

Mehra & Sistani
Chartered Accountants
New Delhi

CERTIFICATE

We have audited the accounts of FONDATION AGA KHAN, Sarojni House, 6 Bhagwan Dass Road, New Delhi-110001 (Registration No. 231650072 dated 10.01.1985) for the year ended 31st March 2023 and examined all relevant books and vouchers and certify that according to the audited accounts:

- (i). The brought forward foreign contribution at the beginning of the year was Rs.23,68,58,158/-
- (ii) Foreign contribution of Rs.30,11,46,680/- (Including Interest from Bank and other income aggregating to Rs.1,24,34,907/-) was received by the Foundation during the year ended 31st March, 2023.
- (iii) The balance of unutilized foreign contribution with the Foundation at the end of the year ended 31st March, 2023 was Rs.18,45,13,739/-
- (iv) Certified that the Foundation has maintained the accounts of foreign contribution and records relating there to in the manner specified in section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with rule (16) of the Foreign Contribution (Regulation) Rules, 2011.
- (v) The information furnished in this certificate and in the enclosed Balance Sheet and Statement of Receipt and Payment is correct as checked by us.
- (vi) The association has utilized the foreign contribution received for the purposes it is registered/granted prior permission under Foreign Contribution (Regulation) Act, 2010.



Place : New Delhi.
Dated : 23rd December, 2023.

For Mehra & Sistani
Chartered Accountants

B. S. Sistani

(B. S. Sistani)
Partner
Membership No.080301
UDIN: 23080301BGVCJS7149

PART I – STATEMENT OF ASSETS AND LIABILITIES
FONDATION AGA KHAN (INDIA)
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2023
(In Rupee)

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
		FC		FC	
I. FUNDS AND LIABILITIES					
1 Reserve & Surplus	1	1,17,67,84,427		1,23,35,43,019	
2 Current liabilities					
(a) Other current liabilities	2	15,76,09,710		19,40,97,911	
(b) Short-term provisions	3	-		-	
TOTAL		1,33,43,94,137		1,42,76,40,930	
II. ASSETS					
Non-current assets					
1 (a) Properties, plant & equipments and Intangible assets					
(i) Properties, plant & equipments	4	1,08,08,25,977		1,13,97,98,055	
(ii) Intangible assets	4	56		56	
(b) Non-current investments (point 4 of Significant Accounting Policies)	5	2,60,07,962		2,60,07,962	
(c) Security Deposit		23,36,353		23,36,353	
2 Current assets					
(a) Grants receivables	6	1,80,12,331		1,44,66,413	
(b) Cash and cash equivalents	7	18,45,13,739		23,68,58,158	
(c) Short-term loans and advances	8	2,21,81,268		76,60,010	
(d) Other current assets	9	5,16,452		5,13,923	
TOTAL		1,33,43,94,137		1,42,76,40,930	

Significant Accounting Policies and Notes to accounts (As per Note 10)

Notes referred to above form an integral part of the Statement of Assets and Liabilities

This is the Statement of Asets and Liabilities referred to in our report of even date

For and on behalf of
M/s Mehra & Sistani
CHARTERED ACCOUNTANTS

B. S. Sistani
Partner
Membership No.080301

PLACE :
DATE :

23 DEC 2023



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Member, National Committee
For and on behalf of
Fondation Aga Khan (India Branch)

[Signature]

Chief Executive Officer
For and on behalf of
Fondation Aga Khan (India Branch)

[Signature]

PART II – STATEMENT OF INCOME AND EXPENDITURE
FONDATION AGA KHAN (INDIA)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023
(In Rupee)

Particulars		Note No.	For the year ending	For the year ending
			March 31, 2023	March 31, 2022
			FC	FC
I	Revenue from operations	11	32,51,35,463	34,44,22,450
II	Other Income	12	1,23,44,863	1,46,07,956
III	Total Income		33,74,80,326	35,90,30,407
IV	Expenses:			
	Employee Benefits expenses	13	1,24,45,333	3,79,91,652
	Office /Administration Expenses	14	31,66,139	94,50,797
	Grant Expenses		31,62,40,406	33,45,92,779
	Loss on sale/write off of Fixed Assets		386	-
	Loss on sale/write off of restricted Fixed Assets			18
	Depreciation		6,23,86,654	60,72,777
V	TOTAL		39,42,38,917	38,81,08,024
VI	Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		-5,67,58,592	-2,90,77,617
VII	Exceptional items Excess gratuity provision written back			-
VIII	Surplus/ (Deficit) before extraordinary items and tax (VII - VIII)		-5,67,58,592	-2,90,77,617
IX	Extraordinary items - Prior period expenditure (Note 10 statement of significant accounting policies)			-
X	Surplus/ (Deficit) for the period from continuing operations (VI-VII)		-5,67,58,592	-2,90,77,617

Significant Accounting Policies and Notes to Accounts (As per Note 10)

Notes referred to above form an integral part of the Income and Expenditure Account

This is the Income and Expenditure Account referred to in our report of even date



Member, National Committee
For and on behalf of
Fondation Aga Khan (India Branch)



Chief Executive Officer
For and on behalf of
Fondation Aga Khan (India Branch)

For and on behalf of
M/s Mehra & Sistani
CHARTERED ACCOUNTANTS

B. S. Sistani
Partner
Membership No.080301



PLACE :

DATE **23 DEC 2023**



PART III - STATEMENT OF RECEIPT AND PAYMENT
 FONDATION AGA KHAN (INDIA)
 STATEMENT OF RECEIPT AND PAYMENT FOR THE YEAR ENDED 31ST MARCH 2023
 (In Rupee)

Particulars	Note No.	For the year ending March 31, 2023		For the year ending March 31, 2022	
		FC	FC	FC	FC
I. Opening Balance					
Cash		1,46,928		1,19,078	
Bank		23,67,11,230		19,45,48,144	
Deposits		0		12,74,60,987	
II. Remittances from Head Office		22,74,93,141		26,82,43,589	
III. Grant Received	15	6,12,18,632		2,46,97,822	
IV. Interest Income (Net of TDS and accrued)		1,22,65,388		1,43,44,971	
V. Interest on Income tax refund		-		22,730	
VI. Other Interest		9,450		8,505	
VII. Sale of Old Fixed Assets (net of GST)		1,50,153		25,428	
VIII. Miscellaneous Income		9,047		3,728	
IX. Refund of Advances		17,01,615		19,88,094	
X. Refund of Security Deposits		70,000		2,14,400	
XI. Decrease in Paid in advance		7,13,431		-	
XII. Income Tax refund		-		2,90,961	
XIII. Total Receipts (I to XII)			#REF!		63,19,68,438
XIV. Payment of Security Deposits		70,000		1,81,353	
XV. Increase in paid in advance		-		4,34,630	
XVI. Additions to Assets		26,99,477		50,90,875	
XVII. Additions to Donor Assets		7,15,561		9,48,917	
XVIII. Advances Recoverable in cash or in kind or for value to be received		1,44,38,557		8,63,287	
XIX. GST paid during the year pertaining to earlier year		-		53,542	
XX. Employee Benefits expenses	13	1,30,92,300		3,79,91,652	
Other Office /Administration Expenses (Net of Payable)	14	31,34,712		1,12,08,000	
XXII. Grant Expenses		32,18,24,668		33,81,74,573	
XXIII. Refund of Grant		-		1,63,450	
XXIV. Closing Balances :					
Cash		94,315		1,46,928	
Bank		18,44,19,424		23,67,11,230	
Deposits		-		0	
XXXVII. Total Payments (XXI to XXXVI)			54,04,89,014		63,19,68,438

Significant Accounting Policies and Notes to accounts (As per Note 10)

Notes referred to above form an integral part of the Statement of Receipt and Payment

This is the Statement of Receipt and Payment referred to in our report of even date

B. S. Sistani

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For and on behalf of
 M/s Mehra & Sistani
 CHARTERED ACCOUNTANTS



Member, National Committee
 For and on behalf of
 Fondation Aga Khan (India Branch)

Chief Executive Officer
 For and on behalf of
 Fondation Aga Khan (India Branch)

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B. S. Sistani
 Partner
 Membership No.080301

PLACE
 DATE : 23 DEC 2023

FONDATION AGA KHAN (INDIA)

Note 1 Reserve & Surplus

(In Rupee)

Reserve & Surplus	As at March 31, 2023	As at March 31, 2022
	FC	FC
General Fund		
Opening Balance	1,20,75,35,057	1,23,66,12,674
Less: Balance of Corpus Fund		
General Fund beginning of the year		
Less: Excess of expenditure over income	-5,67,58,592	-2,90,77,618
Total	1,15,07,76,465	1,20,75,35,057

Reserve & Surplus	FC	FC
Corpus Fund		
Opening Balance	2,60,07,962	2,60,07,962
Add: Donation received for corpus during the year	-	-
Less: Corpus utilized in year 2017	-	-
Total	2,60,07,962	2,60,07,962

Total	1,17,67,84,427	1,23,35,43,019
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FONDATION AGA KHAN (INDIA)
Note 2 Other current liabilities

(In Rupee)

<u>Other current liabilities</u>	As at March 31, 2023	As at March 31, 2022
	FC	FC
Head Office Account (Note 2a)	10,67,40,439	8,98,22,608
Grants received in advance(Note 2b)	4,16,63,933	9,13,69,492
Statutory Liability	21,08,948	49,79,406
Retention Money	36,03,685	52,21,654
Expenses payable	34,92,705	27,04,751
Total	15,76,09,710	19,40,97,911



for audit

Ravi Shankar

Ravi

FONDATION AGA KHAN (INDIA)
 Note 2(a) Head Office Account

Head Office Account	As at March 31, 2023	As at March 31, 2022
	FC	FC
Opening Balance	8,98,22,608	9,01,03,635
Add: Received During the year	22,74,93,141	26,82,43,589
Less: transfer to Income & expenditure account	21,05,75,310	26,85,24,616
Total	10,67,40,439	8,98,22,608

FONDATION AGA KHAN (INDIA)
 Note 2(b)

Donors	As at March 31, 2023	As at March 31, 2022
	FC	FC
American Embassy	15,77,262	35,42,554
Apne Aap International	8,31,307	86,956
Australian High Commission	2,88,962	10,78,000
Charity Global Inc.	91,84,275	-
Children's Investment Fund Foundation	71,35,525	3,88,24,629
Collectives for Interated Livelihood Initiatives	0	43,11,663
Indira Foundation	14,83,633	-
Laudas Foundation	1,87,88,126	3,95,12,484
STIFTUNG AUXILIUM	20,00,657	19,10,613
The Carrefour foundation	3,74,187	21,02,593
Total	4,16,63,933	9,13,69,492



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FONDATION AGA KHAN (INDIA)

Note 3 Short term provisions

(In Rupee)

<u>Short term provisions</u>	As at March 31, 2023	As at March 31, 2022
	FC	FC
Provision for Gratuity	-	
Provision for Expenses		
Total	-	-



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FONDATION AGA KHAN (INDIA)
NOTE -4 Fixed Assets as at March 31, 2023

Asset Categorisation	Gross Block						Depreciation						Net Block as at 31.03.2023						
	Balance as at '31.03.2022		Addition during the year		Deduction / sale during the year		Balance at 31st March 23		OP Balance March 22		Provided during the year		Adjustment during the year		Balance as at 31.03.2023		Net Block as at 31.03.2023		
	FC		FC		FC		FC		FC		FC		FC		FC		FC		
(A) Assets Acquired from Own Funds																			
(a) Land (Refer part III(i) of note 10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Buildings	1,53,78,73,418	-	-	-	-	-	1,53,78,73,418	-	39,92,46,501	-	5,85,62,179	-	45,78,08,680	-	1,08,00,64,738	-	1,13,86,26,917	-	-
(c) Furniture & Fixtures	18,97,62,687	63,816	15,54,975	63,816	15,54,975	18,97,61,810	18,82,71,528	18,97,61,810	18,97,61,810	63,808	63,808	15,54,572	18,82,71,046	482	3,14,054	482	5,34,194	877	-
(d) Vehicles	1,27,25,628	-	-	-	-	1,27,25,628	1,21,91,434	1,21,91,434	13,07,27,747	2,20,140	10,58,032	2,49,238	13,15,36,541	4,45,946	4,45,946	11	5,46,119	-	-
(e) Office Equipments	13,12,73,865	9,57,885	2,49,264	9,57,885	2,49,264	3,98,63,353	3,98,63,353	3,98,63,353	3,98,63,342	3,98,63,342	17,86,964	21,37,960	2,57,23,514	582	89,802	1	-	-	-
(f) Electrical Installations	3,98,63,353	16,77,776	21,37,992	16,77,776	21,37,992	2,61,84,311	2,61,84,311	2,61,84,311	2,60,94,510	1,03,39,738	1,03,39,738	3,199	1,03,39,738	1	1	1	1	1	1
(g) Computers and related Equipments	2,61,84,311	-	-	-	-	1,03,39,739	3,200	1,03,39,739	1,03,39,738	3,199	-	-	-	-	-	-	-	-	-
(h) Leasehold improvements	1,03,39,739	-	-	-	-	3,200	-	3,199	-	-	-	-	-	-	-	-	-	-	-
(i) Cycles	3,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	1,94,80,26,200	26,99,477	39,42,231	26,99,477	39,42,231	1,94,67,83,447	1,94,81,84,788	1,94,67,83,447	80,82,28,280	6,16,71,123	39,41,770	86,59,57,633	1,08,08,25,814	56	1,13,97,97,921	56	1,13,97,97,921	56	56
(j) Software	14,01,341	-	-	-	-	14,01,341	-	14,01,341	14,01,285	-	-	-	14,01,285	-	56	-	56	-	-
Intangible Assets	14,01,341	-	-	-	-	14,01,341	-	14,01,341	14,01,285	-	-	-	14,01,285	56	56	56	56	56	56
Total	1,94,94,27,541	26,99,477	39,42,231	26,99,477	39,42,231	1,94,81,84,788	1,94,81,84,788	1,94,81,84,788	80,96,29,565	6,16,71,123	39,41,770	86,73,58,918	1,08,08,25,870	56	1,13,97,97,977	56	1,13,97,97,977	56	56

Asset Categorisation	Gross Block						Depreciation						Net Block as at 31.03.2023						
	Balance as at '31.03.2022		Addition during the year		Deduction / sale during the year		Balance at 31st March 23		OP Balance March 22		Provided during the year		Adjustment during the year		Balance as at 31.03.2023		Net Block as at 31.03.2023		
	FC		FC		FC		FC		FC		FC		FC		FC		FC		
(B) Assets Acquired from Donor Funds																			
(a) Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Buildings	1,15,147	11,000	-	11,000	-	1,26,147	-	1,15,117	1,15,117	10,996	-	1,26,113	34	30	-	-	-	-	-
(c) Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Office Equipments	10,66,508	1,72,933	-	1,72,933	-	12,39,441	-	10,66,433	10,66,433	1,72,915	-	12,39,348	93	75	-	-	-	-	-
(f) Electrical Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) Computers and related Equipments	14,07,629	5,31,628	58,939	5,31,628	58,939	18,80,318	-	14,07,600	14,07,600	5,31,620	58,938	18,80,282	36	29	-	-	-	-	-
(h) Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Cycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	25,89,284	7,15,561	58,939	7,15,561	58,939	32,45,906	32,45,906	25,89,150	25,89,150	7,15,531	58,938	32,45,743	163	134	163	134	163	134	134
(j) Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	25,89,284	7,15,561	58,939	7,15,561	58,939	32,45,906	32,45,906	25,89,150	25,89,150	7,15,531	58,938	32,45,743	163	134	163	134	163	134	134
Total Assets(A+B)	1,95,20,16,825	34,15,038	40,01,170	34,15,038	40,01,170	1,95,14,30,694	1,95,14,30,694	1,95,14,30,694	81,22,18,715	6,23,86,654	40,00,708	87,06,04,661	1,08,08,26,033	113	1,13,97,98,111	113	1,13,97,98,111	113	113



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FONDATION AGA KHAN (INDIA)
Note 5 Non-current investments

(In Rupee)

<u>Immovable Properties</u>	As at March 31, 2023	As at March 31, 2022
	FC	FC
Opening Balance	2,60,07,962	2,60,07,962
Add: Additional during the year	-	-
Less: Deletion during the year	-	-
Total	2,60,07,962	2,60,07,962

Unquoted investments that is why not giving in notes



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FONDATION AGA KHAN (INDIA)

Note 6 Grants receivable

(In Rupee)

Grants Receivable	As at March 31, 2023	As at March 31, 2022
	FC	FC
American Embassy	-0	16,38,220
Bernard Van Leer Foundation	1,73,05,377	1,22,81,924
Family Health International	2,70,951	1,10,266
Stichting Benevolentia (Managed by Porticus Asia L	4,36,003	4,36,003
Grand Total	1,80,12,331	1,44,66,413



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FONDATION AGA KHAN (INDIA)

Note 7 Cash and cash equivalents

(In Rupee)

<u>Cash & Cash Equivalents</u>	As at March 31, 2023	As at March 31, 2022
	FC	FC
(a) Cash in hand	94,315	1,46,928
(b) Balances with banks		
(i) In Saving accounts	18,44,19,424	23,67,11,230
(ii) In Fixed deposit accounts		
Maturity less than 12 months	-	-0
Maturity more than 12 months		
Total	18,45,13,739	23,68,58,158



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for

FONDATION AGA KHAN (INDIA)

Note 8 Short term loans and advances

(In Rupee)

<u>Unsecured and considered good</u>		As at March 31, 2023	As at March 31, 2022
		FC	FC
(a)	Advance to staff	1,86,103	2,07,250
(b)	Advance to suppliers/ contractors	2,00,12,092	38,66,252
(c)	Advance others	1,38,481	10,28,486
(d)	Prepaid expenses	18,44,592	25,58,022
Total		2,21,81,268	76,60,010



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FONDATION AGA KHAN (INDIA)
Note 9 Other current assets

(In Rupee)

<u>Other current assets</u>	As at March 31, 2023	As at March 31, 2022
	FC	FC
(a) TDS receiveable	5,16,452	5,13,923
Total	5,16,452	5,13,923



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FONDATION AGA KHAN (INDIA)
 Note 11 Revenue from operations

(In Rupee)

<u>Revenue from operations</u>			For the year ending March 31, 2023	For the year ending March 31, 2022
			FC	FC
(a)	Grant Received	11(a)	11,45,60,153	7,58,97,835
(b)	Contribution from head office		21,05,75,310	26,85,24,616
Total			32,51,35,463	34,44,22,450

Note 12 Other income

(In Rupee)

<u>Other income</u>			For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Interest	12(a)	1,21,84,794	1,45,78,873
(b)	Gain on sale of fixed assets		1,50,077	-
(c)	Gain on sale of restricted fixed assets			25,355
(d)	Miscellaneous income		9,992	3,728
Total			1,23,44,863	1,46,07,956



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FONDATION AGA KHAN (INDIA)
 Note 11(a) Grants received

(In Rupee)

<u>Donor agencies</u>		For the year ending March	For the year ending March
		31, 2023	31, 2022
		FC	FC
(a)	American Embassy	1,07,02,537	42,41,052
(b)	Australian High Commission	7,89,038	23,245
(c)	Bernard Van Leer Foundation	2,12,49,542	1,48,48,899
(d)	Apne Aap International	9,79,249	9,21,244
(e)	Family Health International	18,25,407	23,28,304
(f)	Children's Investment Fund Foundation	3,16,89,104	1,48,61,192
(g)	Collectives for Intereated Livelihood Initiatives	43,11,663	81,19,099
(h)	Charity Global Inc.	1,48,23,202	-
(i)	Laudas Foundation	2,18,96,259	1,87,15,502
(j)	Stichting Benevolentia (Managed by Porticus Asia Ltd.)	-	65,01,188
(k)	STIFTUNG AUXILIUM	-	11,11,397
(l)	The Carrefour Foundation	17,28,406	-
(m)	The Federal Republic of Germany	44,32,575	42,25,812
(n)	The Hans Foundation	-	901
(o)	Indira Foundation	1,33,171	-
Total		11,45,60,153	7,58,97,835



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FONDATION AGA KHAN (INDIA)

Note 12(a) Interest income

(In Rupee)

<u>Interest income</u>		For the year ending March 31, 2023	For the year ending March 31, 2022
		FC	FC
(a)	Interest	1,22,65,388	1,46,64,421
	Less: Interest on donor funds	90,044	1,17,728
		1,21,75,344	1,45,46,693
(b)	Interest on income tax refund	-	22,730
(c)	Other interest	9,450	9,450
	Total	1,21,84,794	1,45,78,873



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FONDATION AGA KHAN (INDIA)

Note 13 Employee benefits expenses

(In Rupee)

Particulars		For the year ending March	For the year ending March
		31, 2023	31, 2022
		FC	FC
(a)	Salaries and allowances	1,09,91,679	3,41,52,172
(b)	Contribution to provident fund	6,78,524	20,70,524
(c)	Gratuity and superannuation	1,79,492	8,46,430
(d)	Staff welfare expenses	1,87,945	3,17,226
(e)	Staff recruitment and training expenses	4,07,693	6,05,300
Total		1,24,45,333	3,79,91,652

Note 14 Other office /administration expenses

(In Rupee)

Particulars		For the year ending March	For the year ending March
		31, 2023	31, 2022
		FC	FC
(a)	Rent	14,19,351	40,69,413
(b)	Insurance	2,01,201	2,55,623
(c)	Building	6,26,687	8,55,496
(d)	Others	1,09,269	4,27,958
(e)	Vehicle running and maintenance	1,05,259	6,74,079
(f)	Electricity and water charges	66,894	3,72,560
(g)	Printing and stationery expenses	80,124	4,29,174
(h)	Postage and telephone	1,06,933	5,35,363
(i)	Travelling and conveyance	1,44,290	6,75,018
(j)	Legal and professional charges	2,88,804	10,99,829
(k)	Communication Expenses	-	5,310
(l)	Interest on Statutory Payments	-	
	Others	17,240	
(m)	Miscellaneous expenses	87	50,975
Total		31,66,139	94,50,797



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FONDATION AGA KHAN (INDIA)

Note 15 Grant received

(In Rupee)

<u>Donor agencies</u>		For the year ending March 31, 2023	For the year ending March 31, 2022
		FC	FC
(a)	American Embassy	1,03,75,464	64,35,833
(b)	Apne Aap International	17,23,600	10,08,200
(c)	Australian High Commission	-	10,78,000
(d)	Bernard Van Leer Foundation	1,62,26,089	-
(e)	Charity Global Inc.	2,40,07,477	-
(f)	Family Health International	16,64,722	19,87,630
(g)	Indira Foundation	16,16,804	-
(h)	Laudas Foundation	11,71,901	97,99,159
(i)	The Federal Republic of Germany	44,32,575	43,89,000
Total		6,12,18,632	2,46,97,822



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Note 10 - Significant Accounting Policies and Notes to Accounts

I. Background of the Foundation

The Foundation established its office in India in year 1978 to carry out its philanthropic objects as set out in its Charter with the permission obtained from the Reserve Bank of India ("RBI") under section 29(1)(a) of the Foreign Exchange Regulation Act, 1973. On July 3, 1978, the Foundation was granted registration under section 592 of the Companies Act, 1956, as a branch of a foreign company.

The Foundation is registered under section 10(23C)(iv) of the Income Tax Act, 1961 for exemption from income tax vide unique registration number AAACA3507FA20215 dated October 2, 2020, from the Principal Commissioner of Income Tax/ Commissioner of Income Tax, and has necessary approvals from the Ministry of Home Affairs to receive donations from foreign sources in accordance with the sub-section (1) of section 11 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

II. Significant Accounting Policies

1. **Basis of Accounting**

The financial statements have been drawn up on a historical cost convention using accrual basis of accounting.

2. **Tangible and Intangible Assets**

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies, and any directly attributable cost of bringing the assets to their working condition for intended use.

Individual assets received as donation/ gift are recognized in the books of account at an amount, if any, incurred by the Foundation from its own funds for bringing the assets to their working condition for intended use or Re. 1, whichever is higher.

The donations received in kind, except donated fixed assets, are not valued or accounted for in the books of account,

3. **Depreciation/ Amortization**

As per the policy of the Head Office, fixed assets are depreciated on a straight-line method as per the rates given below:

<u>Block of Assets</u>	<u>Rate</u>
Leasehold improvements	20%/Period of Lease
Buildings	3.34%
Computers and Related Equipment	33.33%
Furniture and Fixtures	20%
Office Equipment	20%
Vehicles	25%
Electrical Installations	20%
Intangible Assets – Computer Software	Over a period of 2-5 years



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Note 10 - Significant Accounting Policies and Notes to Accounts

Full month's depreciation is provided on additions in the month of purchase and no depreciation is provided in the month of sale/disposal of assets.

Fixed Assets costing up to Rs. 225,000 are fully depreciated in the year of purchase.

4. Investment Properties

Long-term Investment properties (comprises of Land and Building constructed thereon) are valued at historical cost and no depreciation is charged on such investment properties. It includes properties gifted by individual/ corporate donors to the Foundation to carry on its philanthropic work, which are accounted for at nominal value. The stamp duty paid in relation to these properties and additions to a property in the nature of additional construction/ upgradation is added to the value of a property. As at year end date, advance received for sale of properties pending signing of legal documents is shown as 'advance received' under current liabilities. The gain on sale of investment properties is recorded as an income in the year of signing of legal documents and on receipt of actual amount of sales proceeds.

No depreciation has been provided on non-current assets held as investment.

5. Grant Income

Grants sanctioned from donor agencies or Government assistance against approved programme are accounted for in proportion to the expenditure accrued/approved. Unrealised amount of grant and assistance is shown as 'Receivable', subject to certainty of realisation.

The amount of grants, against which expenditure not accrued, are carried forward as Grant received in advance under the broad head Current Liabilities. Any advance grant is refunded has been reduced from Current Liabilities, at the time of refund of the same or at the time of future use in accordance with the mandate of the grant agency.

Component of Grants utilised for meeting cost of capital assets against specific direction for acquisition of fixed assets are classified under "Current Liabilities" and classified as "Deferred Income for Capital Assets", equivalent to cost of assets. This fund is reduced annually with an amount equivalent to depreciation provided on corresponding fixed assets.

Donation received with specific purpose and general grants are recognised as an income in the year of receipt.

6. Foreign Currency Transaction:

Grants receivable and/ or grants refundable in foreign currency are stated in annual accounts at rates prevailing at the year end. Thereafter, at the time of actual receipt/ payment, the difference in exchange rate between the rates prevailing and rates at the end of the year, are accounted for under the exchange rate fluctuation account.

7. Foreign Inward Remittances

Remittances received from the Head Office through normal banking channels are recorded at the exchange rate as advised by the bank.

The remittances received from head office are accounted as income in proportion to the expenditure accrued in accordance with letter of grant.



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Note 10 - Significant Accounting Policies and Notes to Accounts

8. Employee benefits

a) Defined Contribution Plans

- Provident Fund: All employees of the Foundation are entitled to receive benefits under the Provident Fund which is a defined contribution plan. The contributions are made to a fund administered and managed by the Government of India. The contributions made under this scheme are expensed on accrual basis.
- Superannuation: Some employees of the Foundation are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation contribution is recorded as an expense in the financial statement, on accrual thereof to the LIC.

b) Defined Benefit Plan: Gratuity

The Foundation provides annual contribution to the Aga Khan Foundation Gratuity Trust based on independent actuarial valuation given by SBI Life Insurance Company Limited (SBI Life), with whom Gratuity Trust is having defined benefit retirement plan. Under this gratuity plan (which is a defined benefit retirement plan), the contributions are made to SBI based on actuarial valuations as per Projected Unit Credit Method. The liability for gratuity is funded annually to a gratuity fund maintained with SBI Life. Provision is created as on close of financial year based on independent actuarial valuation.

9. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the financials on an accrual basis.

10. Expenses

The expenses are clearly identified with the period. Such costs are regarded as 'period costs' and are expensed in the relevant period, e.g., salaries, telephone, travel costs, depreciation on fixed assets etc. Similarly, the costs of the benefits which do not clearly extend beyond the accounting period are also charged as expenses in the same accounting period. Expenses relating to a future period are accounted for as prepaid expenses even though they are paid for in the current accounting period. Similarly, expenses of the current year, for which payment has not yet been made (outstanding expenses), are charged in the current accounting period.

11. Programme Implementation Expenditure:

Operational Expenditure at Spearhead terms are considered as programme implementation Expenditure and is disclosed as a part of Programme Expenses.

12. Income Tax

The Foundation has received the approval for exemption from income tax, from the prescribed authorities under Section 10 (23C)(iv) of the Income Tax Act 1961 from assessment year 2009-10 onwards. Accordingly, no provision for income tax has been considered necessary in these accounts.



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Note 10 - Significant Accounting Policies and Notes to Accounts

III. Notes to Accounts

1. All foreign inward remittances are received exclusively in saving account (No. 40069819513) maintained with State Bank of India. The following are another FCRA and utilization bank accounts:

S.no	Bank Name	Type of accounts	Bank Account Number
1	DCB Bank Limited	Another FCRA	04611100011176
2	DCB Bank Limited	Utilization	04612200000019
3	DCB Bank Limited	Utilization	04612200000082
4	DCB Bank Limited	Utilization	21511500001632
5	DCB Bank Limited	Utilization	30311500011820
6	Canara Bank	Utilization	2518101007275
7	HDFC Bank	Utilization	08661450000144

23 DEC 2023



M. Sultan

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