

INDEPENDENT AUDITOR'S REPORT

To the members of The Centre for Internet and Society

Report on the audit of the financial statements

Qualified Opinion

We have audited the accompanying financial statements of Centre for Internet and Society ("the Society"), which comprise the Balance Sheet as at 31 March 2022, the Receipts & Payments account and Income & Expenditure account for the year ended 31 March 2022 and notes accompanying the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matters described in Basis for Qualified Opinion section of our report*, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of Balance Sheet, of the state of affairs of the Society as at 31 March 2022;
2. In the case of Receipts & Payments account, of the receipts and payments for the year ended 31 March 2022; and
3. In the case of Income and Expenditure account, of the excess of expenditure over income for the year ended 31 March 2022.

Basis for Qualified Opinion

We draw reference to Note 10(a) accompanying the financial statements, wherein the Society has explained about the misappropriation of funds in the earlier years and the consequent judiciary proceedings initiated against the ex-employee alleged of the misappropriation, who was in charge of finance and accounting function. Further Note 6(a) accompanying the financial statements states that that 'advance recoverable suspense' of Rs. 14,63,998/- represents the amounts suspected to have been misappropriated by the ex-employee during the FYs 2013-14 and 2014-15. In view of the ongoing judicial proceedings, we are unable to comment on the adjustments required, if any, and the recoverability of Rs. 14,63,998/- since these could be determined only on completion of the judicial proceedings.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('Standards' or 'SAs') issued by the Institute of Chartered Accountants of India (ICAI). 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 ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

1. We draw reference to Note 2(d), which states that the Society has incurred Rs. 6,13,109 in excess of the grant amount received from donors upto 31 March 2022 against specific projects (4 projects).
2. We draw reference to Note 2(e), which states that the funds received from Facebook India Online Services Pvt Ltd and Mozilla Core Grant are accounted based on 'fund accounting system' even though a formal document describing the substance of the understanding with the donor is not available for the reasons mentioned in the Note.

Our opinion on the financial statements is not modified in respect of the above matters.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and representation of these financial statements that give a true and fair view of the state of affairs, the receipts & payments and the income and expenditure account of the Society in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records, safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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 and error.

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

Those charged with governance are 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Society to cease to continue as a going concern.



Restriction on use:

This report has been issued solely for the members of the Society for the purpose of adoption of the financial statements of the Society and for submission to the Registrar of Societies in terms of Section 13 of Karnataka Societies Registration Act, 1960 and therefore should not be used for any other purpose or should not be distributed to any other parties. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No.0037925



D. Vinod Kumar
Partner

Membership No.224549
UDIN: 22224549AWDCMD1761

Place: Chennai
Date: 28 September 2022

The Centre for Internet & Society
Balance Sheet

Particulars	Note	As at 31 March 2022 Amount (Rs.)		As at 31 March 2021 Amount (Rs.)	
FUNDS AND LIABILITIES					
I. Capital and other funds					
i) General fund	1(A)	62,09,658		81,35,929	
ii) Capital funds used for purchase of Property, plant and equipment	1(B)	85,73,046		70,99,795	
iii) Balance in undisbursed funds	2	5,98,25,528	7,46,08,232	3,98,94,736	5,51,30,460
II. Liabilities					
Other current liabilities	3		57,000		4,42,055
Total			7,46,65,232		5,55,72,515
ASSETS					
i) Property, plant and equipment	1(B)	85,73,046		70,99,795	
ii) Cash and cash equivalents	4	6,25,46,013		4,51,69,402	
iii) Loans and advances	5	20,82,175		18,39,320	
iv) Advance recoverable suspense	6	14,63,998	7,46,65,232	14,63,998	5,55,72,515
Total			7,46,65,232		5,55,72,515

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

As per our report of even date attached
for Sharp & Tannan
Chartered Accountants
(Firm's Registration No. 003792S)



D. Vinod Kumar
Partner
Membership No. 224549

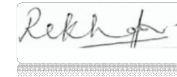
Place: Chennai
Date: 28 September 2022

for and on behalf of the Board of Trustees



T. Vishnu Vardhan
Executive Director (Interim)

Place:
Date: 28 September 2022



Rekha Jain
Chairperson

Place:
Date: 28 September 2022

The Centre for Internet & Society
Income and Expenditure Account

Particulars	Note	2021-22 Amount (Rs.)		2020-21 Amount (Rs.)	
INCOME:					
i) Consultancy income		9,50,000		4,35,266	
ii) General donations		-		14,000	
iii) Other income		-		1,49,861	
iv) Interest income		16,775		20,159	
v) Unspent specific grant	2(d)	-		26,32,819	
vi) Membership fees/registration fees		850		950	
vii) Untied project receipts	7	-	9,67,625	-	32,53,055
EXPENDITURE					
i) Expenditure against consultancy income		2,18,204		2,44,084	
ii) Untied project expenses	8	-		13,750	
iii) Bank charges		144		-	
iv) General administration		-		3,068	
v) Excess expenditure over specific funds	2(d)	-		1,56,865	
vi) General expenses		26,75,549	28,93,897	12,18,160	16,35,927
Excess of expenditure over income transferred to general fund			(19,26,272)		16,17,128

As per our report of even date attached
for **Sharp & Tannan**
Chartered Accountants
(Firm's Registration No. 003792S)



D. Vinod Kumar
Partner
Membership No. 224549

Place: Chennai
Date: 28 September 2022

for and on behalf of the Board of Trustees

T. Vishnu Vardhan **Rekha Jain**
Executive Director (Interim) Chairperson




Place:
Date: 28 September 2022

Place:
Date: 28 September 2022

The Centre for Internet & Society
Receipts and Payments Account

RECEIPTS			PAYMENTS				
Particulars	Note	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)	Particulars	Note	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
To opening balance of recoverables				By opening balance of liabilities			
b) Cash and bank balances		4,51,69,402	3,39,37,480	i) Other current liabilities		4,42,055	4,92,316
c) Loans and advances		18,39,320	30,86,724				
iii) Advance recoverable suspense		14,63,998	14,63,998				
		4,84,72,720	3,84,88,202				
To contributions received during the financial year	2	7,50,00,188	6,21,64,429	By expenditure against grant sanction during the financial year	2	5,50,69,396	5,12,70,824
To other receipts during the financial year				By other payments during the financial year			
i) Consultancy income		9,50,000	4,35,266	i) Expenditure against consultancy income		2,18,204	2,44,084
b) Interest on short term deposit		16,775	20,159	ii) Bank charges		144	-
iii) General donations		-	14,000	iii) United project expenses	8	-	13,750
F) Other income		-	1,49,861	iv) General administration		-	3,068
v) Membership fees/registration fees		850	950	v) General expenses		26,75,548	12,18,160
vi) United project income		-	-				
vii) Interest income	7	-	-				
		9,67,625	6,20,236				
To closure balance of liabilities				By closing balance of recoverables			
i) Other current liability	3	57,000	4,42,055	i) Cash and bank balances	4	6,25,46,013	4,51,69,402
				ii) Loans and advances	5	20,82,175	18,39,320
				iii) Advance recoverable suspense	6	14,63,998	14,63,998
Total		12,44,97,533	10,17,14,922	Total		12,44,97,533	10,17,14,922

As per our report of even date attached
for Sharp & Tanna
Chartered Accountants
(Firm's Registration No. 0037925)


D. Vinod Kumar
Partner
Membership No. 224549

Place: Chennai
Date: 28 September 2022

for and on behalf of the Board of Trustees



Rekha Jain
Chairperson


T. Vishnu Varadhan
Executive Director (Interim)

Place:
Date: 28 September 2022

The Centre for Internet & Society

Notes accompanying the financial statements

Note -I(A): General fund

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
Opening balance	81,35,929	65,18,802
Excess of expenditure over income transferred to general fund	(19,26,272)	16,17,127
Closing balance	62,09,657	81,35,929

Note -I(B): Capital fund/ Property, plant and equipment

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
Opening balance	70,99,795	66,98,941
Additions during the year	14,73,251	4,00,854
Closing balance	85,73,046	70,99,795

Note:

Property, plant and equipment held in the books were purchased against specific projects and were accounted based on fund accounting system i.e. recorded as payment in the respective specific project. For the purpose of control, the Property, plant and equipment were notionally recorded in the Balance Sheet with a corresponding credit to 'Capital Fund'.



T. Vishnuvardhan . Rekha

The Centre for Internet & Society
Notes accompanying the financial statements

Note - 2: Balance in undisbursed funds
a) Foreign

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for disbursement (Rs.)	Expenses during the year (Rs.)	Closed projects transferred to income & expenditure (Rs.)	Balance as at 31 March 2022		
							Total (Rs.)	Excess applied (Rs.)	Undisbursed funds (Rs.)
		[A]	[B]	[C] = [A + B]	[D]	[E]	[F] = [C - D - E]	[G]	[H]
Develop educational content under a free license	Wikimedia Foundation	41,02,308	1,89,03,435	2,29,05,744	1,23,91,501	-	1,05,14,243	-	1,05,14,243
Mozilla research grant (Making voices heard) 2019	Mozilla Voice	2,03,778	-	2,03,778	2,49,000	-	(45,222)	(45,222)	Excess Applied
Digital identity	Omidyar Fund	70,59,200	-	70,59,200	70,07,714	-	51,487	-	51,487
Tiger project 2.0	Wikimedia Foundation	23,30,363	-	23,30,363	-	-	23,30,363	-	23,30,363
Contributing to public internet copyright policy at the WIPO	American University Fund	8,93,942	-	8,93,942	13,92,285	-	(5,05,343)	(5,05,343)	Excess Applied
2021 Local Networks (LeNet) research policy and regulatory measures for community networks in India	Association for Progressive Communications telecom	8,27,046	-	8,27,046	8,17,506	-	9,546	-	39,540
Food Technology Policy Landscape Grant	Food Technology Policy Landscape Grant	47,81,542	-	47,81,542	46,92,629	-	88,913	-	88,913
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN	1,05,933	15,33,323	3,29,833	3,23,096	-	6,737	-	6,737
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN 2.0	-	15,33,323	15,33,323	4,83,104	-	10,48,219	-	10,48,219
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications Information and Communication Policy	1,49,000	1,49,000	1,49,000	1,49,000	-	-	-	-
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications Internet Rules	2,93,000	2,93,000	2,93,000	2,93,000	-	-	-	-
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OCHS Fund	2,45,662	2,45,662	2,45,662	2,45,294	-	368	-	368
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OVOF Grant	7,96,252	7,96,252	7,96,252	8,04,051	-	(7,799)	(7,799)	Excess Applied
Media market scoring and review	Global Distortion Index	14,036	11,70,272	11,93,336	9,33,896	-	2,59,446	-	2,59,446
Support of leadership transition and training	Hevilet Foundation	62,96,208	2,28,649	65,24,857	58,33,792	-	6,91,065	-	6,91,065
Hevilet QOS year 2 (TO BE REMOVED SINCE COMBINING I&2)	Hevilet Foundation	28,38,634	-	28,38,634	29,34,540	-	(8,04,054)	-	8,04,054
Research on digital platform	Internet Society Foundation Fund	66,22,238	60,29,189	1,26,51,727	54,24,218	-	72,27,509	-	72,27,509
Study of security ramifications of open-source software and areas of targeted intervention	Open Collective Foundation Fund	20,03,606	21,09,459	41,13,065	23,32,768	-	17,80,297	-	17,80,297
Mozilla Core Grant	Mozilla Core Grant (Mozilla Foundation)	37,40,305	37,40,305	37,40,305	2,662	-	37,37,643	-	37,37,643
Mozilla Open Telecom Data India	Mozilla Foundation	13,55,837	13,55,837	13,55,837	2,234	-	13,53,603	-	13,53,603
Omidyar Digital Society Challenge	Omidyar Fund	26,64,048	26,64,048	26,64,048	19,23,556	-	7,38,492	-	7,38,492
Omidyar Network Core Grant	Omidyar Fund	1,48,88,042	1,48,88,042	1,48,88,042	1,63,35,025	-	(1,32,55,017)	-	1,32,55,017
Omidyar Vision Grant	Omidyar Fund	49,42,286	49,42,286	49,42,286	8,41,292	-	41,00,994	-	41,00,994
PI Surveillance Drivers	Privacy International	3,97,261	7,97,261	7,97,261	8,53,006	-	(54,745)	(54,745)	Excess Applied
Privacy International Fund 2021-22	Privacy International	8,12,358	8,12,358	8,12,358	5,66,679	-	2,45,679	-	2,45,679
The International Labor Organisation Fund	The International Labor Organisation Fund	14,54,988	14,54,988	14,54,988	9,39,797	-	5,15,191	-	5,15,191
Digital identity systems: Developing a dynamic evaluation framework, tool	Research ICT Africa Fund	17,93,864	56,92,374	74,86,238	20,23,331	-	54,62,907	-	54,62,907
Research on facial recognition technology in India	University of Essex Fund	2,46,200	-	2,46,200	21,600	-	27,296	-	27,296
Research on the state of the internet's languages	Whose Knowledge Fund	12,17,325	-	12,17,325	2,70,600	-	9,46,725	-	9,46,725
Total - (A)		3,68,65,388	7,26,60,188	10,95,25,577	5,67,13,577		5,48,13,000	(6,13,109)	5,54,26,109

Signature

T. Ushammalashay

Retd.

b) Local

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year (Rs.)	Closed projects transferred to income & expenditure (Rs.) (Refer page 6) below)	Balance as at 31 March 2022				
							Total (Rs.)	Excess applied (Rs.)			Undisbursed funds (Rs.)
								[F] = [C - D - E]	[G]	[H]	
Regulatory practices lab		[A]	[B]	[C] = [A + B]	[D]	[E]					
Facebook India Online Services Pvt Ltd	Facebook India Online Services Pvt Ltd	-	23,40,000	23,40,000	-	-	23,40,000	-	-	23,40,000	
Facebook 2019 fund	Facebook India Online Services Pvt Ltd	16,024	-	16,024	-	-	16,024	-	-	16,024	
Research on artificial intelligence and privacy, RPL	Google India Pvt Ltd	22,29,324	-	22,29,324	3,31,819	-	18,97,504	-	-	18,97,504	
MRSR grant 2020	Microsoft Research Lab India Pvt Ltd	7,84,000	-	7,84,000	23,000	-	7,59,000	-	-	7,59,000	
Total - (B)		30,29,348	23,40,000	53,69,348	3,56,819	-	50,12,528	-	-	50,12,528	
Total (A+B)		3,98,94,736	7,50,00,488	11,48,94,924	5,50,69,396	-	5,98,25,528	(6,13,109)	-	6,04,38,638	

(c) The undisbursed funds of Rs. 5,98,25,528/- as at 31 March 2022 is subject to confirmation by the respective donors.

(d) During the year the Board has also approved to recognise the excess expenditure over specific grant amounting to Rs. 6,13,109/- (4 projects) as expenditure in income and expenditure account.

(e) From time to time, the Society receives grants from private corporations like Facebook India Online Services Pvt Ltd and Mozilla Core Grant carry out research. Unlike foundations which provide grant letters for research, companies provide 'gift letters' or 'letters of support' for the disbursement of funds. Though structured as a 'gift letter' or 'letter of support', the work has defined outputs and deliverables, timelines, and a budget just like a grant letter. The gifts or support are not given in exchange of services or products but to support research and/or educational endeavours similar to Grants from foundations. The Society uses the funds towards salaries and research costs as well as administrative costs of furthering the research and academic goals as per the specific requirements of the project. Any funds from the gift/support remaining beyond the time frame in the letter of gift/support is used towards furthering project and organisational requirements in similar areas of research, as per the understanding with the corporates. Accordingly, these funds are considered as earmarked grants and are accounted under the fund accounting system as per Note 11 (c).

gmc

F. Ashimulla

Rekha

The Centre for Internet & Society
Notes accompanying the financial statements

Note -3: Other current liabilities

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
i) Statutory liabilities	57,000	4,32,404
ii) Other current liabilities	-	9,651
Total	57,000	4,42,055

Note -4: Cash and cash equivalents

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
i) Cash in hand	-	-
ii) Cash at bank	6,21,41,308	4,47,81,472
iii) Term deposits (Refer note below)	4,04,705	3,87,930
Total	6,25,46,013	4,51,69,402

Note:

Term deposit has been maintained with M/s. Kotak Mahindra Bank towards corporate credit cards issued to select management staff.

Note -5: Loans and advances

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
i) TDS recoverable	14,49,076	13,54,065
ii) Rent deposits	6,00,000	4,17,400
iii) Staff advances	22,000	43,484
iv) Other advances	11,099	24,371
Total	20,82,175	18,39,320

Note -6: Advance recoverable suspense

Particulars	As at 31 March 2022 Amount (Rs.)	As at 31 March 2021 Amount (Rs.)
i) Funds recoverable (refer note (a) below)	14,63,998	14,63,998
Total	14,63,998	14,63,998

(a) Advance recoverable suspense represent amounts suspected to have been misappropriated by one of its employees who was in charge of finance and accounting function during the FYs 2013-14 and 2014-15. The Society is confident of recovering the entire amount in view of the legal proceedings initiated against the party (Refer note 10(a)). Accordingly, the entire advance is considered as good and recoverable.







The Centre for Internet & Society
Notes accompanying the financial statements

Note -7: Untied Project Receipts

Particulars	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
(Foreign)		
(Local)		
Total	-	-

Note -8: Untied project expense

Particulars	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
(Foreign)		
(Local)		
i) CMS Technology - Hockey Event	-	13,750
Total	-	13,750

[Signature]

T. Chinnarasathay

Rekh

The Centre for Internet & Society
Notes accompanying the financial statements

Note-9: Background and Operations of CIS

The CIS is registered as a society under the Karnataka Societies Registration Act, 1960 w.e.f. 04 July 2008. It has also been granted the status of "Charitable Trust" w.e.f. 05 February 2010 under section 12A of the Income Tax Act, 1961. Along with that, it has also obtained registration under the Foreign Contribution (Regulation) Act, 2010 and the nature of its activities are described as Cultural, Educational and Social.

The primary aim and object of the Centre for Internet and Society (CIS) is to educate the general Indian public and spread awareness about the developments in the field of Internet. It further aims to promote the usage of the Internet and conduct research in the same field.

Note-10: Other explanatory notes

(a) Advance recoverable suspense

During the financial year 2014-15, the Society had identified misappropriation of funds alleged to have been committed by an employee in charge of finance and accounts function at the Society. The employment contract with this individual has been terminated in 2015. Further the Board had also conducted a forensic investigation of the financial irregularities with the assistance of external consultants M/s. Deloitte Touche Tohmatsu India LLP.

The Society had, during the year 2014-15, initiated criminal proceedings against the ex-employee alleged of the misappropriation and the proceedings are in progress. Meanwhile, the Society had initiated civil recovery procedures during the financial year 2018-19 in connection with the alleged misappropriation. The proceeding is in progress and the next hearing is scheduled in November 2020. The Society is confident of recovering the entire amount of alleged misappropriation and accordingly 'Advance Recoverable Suspense' of Rs. 14,63,998/- is considered good and recoverable.

The management of the Society believes that identified / required adjustments and disclosures arising from the financial irregularities pertaining to the above, to the extent of the information available with the management, had been made in financial statements of financial year 2014-15. Based on the information available with the society, no adjustment is required to be made in the financial statements for the year ended 31 March 2022.

(b) Contingent liability

The Society had, on 7 April 2021 received a demand notice from the Income Tax Department amounting to Rs.19,86,148 for AY 2018-19. The Society has disputed with the demand raised and has appealed to the Income Tax Department on 3 May 2021. The Society, in a Special Board Meeting held on 8th May, 2022 had taken up this matter for discussion, and based on the advice received from its tax auditors, it was resolved to remit the said dues to the Department immediately and follow up on the matter through due procedures. Further, The Society is confident of winning the appeal and accordingly no provision is required.

(c) Income tax

The Society is currently registered under section 12A of the Income Tax Act, 1961 with Director of Income tax (exemptions) vide registration no .DIT(E)BLR/12A/C-713/AAABC0380R/ ITO(E)-Vol 2009-2010 dated 25 February 2010 w.e.f. 05 February 2010 and this registration was renewed, a new Certificate was issued by the ITO, with Unique Registration Number AAABC0380RE20173, dated 29.09.2021 by name FORM NO.10AC, Order for registration, which is now valid from AY 2022-23 up to AY 2026-27. This newly issued registration makes the Society eligible for tax exemption on total income subject to compliance with Specific provisions of the Indian Income tax, 1961.

Note -11: Significant accounting policies

(a) Basis for preparation of financial statements

The Financial Statements of the Society, consisting of Balance Sheet, Receipts & Payments Account and Income & Expenditure Account, are prepared by the Society under historical cost convention, on cash basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to Societies which do not carry out any commercial activity, the statements have been prepared in accordance with the significant accounting policies as described below.

(b) Property, plant and equipment

Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are stated at cost. The purchases are recorded as utilisation in the respective fund.

No depreciation is charged since the entire property, plant and equipment relates to specific projects and are accounted on fund accounting system.

(c) Donations and grants

Donations and grants received are recognised as income on receipt of such donation. Donations made with a specific direction that they shall form part of the corpus of the Trust are classified as corpus donations and are directly accounted as society fund receipts in the Balance Sheet.

Grants received from donors which are earmarked with specific budget (specific grants) are accounted based on fund accounting system. The receipts and payments pertaining to the specific fund is accounted in the fund account and the unutilized amount is shown as a liability. Salary cost is allocated to the specific project based on the time spent on specific project estimated on reasonable basis in line with the budget agreed with the donors. Administration and other common expenses are apportioned to the projects to the extent allowable as per the MOU's agreed with the donors.

Unspent amount, if any, at the end of the project period will be returned to the donors if so required by the MOU agreed with the donors, or adjusted against Reserves in the absence of instructions from the donors to the contrary.

(d) Reimbursement of expenses

Expenses incurred by the Society which are reimbursed by the donors, are recognized as expenses on actual payment. The reimbursement received from the donors is recognized as income on actual receipt of the amount. Any amount reimbursed in excess of the actual expenses incurred is considered as income and recognized accordingly in the Income & Expenditure account.