Joe Madiath)  
Chairman

FOR: GRAM VIKAS

R. Sankar  
(R. Sankar)  
Treasurer

Liby T Johnson  
(Liby T Johnson)  
Executive Director

BHUBANESWAR  
DT: 07.09.2022

UDIN: 22063572ARLDQS5216

# GRAM VIKAS

## INCOME AND APPLICATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	Year ending 31.03.2022 (in Rupees)	Year ending 31.03.2021 (in Rupees)
<b><u>INCOME</u></b>		
Grants and Donations	1,84,95,341	58,000
Interest Income	48,62,060	47,95,847
Add: Interest income earned on donor funds - Grant-in-aid	<u>10,51,475</u>	<u>2,44,389</u>
Income from Investments	2,15,01,680	1,50,65,838
Income from Sale of assets	-	5,33,818
Reimbursements	4,79,972	4,31,504
House Rent Income	11,08,174	7,43,548
Miscellaneous Income	9,14,861	6,54,375
Overhead recoveries from the projects	8,35,345	35,97,077
Utilisation against restricted grant (Annex to Schedule - III A ) - Pass through entry	19,25,62,554	14,39,91,375
Total Income	<u><u>24,18,11,462</u></u>	<u><u>17,01,15,771</u></u>

### APPLICATION

#### Application - Programme - Revenue

Water	Annex - 1	1,33,33,194	94,71,652
Livelihoods	Annex - 2	12,75,281	25,82,488
Sanitation & Hygiene	Annex - 3	17,85,579	31,66,621
Habitat & Technology	Annex - 4	6,71,531	10,26,800
Education	Annex - 5	-	5,52,981
Village Institutions	Annex - 6	1,07,76,343	36,31,067
Disaster Relief and Rehabilitation	Annex - 7	78,331	2,059
Monitoring & Documentation	Annex - 8	43,96,829	42,16,682
Human Resource Development	Annex - 9	11,62,485	17,35,396
Strategies & Systems	Annex - 10	20,21,126	69,11,933
Grants & Donations		-	1,00,000
Audit Costs	Annex - 11	16,07,533	12,78,327
Staff Costs	Annex - 12	42,42,526	69,86,519
Administration Costs	Annex - 13	57,33,107	63,77,396
Utilisation against restricted grant (Annex to Schedule - III A ) - Pass through entry		19,25,62,554	14,39,91,375

#### Application - Programme - Capital

Capital Expenses		-	-
Depreciation on assets acquired from sources other than Income- Donor funds		13,58,838	12,30,540
Depreciation on assets acquired from sources other than Income- Past Accumulations		31,59,827	19,03,213
Total Application		<u>24,41,65,084</u>	<u>19,51,65,049</u>
Less:			
Application Amount in excess of the application to the extent of available Income met out of Past Accumulation transferred to Balance Sheet		23,53,622	2,50,49,278

24,18,11,462

17,01,15,771



UDIN: 22063572ARLDQS5216

**INCOME AND APPLICATION APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022**

Particulars	Period ending 31.03.2022 (in Rupees)	Year ending 31.03.2021 (in Rupees)
Add: Depreciation on assets acquired from sources other than income trf.	45,18,665	31,33,753
Less: Interest on Donor Project Funds trf.to Project Fund A/c-Grant-in-aid	10,51,475	2,44,389
Net Surplus	34,67,190	28,89,364

Note : Income and application account is prepared u/s 11 of Income Tax Act, 1961

As per report of even date

FOR: AASA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:310073E



*[Signature]*  
[ Amit Kumar Agarwalla, FCA]  
P A R T N E R  
M. No.: 063572

FOR: GRAM VIKAS

*[Signature]*  
(Joe Madiath)  
Chairman

*[Signature]*  
(R.Sankar)  
Treasurer

*[Signature]*  
(Liby T Johnson)  
Executive Director

BHUBANESWAR  
DT: 07.09.2022

UDIN : 22063572ARLDQS5216

# SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2022

## GENERAL FUND

Particulars	SCHEDULE - I	
	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Opening Balance	37,05,21,169	42,09,40,961
Add: Prior period Adjustment - Electrical fittings	-	10,440
Add: Net Surplus transferred from I & A Account	34,67,190	28,89,364
Add: Receipts against deferred project receipts	57,69,627	-
Less: Depletions in Sinking Fund for Vehicles	-	25,148
Less: Transferred to Deferred Project Receipts	-	4,65,78,713
Less: Bills raised against project funds	75,29,861	-
Less: Assets acquired out of Past Accumulation	89,66,578	67,15,735
Net General Fund	<u>36,32,61,547</u>	<u>37,05,21,169</u>

## DEFERRED PROJECT RECEIPTS

Particulars	SCHEDULE - II	
	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Opening Balance	4,65,78,713	-
Add: Transferred from General Fund	-	4,65,78,713
Add: Accretions against project receivables	75,29,861	-
Less: Receipts against deferred project receipts	57,69,627	-
	<u>4,83,38,947</u>	<u>4,65,78,713</u>

## PROJECT FUNDS - RESTRICTED GRANTS

Particulars	SCHEDULE - III A	
	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Opening Balance	7,17,05,398	4,12,04,187
Add: Project funds received	17,05,38,213	17,42,48,197
Add: Bank Interest earned on project funds	10,51,475	2,44,389
Less : Project Fund depletions	19,25,62,554	14,39,91,375
	<u>5,07,32,532</u>	<u>7,17,05,398</u>



**PIPED WATER SUPPLY PROJECTS (GOVT.)****SCHEDULE - III B**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Opening Balance	(5,67,55,276)	(8,10,98,929)
Add: Amount received/credited	1,61,00,912	2,91,27,473
Less : Amount spent	32,02,639	47,83,820
	<u>(4,38,57,003)</u>	<u>(5,67,55,276)</u>

**CAPITAL ASSET FUND****SCHEDULE - IV**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Opening Balance	8,85,60,593	9,10,84,361
Add: Assets purchased during the year	1,07,12,820	85,84,788
Less: Deletions at WDV	-	5,22,334
Less: Depreciation for the year 2021-22	1,11,00,505	1,05,86,222
	<u>8,81,72,908</u>	<u>8,85,60,593</u>

**OTHER FUNDS****SCHEDULE - V**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Arghyam Water Revolving fund	1,21,15,478	1,21,15,478
G.V.Employees Welfare Fund	26,86,144	25,31,141
Health Assurance Fund	12,01,956	12,01,956
Drinking Water Subsidy Fund	7,18,475	8,00,695
	<u>1,67,22,053</u>	<u>1,66,49,270</u>



**CURRENT LIABILITIES & PROVISIONS****SCHEDULE - VI**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Outstanding Expenses	4,69,775	10,64,283
Village Committee Water & Sanitation Program Payables	36,84,900	36,89,600
TDS collected & Payable	4,69,534	375
GST Collected & Payable	10,80,382	12,25,983
Gram Vikas EPF and EDLI Payable	8,80,714	9,98,181
Professional Tax Collected and Payable	28,875	-
GST Input Contingent Liability	49,65,210	53,49,578
Other payables	2,37,123	1,89,280
	<u>1,18,16,513</u>	<u>1,25,17,280</u>

**FIXED ASSETS****SCHEDULE -VII**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Land	65,68,763	65,68,763
Leasehold Property	2,92,535	2,95,614
Buildings	5,03,41,239	5,59,34,710
Vehicles	18,94,540	13,43,405
Electrical Fittings	6,59,788	3,52,690
Furniture & Fittings	23,89,592	23,79,353
Computer & Peripherals	18,90,493	23,88,791
Equipments	2,15,52,832	1,81,50,837
Cycles	9,206	10,831
Capital Work in Progress	25,73,920	11,35,599
	<u>8,81,72,908</u>	<u>8,85,60,593</u>

**INVESTMENTS****SCHEDULE-VIII**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
Investments in :		
RBI Bonds (8% Taxable)	3,50,00,000	6,50,00,000
Mutual Funds (Valued at cost)	10,88,45,705	10,79,69,942
	<u>14,38,45,705</u>	<u>17,29,69,942</u>



**CURRENT ASSETS****SCHEDULE -IX**

Particulars	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
<u>Advances</u>		
Programme expenditure advances	1,07,368	-
Toilet & Bathing room Advances	4,12,026	4,12,026
PGL Furnitures Pvt. Ltd.	29,122	29,122
Sundry Advances	1,93,342	1,87,685
Stock, Spares & Stores	36,25,365	39,36,703
Payment to EPFO for GV EPF Trust, towards settlement of accounts of t	30,00,000	30,00,000
	73,67,223	
<u>Receivables</u>		
ODRP Project receivables - OSDMA, Bhubaneswar	3,46,45,676	3,46,45,676
Urban Management Centre - UMC	14,10,396	16,08,052
Water & Sanitation Project - MCL Project Receivables	3,43,644	3,43,644
Water & Sanitation Project receivables - RSP, Rourkela	48,01,796	48,01,796
Rural Water Supply & Sanitation (Govt. of Odisha)	70,86,043	40,05,903
Schools Water supply Project, NALCO, Angul	51,392	51,392
Swabhimaan Project receivables - TSLPL, Joda	-	11,22,250
RWSS - JJM (ISA)	75,90,572	-
Village Committees Toilets & Bathing rooms Adv.receivable	12,22,287	12,22,287
Village Committees Water supply advances receivable	15,16,889	2,59,426
Village water supply projects' pending settlement	10,15,639	24,45,132
Rent Receivable	3,11,200	2,89,100
Interest Accrued on Deposits & Bonds and Dividend Rec.	25,02,365	19,00,882
Thrive Energy Technologies Pvt. Ltd.	6,63,911	6,63,911
Life Circle	1,85,880	17,490
Sundry Receivables	1,98,147	2,79,690
	6,35,45,837	
Deposits	20,18,205	20,17,205
<u>Statutory Receivables</u>		
TDS Deducted & Receivable	2,60,79,894	2,67,82,556
Service Tax and GST Receivable	15,62,130	19,46,498
	2,76,42,024	
<u>Cash and bank balances</u>		
Cash in hand	1,10,526	1,57,825
Cash at Bank :		
In Fixed Deposits with banks	4,18,66,964	4,22,61,801
In Savings Bank Accounts	7,68,11,394	7,24,05,471
	11,86,78,358	
	21,93,62,173	20,67,93,523



**APPLICATION FROM PAST ACCUMULATIONS/CORPUS****SCHEDULE -X**

Particulars	As at	As at
	31.03.2022 (in Rupees)	31.03.2021 (in Rupees)
Application out of Past Accumulation - 2018-19	1,51,41,308	1,51,41,308
Application out of Past Accumulation - 2019-20	4,12,62,503	4,12,62,503
Application out of Past Accumulation - 2020-21	2,50,49,278	2,50,49,278
Unabsorbed expenses incurred out of Past Accumulation during current year transferred from Income & Application A/c	23,53,622	-
	<u>8,38,06,711</u>	<u>8,14,53,089</u>



**INVESTMENTS**

\*(Valued at Cost)

Particulars	ANNEX to Investments	
	As at 31.03.2022 (in Rupees)	As at 31.03.2021 (in Rupees)
<b>Bonds</b>		
RBI Bonds (8% Taxable)	3,50,00,000	6,50,00,000
<b>Mutual Funds*</b>		
SBI Mutual Funds	26,81,370	26,81,370
UTI Mutual Funds	1,36,09,497	1,36,09,497
Sundaram Mutual Funds	1,57,41,955	1,50,48,681
Franklin India Mutual Funds	39,48,000	39,48,000
L&T (Fidelity) Mutual Funds	33,55,000	33,55,000
Reliance Mutual Funds	56,62,825	56,62,825
DSP Merrill Lynch Mutual Funds	64,99,900	64,99,900
Prudential ICICI Mutual Funds	1,20,21,643	1,18,39,154
Mirae Asset India Opportunity Fund	30,85,000	30,85,000
Birla Sunlife Mutual Funds	26,00,000	26,00,000
HDFC Mutual Funds	3,96,40,515	3,96,40,515
	<u>14,38,45,705</u>	<u>17,29,69,942</u>



# GRAM VIKAS

## (PROJECT FUNDS - RESTRICTED GRANTS)

### ANNEXURE TO SCHEDULE FOR RESTRICTED GRANTS FOR THE YEAR ENDED 31st MARCH 2022

Particulars	Annex. to Sch.-III A	
	Year ending 31.03.2022 (in Rupees)	Year ending 31.03.2021 (in Rupees)
<b>Opening Balance of Project Funds</b>	<b>7,17,05,398</b>	<b>4,12,04,187</b>
<b><u>Accretion during the year</u></b>		
Grants in Aid	17,05,38,213	17,27,97,585
Interest Income on donor funds transferred from Income & Application app. A/c	10,51,475	2,44,389
Swachh Bharat Mission support for Toilets & Bathing room projects	-	14,50,612
<b>Total</b>	<b>17,15,89,688</b>	<b>17,44,92,586</b>
<b><u>Depletion during the year</u></b>		
<b><u>Depletion - Programme - Revenue</u></b>		
Water	8,56,98,867	7,47,22,554
Livelihoods	1,70,71,554	1,28,73,610
Sanitation & Hygiene	1,16,83,294	1,69,96,899
Habitat & Technology	1,14,90,238	33,27,147
Education	1,05,600	21,34,538
Village Institutions	1,43,33,482	37,70,896
Disaster Relief and Rehabilitation	1,71,77,335	99,56,602
Monitoring, Documentation & Communication	1,20,05,961	30,64,392
Human Resource Development	38,05,838	42,62,262
Strategies & Systems	69,19,779	37,90,022
Grants and donations	50,000	-
Audit Costs	6,81,783	10,80,096
Staff Costs	65,59,055	33,73,191
Administration Costs	20,79,324	12,73,095
Project assets	17,46,242	18,69,053
Swachh Bharat Mission support for Toilets & Bathing room projects	11,54,202	14,97,018
<b>Total</b>	<b>19,25,62,554</b>	<b>14,39,91,375</b>
<b>Closing Balance of Project Funds</b>	<b>5,07,32,532</b>	<b>7,17,05,398</b>



## GRAM VIKAS

### PIPED WATER SUPPLY PROJECTS - GOVT. (RWSS)

#### ANNEXURE TO PIPED WATER SUPPLY PROJECTS' ADVANCES FOR THE YEAR ENDED 31st MARCH 2022

Annex. to Sch.-III B

Particulars	Year ending 31.03.2022 (in Rupees)	Year ending 31.03.2021 (in Rupees)
<b>Opening Balance</b>	<b>(5,67,55,276)</b>	<b>(8,10,98,929)</b>
<b><u>Accretion during the year</u></b>		
Receipts from Govt. of Odisha (Rural Water Supply & Sanitation)	1,24,00,827	1,90,27,014
Receivable from Govt. of Odisha (Rural Water Supply & Sanitation)	31,16,055	4,80,540
Village water supply project pending settlement	5,84,030	96,19,919
<b>Total</b>	<b>1,61,00,912</b>	<b>2,91,27,473</b>
<b><u>Depletion during the year</u></b>		
<b><u>Depletion - Programme - Revenue</u></b>		
Implementation of Piped water supply projects in villages	32,02,639	47,83,820
<b>Total</b>	<b>32,02,639</b>	<b>47,83,820</b>
<b>Closing Balance</b>	<b>(4,38,57,003)</b>	<b>(5,67,55,276)</b>



## GRAM VIKAS

## RESOURCE MOBILISATION AND UTILISATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	Total (Rs.)	Sources			
		Project Grants (Rs.)	CSR and UN Grants (Rs.)	Water & Sanitation (Govt.) (Rs.)	Own (Rs.)
<b><u>INCOME</u></b>					
Grants & Donations	18,90,33,554	16,59,54,966	45,83,247	-	1,84,95,341
Interest Income	59,13,535	10,51,475	-	-	48,62,060
Receipts from Govt. (Rural Water Supply & Sanitation)	1,24,00,827	-	-	1,24,00,827	-
Security deposit receivable from Govt. (Rural Water Supply & Sanitation)	31,16,055	-	-	31,16,055	-
Income from Investments	2,15,01,680	-	-	-	2,15,01,680
Income from Sale of assets	-	-	-	-	-
Reimbursements	4,79,972	-	-	-	4,79,972
House Rent Income	11,08,174	-	-	-	11,08,174
Miscellaneous Income	9,14,861	-	-	-	9,14,861
Overhead recoveries from the projects	8,35,345	-	-	-	8,35,345
<b>Total income</b>	<b>23,53,04,003</b>	<b>16,70,06,441</b>	<b>45,83,247</b>	<b>1,55,16,882</b>	<b>4,81,97,433</b>
<b><u>EXPENDITURE</u></b>					
Water	10,22,34,700	8,49,08,307	7,90,560	32,02,639	1,33,33,194
Livelihoods	1,83,46,835	1,55,19,114	15,52,440	-	12,75,281
Sanitation & Hygiene	1,46,23,075	1,16,83,294	-	11,54,202	17,85,579
Habitat & Technology	1,21,61,769	1,14,78,050	12,188	-	6,71,531
Education	1,05,600	1,05,600	-	-	-
Village Institutions	2,51,09,825	1,29,58,075	13,75,407	-	1,07,76,343
Disaster Relief and Rehabilitation	1,72,55,666	1,71,22,706	54,629	-	78,331
Monitoring, Documentation and Communication	1,64,02,790	93,70,564	26,35,397	-	43,96,829
Human Resource Development	49,68,323	27,26,394	10,79,444	-	11,62,485
Strategies & Systems	89,40,905	69,19,779	-	-	20,21,126
Grants & Donations	50,000	50,000	-	-	-
Audit Costs	22,89,316	6,81,783	-	-	16,07,533
Staff Costs	1,08,01,581	65,59,055	-	-	42,42,526
Administration Costs	78,12,431	20,43,386	35,938	-	57,33,107
Capital Expenditure	17,46,242	15,89,842	1,56,400	-	-
<b>Total expenditure</b>	<b>24,28,49,058</b>	<b>18,37,15,949</b>	<b>76,92,403</b>	<b>43,56,841</b>	<b>4,70,83,865</b>

As per report of even date

FOR: AASA & ASSOCIATES  
CHARTERED ACCOUNTANTS

PRN/310073E

[ Amit Agrawal, FCA ]

P A R T N E R

M. No.: 063572

BHUBANESWAR

DT: 07.09.2022

FOR: GRAM VIKAS

(Lily T Johnson)

Executive Director

**GRAM VIKAS**  
MOHUDA, BERHAMPUR - 760 002, ODISHA

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**1. Overview of the Society's Operations**

Gram Vikas is a voluntary non-partisan organisation working in partnership with marginalised people in rural and tribal areas in Orissa to help them attain a self-sufficient and dignified quality of life. Gram Vikas is involved in community development of communities and social transformation.

Vision

*An equitable and sustainable society where people live in peace with dignity*

Mission

*To promote processes, which are sustainable, socially inclusive, and gender equitable, to enable critical masses of poor and marginalized rural people or communities to achieve a dignified quality of life.*

**2. Significant Accounting Policies**

**2.1. Basis of Accounting:**

The Accounting Standards issued by the Institute of Chartered Accountants of India are applicable to non-profit entities only if any part of the activities of the entity is considered to be commercial, industrial or business in nature. The Society is not carrying on any activity in the nature of commercial, industrial or business. Therefore, the accounting Standards are not mandatory and have been followed to the extent of practicable or relevant. The Accounts of GRAM VIKAS are prepared under the historical cost convention and ongoing concern concept. Items of Income and Expenses are recorded and accounted for on accrual basis and is as per the Generally Accepted Accounting Principles and except stated otherwise. The accounting policies have been consistently applied by the Society.

**2.2. Revenue / Expenditure recognition:**

I. All Income and Expenditures of the Society are accounted in the accounts on Accrual basis, unless mentioned specifically hereunder.

**II. Grant Accounting**

Restricted Grants

Any restricted grant that has been received by the Society has been specifically used as per the directions of Donor and such grants are not treated as income. Such restricted grants are subject to specific utilization and are utilized in accordance with the donor contracts/directions. Such grants being in the nature of legal obligations are treated as liability in the Balance Sheet to the extent of Grant unutilised at the end of the Financial Year. However, for disclosure purposes the grant amount, to the extent utilized, is reflected on both the side of the Income and Application Account which does not have any impact on the income or deficit of the year. Unspent balances, if any, are to be transferred back to Donor or to be dealt with in accordance with the instructions



of donor agency. The same approach has been taken in case of grants received from government or its agencies where the arrangement with the Society is based on guidelines of the government.

#### Voluntary Grants

Any voluntary contribution/grant of revenue-nature is recognized as income in the Statement of Income and Expenditure. Further, voluntary contributions/grants are given only to 12AA registered organisations who are having similar objects.

#### Corpus Grant

The Corpus donation/grant received by the Society are not treated as Income. Corpus grants given by the Society are not claimed as utilization. However, during the reported period there is no such corpus grant received or contributed by the Society.

### **III. Profit / Loss on sale of Investments**

Profit / Loss on sale of Investments in Mutual Funds/Bonds are recognised in the accounts on realisation basis only.

### **IV. Income from investments and deposits**

Dividends/Interests on Investment in Mutual Funds/Bonds are recognised in the accounts on accrual basis. Interest Income from Term Deposits are recognised in the accounts on accrual basis. Interest Income from Savings Accounts are recognised in the accounts on realisation basis.

#### **2.3. Transactions in Foreign Currency:**

Grants received in foreign currency by the bank converted at the rate determined by the bank. After conversation into Indian rupees, funds have been credited to our bank account and duly accounted for in the books of account.

#### **2.4. Treatment of stock and stores**

The stock and stores have been valued, verified and certified by the management as per generally accepted accounting principles. The Management had valued the stock and stores at cost.

#### **2.5. Treatment of Fixed Assets:**

##### ***Fixed Assets & Depreciation:***

- i) Fixed Assets are stated at Historical Cost less depreciation. Cost includes all the expenses incurred to bring the assets to its present location and condition.
- ii) Depreciation on fixed assets is calculated as per written down value method on the basis of rates prescribed under the Income Tax Act, 1961. For Assets put to use for less than 180 days during the previous year 50% of the normal depreciation is provided. In other cases, 100% depreciation is provided.

Depreciation is charged to the Income and Application Account only against assets acquired from sources other than income of the organisation, in terms with the provisions of section 11(6) of the Income Tax Act, 1961.

Depreciation on assets charged to the Income and Application Account is not claimed as application, in terms with the provisions of section 11(6) of the Income Tax Act, 1961. However, for true and fair reflection of the financial statements such assets are reflected at written down value in the balance sheet and the depreciation thereof is met out from the corresponding Capital Asset Fund created.



**Capital Asset Fund:**

Acquisitions of assets from sources other than income of the Society including Funding Agency grants are retained in the books at written down value, by creating Capital Asset Fund (Sch. III). Assets acquired out of income of the Society are also retained in the books by transferring to Capital Asset Fund (Sch. III).

- 2.6. As per decision of management, the following funds have been created for specified purposes stated below for strengthening the organisation goal.

I. No.	Details of Funds	Specified Purposes
a.	Health Assurance Fund	To meet the contingencies towards medical expenses of staff and volunteers.
b.	G.V. Employees' Welfare Fund	For support and relief in the event of emergency needs of the staff.

- 2.7. With regard to the outstanding receivables from RWSS, based on the information received from Govt. of Odisha (Rural Water & Supply system department) reconciliation process of 459 villages have been completed and the reconciliation work on rest of the villages where the funds have been received in full and final settlement as of 31 March 2022 is underway.

**2.8. Treatment of Investments**

The entire investment portfolio is considered long-term by the Management and valued at cost. Investments in mutual funds have been valued at cost. However, the present values of such investments are not ascertained at the end of the financial year as all the investments are held on long term basis.

- 2.9. The Regional Provident Fund Commissioner has made an Assessment and has levied a demand amounting to ₹ 2,39,51,717 towards recovery of damages and interest u/s 14B and 7Q of the EPF and MP Act. Aggrieved by the said orders, Gram Vikas has filed writ before the Hon'ble Orissa High Court vide W.P.(C) No. 18183 of 2021 with I.A. No. 8279 of 2021. The Hon'ble Orissa High Court has granted Stay on demand and the writ is pending disposal.
- 2.10. The Deputy Commissioner of Income Tax (Exemptions) has made assessments and has levied demand of ₹ 48,67,470, ₹ 85,60,352, ₹ 1,51,90,369 for the assessment years 2014-15, 2015-16 and 2017-18 respectively. Aggrieved by the said orders, Gram Vikas has filed appeal for the said cases before the Commissioner of Income Tax (Appeals). The said appeals are pending disposal. However, the amount towards demand raised by ITD for the assessment years 2014-15, 2015-16 have been adjusted by Income Tax department against the refund due to Gram Vikas.
- 2.11. Previous year figures have been regrouped and/or reclassified/rearranged where ever considered necessary to confirm current year's presentation and to address the changes in reporting in annual income tax returns. As per the decision of the Management, the earmarked funds grouped under the head "Other Funds" have now been separately brought under the heads "General Fund" and "Other Funds". The separation has been done on the basis of nature of funds. Funds without any third-party liability have been brought under the head "General Fund". Funds which have third-party liability have been retained under the head "Other Funds". Earmarked Funds moved to the heads "General Fund" are (i) Shelter Subsidy Fund, Rs. 7,28,57,068, (ii) Housing Loan Subsidy Fund, Rs. 2,28,98,258, (iii) Housing Revolving Fund, Rs. 7,50,000, (iv) SHG Revolving Fund, Rs. 11,00,000, and (v) Sinking Fund for vehicles, Rs.



37,14,976. Funds retained under the head "Other Funds" are (i) Arghyam Water Revolving Fund, Rs. 1,21,15,478, (ii) Drinking Water Subsidy Fund, Rs. 7,18,475, (iii) Gram Vikas Employees Welfare Fund, Rs. 26,86,144 and (iv) Health Assurance Fund, Rs. 12,01,956.

2.12. In light of the changes in the reporting in Annual Income Tax returns the management has adopted the policy to separate the head "General Funds" into two separate heads. The head "General Fund" includes funds belonging to Gram Vikas Society, without any third-party claims. The head "Deferred Project Receipts" includes receivables from donors against claims made by Gram Vikas recognized as Revenue in previous years.

As per report of even date  
For AASA & Associates  
Chartered Accountants  
ERN:310073E

(Amit Kumar Agarwalla)  
Partner

M. No. 063572  
Camp: Mohuda  
Date: 07-09-2022

(Joe Madiath)  
Chairman

(R. Sankar)  
Treasurer

(Liby T Johnson)  
Executive Director

UDIN: 22063572ARLDQS5216