

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOVERNING BOARD OF POPULATION FOUNDATION OF INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **POPULATION FOUNDATION OF INDIA** ("the **FOUNDATION**"), which comprise the Balance Sheet as at 31st March, 2018, the Income and Expenditure account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management of the Foundation is responsible for the preparation of these financial statements that give a true and fair view of the financial position and income and expenditure of the Foundation in accordance with the accounting principles generally accepted in India for Non-Profit entities.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Foundation and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the accounting and auditing standards.

We have conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Foundation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.



Deloitte Haskins & Sells LLP

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 for Non-Profit entities;

1. In the case of balance sheet, of the state of affairs of the Foundation as at 31st March, 2018.
2. In the case of income and expenditure account, of the surplus for the year ended on that date.

We further report that-

- a) 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 of the aforesaid financial statements.
- b) In our opinion, proper books of account relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
- c) The Balance Sheet and Income and Expenditure account dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Place: Gurugram

Date: Sep 11, 2018



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Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

POPULATION FOUNDATION OF INDIA
Balance Sheet as at March 31, 2018

Particulars	Schedule	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
SOURCES OF FUNDS			
CAPITAL			
Corpus fund	1	50,000,000	50,000,000
Society fund	2	476,354,704	423,440,249
DEFERRED GRANT	3	4,380,100	4,953,644
LIABILITIES AND PROVISIONS			
Restricted project fund	4	85,351,294	159,734,863
Current liabilities	5	23,714,094	25,930,075
Provisions	6	3,959,444	2,549,096
		643,759,636	666,607,927
APPLICATION OF FUNDS			
FIXED ASSETS			
Net block	7	13,814,497	14,067,091
INVESTMENTS	8	404,130,136	369,130,136
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and bank balances	9	94,531,150	179,844,619
Loans and advances	10	131,283,853	103,566,081
		643,759,636	666,607,927

Significant accounting policies and notes to the accounts 21

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Rajesh Kumar Agarwal
Partner

For Population Foundation of India

  
Ravi Kumar **Poonam Muttreja** **Keshav Desiraju**
Chief Financial Officer Executive Director Chairman, Governing Board

Place : Gurugram
Date : September 11, 2018

Place : New Delhi
Date : September 11, 2018



POPULATION FOUNDATION OF INDIA
Income and Expenditure Account for the year ended March 31, 2018

Particulars	Schedule	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
INCOME			
Grant income	11	211,863,456	182,763,796
Donation income	12	7,500,000	-
Rental income	13	30,876,305	31,601,436
Interest income	14	41,745,248	38,401,360
Other income	15	3,192,426	2,180,825
		295,177,435	254,947,417
EXPENDITURE			
Health and family planning expense	16	104,121,730	108,904,736
Behaviour change communication expense	17	96,233,525	62,587,684
Community action for health expense	18	11,508,201	11,271,376
Other project expense	19	17,253,234	19,067,406
Management and administrative expense	20	11,564,599	10,409,195
Depreciation	7	1,581,691	1,060,343
		242,262,980	213,300,740
Excess of Income over Expenditure		52,914,455	41,646,677

Significant accounting policies and notes to the accounts 21

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Rajesh Kumar Agarwal
Partner

For Population Foundation of India

  
Rahn Kumar Poonam Mutreja Keshav Desiraju
Chief Financial Officer Executive Director Chairman, Governing Board

Place : Gurugram
Date : September 11, 2018

Place : New Delhi
Date : September 11, 2018



POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Particulars	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Schedule 1: Corpus fund		
Opening balance	50,000,000	50,000,000
Transaction during the year	-	-
Closing balance	<u>50,000,000</u>	<u>50,000,000</u>
Schedule 2: Society fund		
Opening balance	423,440,249	381,793,572
Add: Excess of income over expenditure	52,914,455	41,646,677
Closing balance	<u>476,354,704</u>	<u>423,440,249</u>
Schedule 3: Deferred grant		
Opening balance	4,953,644	4,705,435
Add: Purchase of assets out of donor funds (Refer schedule 7)	695,871	1,442,518
Less: Depreciation on assets	1,269,415	1,194,309
Closing balance	<u>4,380,100</u>	<u>4,953,644</u>



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Schedule 4 : Restricted project fund

S.No.	Source of Fund	Balance as at April 1, 2017 Payable/(Receivable) (Refer Note 1)		Receipts during the year		Refund during the year ^a		Interest and other income during the year		Transferred to Income and Expenditure Account		Balance as at March 31, 2018 Payable/(Receivable) (Refer Note 1)	
		(A) Rs.	(B) Rs.	(C) Rs.	(D) Rs.	(E) Rs.	(F=A+B-C+D-E) Rs.						
FOREIGN CONTRIBUTION UNDER FCRA													
1	The David & Lucile Packard Foundation - Advocacy for change - Repositioning of family planning	149,625	-	-	-	-	-	-	-	149,625	-	-	-
	Previous Year	3,734,811	-	-	-	-	84,917	-	-	3,670,103	-	-	149,625
2	Johns Hopkins University, Bloomberg School of Public Health - Advance family planning - II	(6,108,912)	29,586,221	-	-	-	35,810	-	-	20,790,942	-	-	2,722,177
	Previous Year	(1,059,549)	14,856,919	-	-	-	80,977	-	-	19,587,209	-	-	(6,108,912)
3	Bill and Melinda Gates Foundation - Realizing commitments to family planning	51,678,355	48,975,051	-	-	-	3,303,508	-	-	56,080,865	-	-	47,876,049
	Previous Year	76,027,949	27,595,836	-	-	-	5,397,350	-	-	57,342,780	-	-	51,678,355
4	The David & Lucile Packard Foundation - Advocacy, communication and accountability programme	36,197,882	-	-	-	-	1,662,135	-	-	22,488,667	-	-	15,371,350
	Previous Year	30,328,887	26,682,482	-	-	-	1,463,898	-	-	22,277,385	-	-	36,197,882
5	John D and Catherine T MacArthur Foundation - Scaling up phase IV	9,089,896	-	-	-	-	449,757	-	-	4,324,131	-	-	5,215,222
	Previous Year	11,750,745	-	-	-	-	439,366	-	-	3,100,515	-	-	9,089,896
6	Bill and Melinda Gates Foundation - Combating violence against women and girls	56,584,493	22,452,757	-	-	-	2,394,521	-	-	72,470,077	-	-	8,961,694
	Previous Year	-	59,437,126	-	-	-	1,645,053	-	-	4,487,886	-	-	56,584,493
7	Capital for Good - Leveraging digital media to promote better health for Indian youth	5,683,547	17,831,961	-	-	-	347,940	-	-	23,763,448	-	-	-
	Previous Year	-	18,678,916	-	-	-	195,263	-	-	13,190,832	-	-	5,683,547
8	Save the Children: Bal Raksha Bharat - Saving new born lives in India	351,365	-	-	-	-	351,365	-	-	-	-	-	-
	Previous Year	345,753	-	-	-	-	-	-	5,612	-	-	-	351,365
9	The David & Lucile Packard Foundation - Network strengthening and strategic planning of ARC Coalition	-	2,914,955	-	-	-	67,347	-	-	287,500	-	-	2,704,802
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
10	Bill and Melinda Gates Foundation - Family planning serial - MKR&SH	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	39,049,917	-	-	-	-	2,226,484	-	-	41,276,401	-	-	-
11	United States Agency for International Development - Health of the urban poor	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	(5,563,163)	5,651,255	-	-	-	11,559	-	-	99,651	-	-	-
12	The President and Fellows of Harvard College - Maternal health task force	(3,725,255)	4,422,305	-	-	-	-	-	-	697,250	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
13	Family Planning Association of India - Joining voices	-	698,318	-	-	-	1,857	-	-	500,175	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
14	Population Foundation of India - Restricted fund	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	171,428	1,058,240	-	-	-	-	-	-	1,229,668	-	-	-
	TOTAL (A)	153,625,951	121,770,945	351,365	8,161,018	167,859,455	82,851,294	153,625,951	153,625,951	167,859,455	82,851,294	153,625,951	153,625,951



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S.No.	Source of Fund	Balance as at April 1, 2017 Payable/(Receivable) (Refer Note 1)	Receipts during the year	Refund during the year*	Interest and other income during the year	Transferred to Income and Expenditure Account	Balance as at March 31, 2018 Payable/(Receivable) (Refer Note 1)
		(A) Rs.	(B) Rs.	(C) Rs.	(D) Rs.	(E) Rs.	(F=A+B-C+D-E) Rs.
	NON-FOREIGN CONTRIBUTION						
1	National Health Systems Resource Centre - Strengthening community action for health under national health mission	(9,889,952) (8,213,301)	14,662,617 9,213,301	-	-	11,508,201 10,889,052	(6,734,636) (9,889,052)
2	State Health Society, National Health Mission, Madhya Pradesh - Production of film to sensitise health service providers and managers on averting maternal deaths	25,594	356,730	-	-	382,324	-
3	BFL Investment and Financial Consultants Pvt Ltd - CSR grant	1,250,000	1,250,000	-	-	1,250,000	1,250,000
4	Apollo Trading and Finance Pvt Ltd - CSR grant	1,250,000	1,250,000	-	-	1,250,000	1,250,000
5	United Nations Population Fund - Saathiyas launch kit	-	-	-	-	-	-
	TOTAL (B)	-	1,122,042	-	10,923	1,132,965	-
	GRAND TOTAL (A+B)	(9,889,952) (5,687,207)	17,162,617 10,692,073	-	-	11,598,201 14,904,341	(4,234,636) (9,889,052)
		143,736,899	138,933,562	351,365	8,161,018	211,863,456	78,616,658
		145,373,816	169,563,670	-	11,563,209	182,763,796	143,736,899

* Unutilised grant amount was returned to Save The Children: Bai Raksha Bharat during the year.

Note 1:

Represents liability on account of restricted project funds
Represents receivable from donors for projects (Refer Schedule 10)
Total

As at

April 1, 2017

159,734,863
(15,997,964)
143,736,899

As at

March 31, 2018

85,351,294
(6,734,636)
78,616,658



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Particulars	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Schedule 5: Current liabilities		
Advance rent	1,649,375	1,923,447
Security deposit	13,013,775	16,140,165
Payable to partners for grants	10,940	642,369
Payable to subgrantees	197,096	572,472
Other liabilities	8,842,908	6,651,622
	<u>23,714,094</u>	<u>25,930,075</u>
Schedule 6: Provisions		
Provision for leave encashment	3,241,598	2,549,096
Provision for gratuity	717,846	-
	<u>3,959,444</u>	<u>2,549,096</u>



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Schedule 7 : Fixed assets

S.No.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As at April 1, 2017	Additions	Sale / written off	As at March 31, 2018	Upto March 31, 2017	For the Year	Written back	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	PFI funded										
1	Land - leasehold	475,023	-	-	475,023	157,282	4,798	-	162,080	312,943	317,741
	Previous Year	475,023	-	-	475,023	152,484	4,798	-	157,282	317,741	
2	Building	23,152,554	-	-	23,152,554	17,494,976	282,892	-	17,777,868	5,374,686	5,657,578
	Previous Year	23,152,554	-	-	23,152,554	17,197,206	297,770	-	17,494,976	5,657,578	
3	Motor vehicles	2,643,036	-	-	2,643,036	973,462	250,436	-	1,223,898	1,419,138	1,669,574
	Previous Year	1,813,641	857,603	28,208	2,643,036	705,488	294,632	26,658	973,462	1,669,574	
4	Furniture & fixtures	1,110,657	87,807	-	1,198,464	777,125	43,132	-	819,257	379,207	333,532
	Previous Year	2,398,979	-	1,288,322	1,110,657	2,027,048	37,060	1,286,983	777,125	333,532	
5	Equipment	4,858,602	754,702	190,300	5,423,004	3,894,176	256,149	178,882	3,971,443	1,451,561	964,426
	Previous Year	6,239,595	114,700	1,495,693	4,858,602	5,218,801	170,186	1,494,811	3,894,176	964,426	
6	Computers/printers	1,722,583	1,074,764	299,550	2,497,797	1,551,987	745,284	296,336	2,000,935	496,862	170,596
	Previous Year	1,753,829	373,528	404,774	1,722,583	1,700,170	255,897	404,080	1,551,987	170,596	
7	Temporary wooden partitions	39,363	-	39,363	-	-	-	-	-	-	-
	Previous Year	39,363	-	39,363	-	-	-	39,363	-	-	-
	SUB TOTAL (A)	33,962,455	1,917,273	489,850	35,389,878	24,849,008	1,581,691	475,218	25,955,481	9,434,397	9,113,447
	Previous Year	35,872,984	1,345,831	3,256,360	33,962,455	27,040,560	1,060,343	3,251,895	24,849,008	9,113,447	
	Donor funded*										
8	Equipment (DFID donated)	10,586,700	-	-	10,586,700	6,587,080	599,943	-	7,187,023	3,399,677	3,999,620
	Previous Year	10,586,700	-	-	10,586,700	5,881,265	705,815	-	6,587,080	3,999,620	
9	Office equipment - FC	837,815	-	-	837,815	125,672	106,821	-	232,493	605,322	712,143
	Previous Year	-	837,815	-	837,815	-	125,672	-	125,672	712,143	
10	Computers/printers - FC	604,703	695,871	-	1,300,574	362,822	562,651	-	925,473	375,101	241,881
	Previous Year	-	604,703	-	604,703	-	362,822	-	362,822	241,881	
	SUB TOTAL (B)	12,029,218	695,871	-	12,725,089	7,075,574	1,269,415	-	8,344,989	4,380,100	4,953,644
	Previous Year	10,586,700	1,442,518	-	12,029,218	5,881,265	1,194,309	-	7,075,574	4,953,644	
	GRAND TOTAL (A + B)	45,991,673	2,613,144	489,850	48,114,967	31,924,582	2,851,106	475,218	34,300,470	13,814,497	14,067,091
	Previous Year	46,459,684	2,788,349	3,256,360	45,991,673	32,921,825	2,254,652	3,251,895	31,974,582	14,067,091	

* Depreciation on fixed assets, funded by donor has been adjusted against Deferred Grant created for the same. (Refer schedule 3)



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Particulars	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Schedule 8: Investments		
Fixed deposits (Long term)		
- HDFC Ltd	20,000,000	118,000,000
- Dewan Housing Finance Corporation Ltd	157,500,000	57,500,000
- Mahindra & Mahindra Financial Services Ltd.	20,000,000	40,000,000
- PNB Housing Finance Ltd	146,630,136	51,630,136
- Bajaj Finance Ltd.	60,000,000	60,000,000
- Indian Bank	-	30,000,000
- LIC Housing Finance Ltd	-	12,000,000
	404,130,136	369,130,136
Schedule 9: Cash and Bank balances		
Cash on hand	35,257	28,153
Balances with scheduled banks		
- in saving accounts	94,495,893	76,415,781
- in deposit accounts	-	103,400,685
	94,531,150	179,844,619
Schedule 10: Loans and advances		
(Unsecured and considered good, unless otherwise stated)		
Accrued interest income	48,866,478	68,715,960
Income tax recoverable	7,980,609	6,552,392
Advances recoverable in cash or in kind or for value to be received	895,740	3,092,085
Security deposits	1,831,846	1,715,700
Prepaid expenses	1,974,342	1,430,909
Surplus gratuity fund	-	904,829
Advances for projects funded out of core funds	704,168	756,673
Advances to subgrantees	2,296,034	4,399,569
<u>Reimbursable for projects:</u>		
- National Health Systems Resource Centre - CAH	6,734,636	9,889,052
- John Hopkins University - AFP-II	-	6,108,912
Advance for Investment	60,000,000	-
	131,283,853	103,566,081



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POPULATION FOUNDATION OF INDIA

Schedules forming part of the accounts

Particulars	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Schedule II: Grant income		
(Refer schedule 4)		
Grant from FCRA agencies	200,355,255	167,859,455
Grant from non-FCRA agencies	11,508,201	14,904,341
	<u>211,863,456</u>	<u>182,763,796</u>
Schedule I2: Donation income		
Donation	7,500,000	-
	<u>7,500,000</u>	<u>-</u>
Schedule 13: Rental income		
Rent from Nutrition International	20,888,788	22,381,927
Rent from John Snow India Pvt. Ltd.	8,464,000	-
Rent from Public Health Foundation of India	1,523,517	9,219,509
	<u>30,876,305</u>	<u>31,601,436</u>
Schedule 14: Interest income		
Interest on bank accounts	962,489	900,330
Interest on investments	40,782,759	37,501,030
	<u>41,745,248</u>	<u>38,401,360</u>
Schedule 15: Other income		
Incentive on investments	1,450,000	503,500
Service fees	-	1,024,953
Miscellaneous income	1,742,426	652,372
	<u>3,192,426</u>	<u>2,180,825</u>



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Particulars	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Schedule 16: Health and family planning expense (Refer Schedule 21-Note 2 (xii))		
Advance family planning - II - John Hopkins University	20,790,942	19,987,209
Realising commitment to family planning - BMGF	56,080,865	57,342,780
Advocacy, communication and accountability - Packard	22,488,667	22,277,385
Strengthening capacity of rogi kalyan samitis - MacArthur	4,324,131	3,100,515
Network strengthening and strategic planning of ARC Coalition - Packard	287,500	-
Repositioning family planning - Packard	149,625	3,670,103
Maternal health task force - Harvard	-	697,250
Joining voices - FPAI	-	500,175
Health of urban poor - USAID	-	99,651
Others	-	1,229,668
	<u>104,121,730</u>	<u>108,904,736</u>
Schedule 17: Behaviour change communication expense (Refer Schedule 21-Note 2 (xii))		
Violence against women and girls - BMGF	72,470,077	4,487,686
Leveraging digital media - Capital for Good	23,763,448	13,190,632
Entertainment education initiative MKBKSH - BMGF	-	41,276,401
Saathiya launch kit - UNFPA	-	1,132,965
Others	-	2,500,000
	<u>96,233,525</u>	<u>62,587,684</u>
Schedule 18: Community action for health expense (Refer Schedule 21-Note 2 (xii))		
Strengthening community action for health - NHSRC	11,508,201	10,889,052
Others	-	382,324
	<u>11,508,201</u>	<u>11,271,376</u>
Schedule 19: Other project expense (Refer Schedule 21-Note 2 (xii))		
Projects out of PFI own funds:		
(a) Demonstration/action research		
Population stabilisation programme - Save A Mother Foundation *	2,298,674	3,361,084
Family planning programme to bring about sustainable improvement in the health - Agragami India*	539,020	881,922
Mobilising the unreached through boat clinics - Centre for North East Studies & Policy *	-	1,809,939
Emerging reproductive rights of women - Sutra *	-	600,975
(b) Other project expenses	1,869,502	1,736,527
(c) Project implementation expenses	12,546,038	10,676,959
	<u>17,253,234</u>	<u>19,067,406</u>

Recorded based on audited certificate (Refer Schedule 21-Note 2 (v)).



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POPULATION FOUNDATION OF INDIA
Schedules forming part of the accounts

Particulars	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Schedule 20: Management and administrative expenses*		
Salaries and benefits	3,841,995	3,230,623
Staff welfare	644,188	606,994
Tour, travelling and conveyance expense	359,083	360,675
Communication expense	45,044	42,158
Printing and stationary expense	210,799	291,659
Consultancy fee	422,620	590,782
Legal and professional expense	341,015	456,772
Statutory audit fees	724,050	615,250
Statutory charges	866,743	850,623
Bank charges	5,175	5,373
Office running expense	2,737,851	1,720,314
Electricity and water expense	1,075,810	1,146,087
Insurance	54,144	50,309
Assets written off	14,632	2,915
Miscellaneous expense	221,450	438,661
	<u>11,564,599</u>	<u>10,409,195</u>

Excluding the expenses charged to Projects, funded by International and other agencies (Refer Schedule 21-Note 2(xii)).



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Population Foundation of India

Schedule 21: Statement of significant accounting policies and notes to the accounts

1. Background

- (a) Population Foundation of India (PFI) is a non-government organization established in 1970 as a Society under the Societies Registration Act, 1860 by a group of socially committed industrialists led by Mr. J.R.D. Tata and Dr. Bharat Ram. PFI is at the forefront of policy advocacy and research on population issues in the country. PFI promotes and advocates for effective formulation and implementation of gender-sensitive population, health and development policies, strategies and programs.
- (b) PFI has the following significant registrations under various Acts, which are given below:
- Permanent Account Number (PAN) – AAATP0002F
 - Under Section 12A of Income Tax Act, 1961 bearing registration number DL1 (C) (I-1877)
 - Under Section 12(23C) of Income Tax Act, 1961 vide letter dated October 15, 2008.
 - Under Section 80 (G) of Income Tax Act, 1961 vide letter dated February 19, 2008.
 - Goods and Service Tax Registration No. 07AAATP0002F1ZA
 - PF Registration No. DS/NHP/0003219/000
 - ESIC Registration No. 20001251200000999
 - Under Foreign Contribution (Regulation) Act, 1976 bearing registration No. 231650340. PFI has renewed the registration under the Foreign Contribution (Regulation) Act, 2010 / Foreign Contribution (Registration) Rules, 2011, for carrying out activities of social nature for a period of five years with effect from November 1, 2016 to October 31, 2021.

2. Significant accounting policies

(i) Accounting convention

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

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

(ii) Use of estimates

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



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(iii) Fixed assets and depreciation

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

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

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

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

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

(c) Leasehold land is amortized over the life of the lease.

(d) Depreciation on additions are charged for the full year irrespective of the date of acquisition and no depreciation is charged on assets sold/discarded during the year.

(e) Assets costing less than Rs. 5,000 each are charged off to the Income and Expenditure Account in the year of purchase.

(iv) Revenue recognition

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

(a) Grant income

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

(i) PFI obtains control of the grant or the right to receive the grant;



- (ii) it is probable that the contribution will flow to PFI; and
- (iii) the amount of the grant can be reliably measured.

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

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

(b) Donation income

Donation income is recognized in the year it is received.

(c) Interest income

Interest income on PFI's own funds is recognized using time proportion method, based on the rate implicit in the transaction.

(d) Rental income

Rental income is recognized pro-rata over the period of the rent agreement.

(e) Other income

Other income is recognized when the service has been rendered and there is a reasonable assurance that conditions attached to the agreement have been complied with.

(v) Grant expenses

Grant expenses comprise of: -

- a. Projects carried out by PFI out of donor funds and own funds;
- b. Projects carried out by other organisations out of PFI's own grant funds;
- c. Projects carried out by other organisations out of donor funds as subgrantee.

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

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

(vi) Investments

Investments include deposits with Banks and Financial Institutions for more than one year.



Investments having Original Maturity of lesser than one year at the time of investment are classified as bank balance and these are carried at cost or realizable value whichever is lower.

(vii) **Employee benefits**

Wages, salaries and bonus are accrued in the year in which the associated services are rendered by employees of PFI.

- (a) PFI has various schemes for its employee's benefits such as provident fund, employee state insurance, mediclaim insurance, leave encashment and gratuity. PFI's contribution to these schemes in respect of all employees, determined as per the rules of PFI on an accrual basis, are charged to revenue.
- (b) As per the Rules and Regulations, PFI does not have any obligation towards post-employment life insurance and post-employment medical care.
- (c) Provision for gratuity has been made in respect of all employees as per the Payment of Gratuity Act, 1972. PFI has taken a Group Gratuity Scheme from Life Insurance Corporation of India and provision has been made based on the valuation provided by Life Insurance Corporation of India.
- (d) **Defined contribution plans**
The Foundation makes Provident fund, Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Foundation is required to contribute a specified percentage of the payroll costs to fund the benefits. The Foundation recognised Rs. 4,093,708 (year ended 31 March 2017, Rs. 3,624,079) for Provident Fund contributions and Rs. 70,446 (year ended 31 March 2017, Rs. 4,836) for Employee State Insurance Scheme contributions in the Income and Expenditure Account. The contributions payable to these plans by the Foundation are at rates specified in the rules of the schemes.
- (e) **Defined benefit plans**
The Foundation offers the following employee benefit schemes to its employees:
i. Gratuity
ii. Leave encashment

The liability for Gratuity of Rs. 9,330,305 (year ended 31 March 2017, Rs. 7,921,925), the expenditure of Rs. 1,729,731 (year ended 31 March 2017, reversal of Rs. 1,516,401), the fund balance of Rs. 8,612,459 (year ended 31 March 2017, Rs. 8,826,755) and the liability for Leave encashment of Rs. 3,241,598 (year ended 31 March 2017, Rs. 2,549,096), the expenditure of Rs. 1,132,807 (year ended 31 March 2017, Rs. 531,410) has been determined by actuarial valuation.



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(viii) Foreign currency transactions

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

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

(ix) Taxes on income

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

(x) SMEs note

Since the Foundation in terms of the "Scheme for Applicability of Accounting Standards to Small and Medium Size Enterprises (SMEs)" issued by Institute of Chartered Accountants of India is exempted/ relaxed from the disclosure requirements contained in Accounting Standards (AS) specified under such scheme by virtue of being Level III Enterprise, the disclosure requirements under AS-3 "Cash Flow Statement", AS-17 "Segment Reporting", AS-18 "Related Party Disclosures" and AS-29 "Provision, Contingent Liabilities and Contingent Assets", have not been made in the accounts.

(xi) Contingent liabilities and provisions

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

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

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

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



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(xii) Project expenses includes expenses allocated between projects on suitable basis (Also refer note (xiii) below). Nature wise summary of expenses shown under schedule 16, 17, 18 and 19 is given below: -

Summary of Expense - Schedule 16, 17, 18 & 19	FY 2017-18 Amount (Rs.)	FY 2016-17 Amount (Rs.)
Salary and staff welfare	73,926,735	62,091,121
Consultancy and professional fee	34,679,127	34,025,074
Program promotion	31,765,617	2,522,787
Office running	10,510,777	9,499,903
Meeting and consultation	2,659,391	5,100,567
Printing and stationary	2,147,009	3,027,295
Travel	11,454,571	18,633,182
Communication	1,757,164	1,515,293
Production	33,424,124	31,542,668
Research and evaluation	10,628,439	12,206,546
Grant	4,325,282	8,336,847
Sub-grant	7,275,033	10,711,205
Purchase of fixed assets	695,871	1,442,518
Others	3,867,550	1,176,196
Total	229,116,690	201,831,202

(xiii) During the year a sum of Rs. 77,161,088 (previous year Rs. 64,952,017) have been charged to the Projects funded by International and other agencies as salaries and overheads, including employee costs, on a basis considered reasonable by the management.

(xiv) Figures for the previous year have been re-grouped/re-arranged, wherever necessary.

For Population Foundation of India


Raam Kumar
Chief Financial Officer


Poonam Muttreja
Executive Director


Keshav Desiraju
Chairman, Governing Board

Place: New Delhi
Date: September 11, 2018

