



INDEPENDENT AUDIT REPORT

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **GRAM VIKAS, MOHUDA, BERHAMPUR - 760 002, ODISHA** a society registered under the Societies Registration Act which comprise the Balance Sheet as at 31st March 2020 and 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 with the accounting principles generally accepted in India, of the state of affairs of the Society as at March 31, 2020 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.

Responsibility 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Responsibility 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. Mis-statements 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.

Other Matter

- a. In the preparation of the Income & Application Account and Balance Sheet, Opening Balances as on 01.04.2019 were considered from the previous year audited Accounts which reconciles with the figures as per the books of accounts maintained by the society.
- b. The Income & Application Account and Balance Sheet of the Organisation are prepared by the management from the books of accounts maintained by the Society.

Our opinion is not modified in respect of these matters.

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 & the Income & Application Account dealt with by this Report are in agreement with the books of account.

Date: 17.10.2020

PLACE: CUTTACK

FOR: N R S M & ASSOCIATES
CHARTERED ACCOUNTANTS



[NR RAY, FCA]
PARTNER
M.No. 055448

UDIN: 20055448AAAAKX4533

GRAM VIKAS

BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Sch.	As at 31.03.2020 (in Rupees)	As at 31.03.2019 (in Rupees)
<u>LIABILITIES</u>			
General Fund	I	31,94,14,960	33,66,97,457
Project Funds - Restricted Grants	IIA	4,12,04,187	4,58,58,076
Capital Asset Fund	III	9,10,84,361	8,79,21,986
Dairy Development Fund		1,80,551	1,80,551
Other Funds	IV	11,97,35,995	12,02,06,495
Current Liabilities and Provisions	V	2,18,69,521	2,86,15,403
		59,34,89,575	61,94,79,968
<u>ASSETS</u>			
Fixed Assets	VI	9,10,84,361	8,79,21,986
Investments	VII	17,27,63,855	20,31,14,950
Piped Water Supply Projects' Advances	IIB	8,10,98,929	9,74,52,566
Current Assets	VIII	19,21,38,619	20,95,86,399
Deficit to be set off against future income		5,64,03,811	2,14,04,067
		59,34,89,575	61,94,79,968

In terms of our attached report of even date.

FOR: N R S M & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR: GRAM VIKAS

[N R RAY, FCA]
P A R T N E R
M. No.: 055448



Joe Madiath

(Joe Madiath)
Chairman

R. Sankar

(R. Sankar)
Treasurer

Liby T Johnson

(Liby T Johnson)
Executive Director

BHUBANESWAR
DT: 26.09.2020



GRAM VIKAS

INCOME AND APPLICATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Year ending 31.03.2020 (in Rupees)	Year ending 31.03.2019 (in Rupees)
<u>INCOME</u>		
Grants and Donations	10,001	3,79,675
Interest Income	68,81,619	55,65,154
Add: Interest income earned on donor funds - Grant-in-aid	<u>2,76,694</u>	3,84,509
Income from Investments	1,53,89,435	2,48,85,040
Income from Sale of assets	24,000	11,885
Reimbursements	6,28,454	8,55,117
House Rent Income	5,34,624	6,41,171
Miscellaneous Income	6,25,014	7,75,063
Liabilities written back	4,54,381	99,073
Overhead recoveries from the projects	54,72,557	81,55,040
Income Accumulated u/s 11(2) during the FY (2016-17)	-	60,00,000
Restricted Grant to the extent of utilisation (Pass through entry)	13,69,90,112	-
Deficit to be set off against Future Surplus	4,12,62,503	2,14,04,067
Total	<u><u>20,85,49,394</u></u>	<u><u>6,91,55,794</u></u>

APPLICATION

Application - Programme - Revenue

Water	Annex - 1	1,55,96,813	56,37,809
Livelihoods	Annex - 2	33,01,134	31,14,166
Sanitation & Hygiene	Annex - 3	1,20,86,783	1,18,25,087
Habitat & Technology	Annex - 4	7,45,715	6,85,884
Education	Annex - 5	2,37,715	14,35,443
Village Institutions	Annex - 6	10,06,841	2,07,319
Monitoring & Documentation	Annex - 7	59,37,081	50,22,901
Human Resource Development	Annex - 8	31,52,799	22,19,975
Strategies & Systems	Annex - 9	61,60,832	70,83,894
Disaster Relief and Rehabilitation	Annex - 10	-	2,100
Grants & Donations		60,000	1,00,000
Audit Costs	Annex - 11	19,86,625	16,19,820
Staff Costs	Annex - 12	1,05,01,180	1,19,43,323
Administration Costs	Annex - 13	85,91,739	1,04,93,438
Utilisation against restricted grant (Annex to Schedule - II A)		13,69,90,112	-

Application - Programme - Capital

Capital Expenses		-	-
Depreciation on assets acquired from sources other than Income- Donor		11,95,209	11,88,821
Depreciation on assets acquired from sources other than Income- GV		9,98,816	3,13,055
Less: Upto 15% statutory accumulation u/s 11(1) for indefinite period		-	62,62,759
Total		<u><u>20,85,49,394</u></u>	<u><u>6,91,55,794</u></u>



INCOME AND APPLICATION APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Period ending	Year ending
	31.03.2020 (in Rupees)	31.03.2019 (in Rupees)
Upto 15% Statutory accumulation u/s 11(1) for indefinite period	-	62,62,759
Add: Depreciation on assets acquired from sources other than income trf.	21,94,025	15,01,876
Less: Interest on Donor Project Funds trf.to Project Fund A/c-Grant-in-aid	2,76,694	3,84,509
Net Deficit	<u>19,17,331</u>	<u>73,80,126</u>

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

As per report of even date

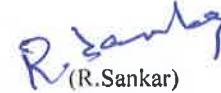
FOR: N R S M & ASSOCIATES
CHARTERED ACCOUNTANTS


FOR: GRAM VIKAS


[N R RAY, FCA]
P A R T N E R
M. No.: 055448




(Joe Madiath)
Chairman


(R.Sankar)
Treasurer


(Liby T Johnson)
Executive Director

BHUBANESWAR
DT: 26.09.2020



SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2020

GENERAL FUNDS	SCHEDULE - I	
Particulars	As at 31.03.2020 (in Rupees)	As at 31.03.2019 (in Rupees)
Opening Balance	33,66,97,457	33,70,99,269
Add: Prior Year adjustments	-	49,900
Add: Net Surplus transferred from I & A Account	19,17,331	73,80,126
Less: Assets acquired out of earlier years' Acc.	1,29,37,069	18,31,838
Less: Income Accumulated U/s.11(2) during the FY 2016-17	-	60,00,000
Less: Upto 15% statutory accumulation u/s 11(1) during 2018-19 w/o	62,62,759	-
Net General Fund	31,94,14,960	33,66,97,457

PROJECT FUNDS - RESTRICTED GRANTS	SCHEDULE - II A	
Particulars	As at 31.03.2020 (in Rupees)	As at 31.03.2019 (in Rupees)
Opening Balance	4,58,58,076	3,06,35,567
Add: Project funds received	13,20,59,529	16,46,32,847
Add: Bank Interest earned on project funds	2,76,694	3,84,509
Less : Project Fund depletions	13,69,90,112	14,97,94,847
	4,12,04,187	4,58,58,076

PIPED WATER SUPPLY PROJECTS (GOVT.)	SCHEDULE - II B	
Particulars	As at 31.03.2020 (in Rupees)	As at 31.03.2019 (in Rupees)
Opening Balance	(9,74,52,566)	(9,50,61,992)
Add: Amount received/credited	2,53,52,206	1,78,52,820
Less : Amount spent	89,98,569	2,02,43,394
	(8,10,98,929)	(9,74,52,566)



CAPITAL ASSET FUND**SCHEDULE - III**

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2019 (in Rupees)
Opening Balance	8,79,21,986	9,55,97,435
Add: Assets purchased during the year	1,39,26,299	29,00,538
Less: Deletions at WDV	25,968	19,976
Less: Depreciation for the year 2019-20	1,07,37,956	1,05,56,011
	<u>9,10,84,361</u>	<u>8,79,21,986</u>

OTHER FUNDS**SCHEDULE - IV**

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2019 (in Rupees)
Arghyam Water Revolving fund	1,21,15,478	1,21,15,478
G.V.Employees Welfare Fund	24,65,076	17,49,818
Health Assurance Fund	12,01,956	12,06,362
Sinking Fund for Vehicles	37,40,124	37,40,124
Shelter Subsidy Fund	7,28,57,068	7,28,57,068
Housing Revolving Fund	7,50,000	7,50,000
Drinking Water Subsidy Fund	26,08,035	37,89,387
SHG Revolving Fund	11,00,000	11,00,000
Housing Loan Subsidy Fund	2,28,98,258	2,28,98,258
	<u>11,97,35,995</u>	<u>12,02,06,495</u>

CURRENT LIABILITIES & PROVISIONS**SCHEDULE - V**

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2018 (in Rupees)
Advance for sale of assets	5,50,508	40,500
Outstanding Expenses	33,66,720	14,86,809
Village Committee Water & Sanitation Program Payables	36,17,537	39,52,405
TDS collected & Payable	87,607	34,162
GST Collected & Payable	8,35,106	-
Gram Vikas GST, EPF and EDLI Payable account	8,88,613	12,87,272
GST Input Contingent Liability	51,66,756	40,32,112
Village water supply projects' pending settlement	72,04,838	1,73,20,239
Other payables	1,51,836	4,61,904
	<u>2,18,69,521</u>	<u>2,86,15,403</u>



FIXED ASSETS**SCHEDULE -VI**

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2019 (in Rupees)
Land	65,68,763	65,68,763
Leasehold Property	2,98,693	3,01,772
Buildings	6,16,29,173	5,50,64,765
Vehicles	17,89,399	21,31,144
Electrical Fittings	3,25,744	3,59,192
Furniture & Fittings	25,02,808	27,78,629
Computer & Peripherals	20,92,207	20,95,381
Equipments	1,58,64,831	1,86,07,348
Cycles	12,743	14,992
	<u>9,10,84,361</u>	<u>8,79,21,986</u>

INVESTMENTS**SCHEDULE -VII**

*(Valued at Cost)

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2019 (in Rupees)
Investments in :		
Fixed Deposits	-	3,00,00,000
RBI Bonds (8% Taxable)	6,50,00,000	6,50,00,000
Mutual Funds*	10,77,63,855	10,81,14,950
	<u>17,27,63,855</u>	<u>20,31,14,950</u>



CURRENT ASSETS

SCHEDULE -VIII

Particulars	As at	
	31.03.2020 (in Rupees)	31.03.2018 (in Rupees)
<u>Programme Advances</u>		
Programme expenditure advances	26,36,276	-
Toilet & Bathing room Advances	3,42,582	4,12,954
Mahindra & Mahindra - Maligoan Solar power project	-	4,00,000
	<u>29,78,858</u>	
<u>Advance towards Capital WIP</u>		
DLF Cybercity, Bhubaneswar	-	1,10,22,837
PGL Furnitures Pvt. Ltd.	29,122	29,122
	<u>29,122</u>	
ODRP Project receivables - OSDMA, Bhubaneswar	3,48,89,578	3,48,89,578
Water & Sanitation Project - MCL Project Receivables	65,26,694	53,61,981
Water & Sanitation Project - OPGCL Project Receivables	-	29,28,223
Water & Sanitation Project receivables - RSP, Rourkela	1,15,05,466	56,26,650
Rural Water Supply & Sanitation (Govt. of Odisha)	35,25,365	22,12,498
Schools Water supply Project, NALCO, Angul	51,392	8,75,394
Swabhimaan Project receivables - TSLPL, Joda	77,37,002	16,24,387
Village Committees Toilets & Bathing rooms Adv.receivable	12,18,287	26,13,122
Village Committees Water supply advances receivable	2,34,528	2,34,528
TDS Deducted & Receivable	2,89,40,400	3,23,01,879
Service Tax and GST Receivable	17,70,167	19,08,260
Rent Receivable	1,45,600	1,45,000
Siverpine Hospitality Pvt. Ltd.	-	3,72,737
Sundry Advances	3,03,968	2,90,042
Deposits	19,79,353	10,51,542
Receivables	8,74,457	8,77,434
Interest Accrued on Deposits & Bonds and Dividend Rec.	31,15,956	35,42,183
Stock, Spares & Stores	43,46,804	72,26,478
<u>Cash and bank balances</u>		
Cash in hand	1,52,335	1,09,446
Cash at Bank :		
In fixed Deposits with banks	5,31,27,695	6,22,43,091
In Savings Bank	2,85,75,131	2,99,22,916
In transit	70,000	
Cheques-in-hand	40,461	13,64,117
	<u>8,18,13,287</u>	
	<u>19,21,38,619</u>	<u>20,95,86,399</u>



GRAM VIKAS

(PROJECT FUNDS - RESTRICTED GRANTS)

ANNEXURE TO SCHEDULE FOR RESTRICTED GRANTS FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Annex. to Sch.-II A	
	Year ending 31.03.2020 (in Rupees)	Year ending 31.03.2019 (in Rupees)
Opening Balance of Project Funds	4,58,58,076	3,06,35,567
<u>Accretion during the year</u>		
Grants in Aid	12,38,50,029	11,56,71,897
Interest Income on donor funds transferred from Income & Application app. A/c	2,76,694	3,84,509
DWSM supported SBM Toilets & Bathing rooms Prog.	82,09,500	4,89,60,950
Total	13,23,36,223	16,50,17,356
<u>Depletion during the year</u>		
<u>Depletion - Programme - Revenue</u>		
Water	5,06,61,682	2,92,52,089
Livelihoods	2,60,58,350	1,28,09,022
Sanitation & Hygiene	3,09,01,352	5,18,85,103
Habitat & Technology	67,46,850	30,03,095
Education	13,97,784	7,80,000
Village Institutions	7,83,196	4,88,164
Monitoring & Documentation	26,67,109	11,58,371
Human Resource Development	16,98,937	12,60,454
Strategies & Systems	4,46,293	3,34,285
Disaster Relief and Rehabilitation	57,13,807	22,12,126
Grants and donations	-	91,032
Audit Costs	1,35,700	1,47,000
Staff Costs	-	15,25,356
Administration Costs	2,80,900	51,11,149
Project assets	9,89,230	10,68,700
DWSM supported SBM Toilets & Bathing rooms Prog.	85,08,922	3,86,68,901
Total	13,69,90,112	14,97,94,847
Closing Balance of Project Funds	4,12,04,187	4,58,58,076



GRAM VIKAS

PIPED WATER SUPPLY PROJECTS - GOVT. (RWSS)

ANNEXURE TO PIPED WATER SUPPLY PROJECTS' ADVANCES FOR THE YEAR ENDED 31st MARCH 2020 Annex. to Sch.-II B

Particulars	Year ending 31.03.2020 (in Rupees)	Year ending 31.03.2019 (in Rupees)
Opening Balance	(9,74,52,566)	(9,50,61,992)
<u>Accretion during the year</u>		
Receipts from Govt. of Odisha (Rural Water Supply & Sanitation)	1,48,85,453	1,72,50,712
Receivable from Govt. of Odisha (Rural Water Supply & Sanitation)	23,74,679	6,02,108
Village water supply project pending settlement	80,92,074	-
Total	2,53,52,206	1,78,52,820
<u>Depletion during the year</u>		
<u>Depletion - Programme - Revenue</u>		
Implementation of Piped water supply projects in villages	89,98,569	80,11,554
Village water supply project pending settlement	-	1,22,31,840
Total	89,98,569	2,02,43,394
Closing Balance	(8,10,98,929)	(9,74,52,566)



EXPENDITURE

Particulars	Year ending 31.03.2020 (in Rupees)
Annex - 1	
WATER	
Piped Water Supply	1,41,72,240
Water Quality Management	5,40,850
Water Source Sustainability	8,83,723
	<u>1,55,96,813</u>
Annex - 2	
LIVELIHOODS	
Forest Rights Act	17,46,080
Masons' Training	92,505
Farm Livelihoods	9,18,701
Project - HRDP Nayagarh	1,74,841
Project - OTELP Kalahandi	97,221
Pilot - Safe Migration	2,71,786
	<u>33,01,134</u>
Annex - 3	
SANITATION & HYGIENE	
Toilets-bathing rooms construction	64,09,104
WAS	54,64,445
Nutrition Gardens	1,40,266
Project - School Sanitation	72,968
	<u>1,20,86,783</u>
Annex - 4	
HABITAT & TECHNOLOGY	
Smart Community Interface	33,487
Renewable Energy	7,12,228
	<u>7,45,715</u>
Annex - 5	
EDUCATION	
Support to Gram Vikas residential schools	2,37,715
	<u>2,37,715</u>
Annex - 6	
VILLAGE INSTITUTIONS	
Strengthening VWSCs	9,00,451
Convergence with Panchayats	29,126
Other Community Capacity Building	77,264
	<u>10,06,841</u>
Annex - 7	
MONITORING & DOCUMENTATION	
Status Assessment Survey	25,45,464
Strengthening programme monitoring	11,19,971
Review, Reporting & Documentation	22,71,646
	<u>59,37,081</u>
Annex - 8	
HUMAN RESOURCE DEVELOPMENT	
Staff Development Cell	30,19,691
Performance Management	1,33,108
	<u>31,52,799</u>



Annex - 9

STRATEGIES & SYSTEMS

Strategic Communications	6,99,523
Resource Mobilisation	16,35,326
Strengthening Systems	35,55,983
Finance Accompaniment	2,70,000
	<u>61,60,832</u>

Annex - 10

DISASTER RELIEF AND REHABILITATION

Disaster Relief and Rehabilitation	-
	<u>-</u>

Annex - 11

AUDIT COSTS

Statutory Audit	4,83,776
Internal Audit	15,02,849
	<u>19,86,625</u>

Annex - 12

STAFF COSTS

Staff Costs	1,05,01,180
	<u>1,05,01,180</u>

Annex - 13

ADMINISTRATIVE COSTS

Administrative Costs	85,91,739
	<u>85,91,739</u>



GRAM VIKAS

RESOURCE MOBILISATION AND UTILISATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Total (Rs.)	Sources				Own (Rs.)
		Project Grants (Rs.)	CSR Grants (Rs.)	Water & Sanitation (Govt.) (Rs.)		
<u>INCOME</u>						
Grants & Donations	13,20,69,530	9,94,79,757	2,43,70,272	82,09,500	10,001	68,81,619
Interest Income	71,58,313	2,76,694	-	-	-	-
Receipts from Govt. (Rural Water Supply & Sanitation)	1,48,85,453	-	-	1,48,85,453	-	-
Security deposit receivable from Govt. (Rural Water Supply & Sanitation)	23,74,679	-	-	23,74,679	-	-
Income from Investments	1,53,89,435	-	-	-	1,53,89,435	-
Income from Sale of assets	24,000	-	-	-	24,000	-
Reimbursements	6,28,454	-	-	-	6,28,454	-
House Rent Income	5,34,624	-	-	-	5,34,624	-
Miscellaneous Income	6,25,014	-	-	-	6,25,014	-
Liabilities written back	4,54,381	-	-	-	4,54,381	-
Overhead recoveries from the projects	54,72,557	-	-	-	54,72,557	-
Total income	17,96,16,440	9,97,56,451	2,43,70,272	2,54,69,632	3,00,20,085	
<u>EXPENDITURE</u>						
Water	7,52,57,064	3,34,61,046	1,72,00,636	89,98,569	1,55,96,813	33,01,134
Livelihoods	2,93,59,484	2,60,58,350	-	-	1,20,86,783	7,45,715
Sanitation & Hygiene	5,14,97,057	2,90,76,091	18,25,261	85,08,922	2,37,715	10,06,841
Habitat & Technology	74,92,565	67,46,850	-	-	-	-
Education	16,35,499	13,97,784	-	-	-	-
Village Institutions	17,90,037	7,57,844	25,352	-	-	-
Monitoring & Documentation	86,04,190	24,74,695	1,92,414	-	-	-
Human Resource Development	48,51,736	16,51,361	47,576	-	-	-
Strategies & Systems	66,07,125	4,16,793	29,500	-	-	-
Disaster Relief and Rehabilitation	57,13,807	57,13,807	-	-	-	-
Grants & Donations	60,000	-	-	-	60,000	-
Audit Costs	21,22,325	1,35,700	-	-	19,86,625	-
Staff Costs	1,05,01,180	-	-	-	1,05,01,180	-
Administration Costs	88,72,639	1,46,426	-	-	85,91,739	-
Capital Expenditure	9,89,230	9,85,830	3,400	-	-	-
Total expenditure	21,53,53,938	10,90,22,577	1,94,58,613	1,75,07,491	6,93,65,257	
As per report of even date						

FOR: N R S M & ASSOCIATES
CHARTERED ACCOUNTANTSN R RAY, FCAI
PARTNER
M. No.: 055448BHUBANESWAR
DT: 26.09.2020

FOR: GRAM VIKAS

Liby T Johnson
Executive Director

GRAM VIKAS

MOHUDA, BERHAMPUR - 760 002, ODISHA

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

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:

All grants and receivables are accounted on accrual basis and expenditure and liabilities are recognised on accrual basis.

The Society accepts grants from donor agencies towards implementation of various programmes for carrying out specific purposes of rural development which includes improvement in the lives of rural and tribal poor. These grants are to be spent in accordance with the directions of the donor agencies and Society cannot utilise these



grants according to its own free-will. Unspent balances, if any, are to be transferred back to donor agency or to be dealt with in accordance with the instructions of donor agency.

In the case of some programmes undertaken with the support of government and other agencies, the funds received against the bills raised on them, as per the guidelines as underlined under the respective MoU, is reported as grant in view of the restriction on the expenditure and its nature as reimbursement of expenses. In the case of RWSS supported Piped water supply projects, for the expenses incurred, whether claimed or not, is shown separately.

Keeping in view the legal restrictions attached to the tied grants/ restricted grants specified in the Grant Award / MoU with the Society, such grants are accounted as Restricted Grants, in the nature of committed liability. 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.

Such grants do not form part of the income statement. Details of receipts and application of such tied/ restricted grants are given in Schedule-II to the Balance sheet and is treated as project funds. This schedule gives the picture of four different sources - Project grants, CSR grants and Government Grants for implementation of Sanitation projects under Swachh Bharat Mission.

2.3. 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 grant are not treated as income. Such restricted grants are subject to specific utilization and are utilized in accordance with the donor contract/directions. Such grants being in the nature of legal obligations are treated as liability in the Balance Sheet. However, for disclosure purposes the grant amount, to the extent utilized, is reflected on both the side of the Income and Expenditure Account which does not have any impact on the income or deficit of the year.

-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 the similar object.

-Corpus Grant

The corpus donation/grant received by the Society are not treated as Income.

The corpus grant 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.



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:

Depreciation has been charged on the fixed assets on the historical cost and also on the fixed assets acquired and put into use during the year.

Fixed Assets & Depreciation:

- i) Fixed Assets are stated at 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 Expenditure 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 Expenditure 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 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.

Sl. No.	Details of Funds	Specified Purposes
a.	Health Assurance Fund	To meet the contingencies towards medical expenses of staff and volunteers.
b.	Sinking Fund for Vehicles	To meet the contingencies towards the first party assurance for vehicles.
c.	G.V.Employees' Welfare Fund	For support and relief in the event of emergent needs of the staff.



2.7. Project funds (restricted grant funds) consists of funds received in advance and unutilised portion of funds received for various on-going projects.

a) **Transactions in Foreign Currency:** Grants are received in foreign currency by the bank under intimation to us and are converted at the rate as per the advice received from the bankers on issuance of the disposal instructions. After conversion into Indian rupees, funds have been credited to our bank account and duly accounted for in the books of account.

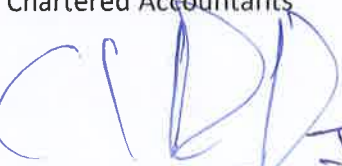
2.8. With regard to the outstanding receivables from RWSS, based on the information received from Govt. of Odisha (Rural Water & Supply system department) reconciliation process of 361 villages have been completed and the work on rest of the villages where the funds have been received in full and final settlement as of 31 March 2020 is underway.

2.9. Treatment of Investments:

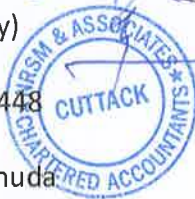
The entire investment portfolio is considered long-term by the Management and valued at cost. Investments in mutual funds have been valued at cost. However, the present values of such investments are not ascertained at the end of the financial year as all the investments are held on long term basis.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

2.10. Previous year figures have been regrouped and/or reclassified/rearranged where ever considered necessary to confirm current year's presentation.

As per report of even date
For N R S M Associates
Chartered Accountants



(CA N R Ray)
Partner
M. No. 055448



(Joe Madiath)
Chairman



(R. Sankar)
Treasurer



(Liby T Johnson)
Executive Director

Camp : Mohuda
Date : 26-09-2020

