



# S. Sahoo & Co.

## Chartered Accountants

### Independent Auditor's Report

To the Members of  
**CREDIBILITY ALLIANCE**  
206, 2<sup>nd</sup> floor, Kirti Shikhar Building, District Centre,  
Janakpuri, New Delhi- 110058

### Report on the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of **CREDIBILITY ALLIANCE**, which comprise the Balance Sheet as at 31 March 2019, the Income and Expenditure Account, Receipts & Payment Account for the year then ended, and significant accounting policies and notes to the financial statements.
2. 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 required by the Act in the manner so required and comply, in all material respects, with the conditions laid down in the Scheme for the management and administration of the society and the rules made there under, to the extent relevant and applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Society as at 31 March 2019, and its surplus for the year ended on that date

#### Basis of Opinion

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



## Responsibilities of the Management for the Financial Statements

4. The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the society in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the society and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. 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 the going concern basis of accounting unless management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

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

6. 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 Standards on Auditing 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.
7. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 the management.
  - Conclude on the appropriateness of society'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 auditor's 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 auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
  - 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.
8. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Other Matter

9. We have also issued our audit report as per Form No. 10B pursuant to the requirements of section 12A(1)(b) of the Income-tax Act, 1961, on the financial statements prepared by the management as required by the provisions of the Income-Tax Act, 1961 covering the same period as these accompanying financial statements.

#### Report on Other Legal and Regulatory Requirements

10. As required under other regulatory requirements, we report as under for the year ended 31 March 2019:
- a. Society has maintained its books of accounts in electronic mode. The books of accounts are updated and maintained by the finance department of the society on regular basis. The books of accounts are maintained in Jaipur location. In our opinion and accordingly information provided to us, proper books of accounts are maintained by the society and the same is maintained in accordance with the provisions of the Act and the rules made there under.



- b. Receipts and disbursements are properly and correctly shown in the accounts;
- c. The cash balance, vouchers, bank book etc. are in custody of Accountant and the same are in agreement with Books of account on the date of our audit.
- d. All books, deeds, accounts, vouchers or other documents or records required by us were produced for audit;
- e. The Chief Functionary & Accountant of the society has furnished all information required for audit;
- f. In our opinion and according to the information provided to us, no property or funds of the society were applied for any object or purpose other than the object or purpose of the society;
- g. Society has invested its surplus in fixed deposit in scheduled Bank as defined in Reserve Bank of India Act, 1934 as well as under the provisions of section 11(5) of the Income Tax Act.
- h. In our opinion and according to the information provided to us, no cases of irregular, illegal or improper expenditure or failure or omission to recover moneys or other property belonging to the public trust or of loss, or waste of moneys or other property thereof, and whether such expenditure, failure, omission, loss or waste was caused in consequence of breach of trust or misapplication or any other misconduct on the part of the governing board or any other person while in the management of the society were identified;
- i. In our opinion and according to the information provided to us, no governing board member has any interest in the investment of the trust;
- j. In our opinion and according to the information provided to us, no material irregularities were pointed out in the books of accounts of previous year.

For S. Sahoo & Co  
Chartered Accountants  
FR NO.: 322952E



CA. Subhajit Sahoo, FCA, LLB  
Partner  
M. No: - 057426  
UDIN: - 19057426AAAARY5392

Place: New Delhi  
Date: 15/10/2019

**CREDIBILITY ALLIANCE**

206, 2nd FLOOR, KIRTI SHIKHAR BUILDING, DISTRICT CENTRE, JANAKPURI, NEW DELHI 110058

**BALANCE SHEET AS AT 31st March 2019**

	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
<b>SOURCES OF FUNDS</b>			
<b>I. FUND BALANCES:</b>	[01]		
General Fund		8,96,286	12,89,002
Corpus Fund		-	5,35,000
Assets Fund		1,94,295	2,31,465
		<b>10,90,581</b>	<b>20,55,468</b>
<b>II. LOAN FUNDS:</b>			
		-	-
<b>TOTAL</b>	<b>[ I + II ]</b>	<b>10,90,581</b>	<b>20,55,468</b>
<b>APPLICATION OF FUNDS</b>			
<b>I. FIXED ASSETS</b>	[02]		
Gross Block		15,65,564	15,65,564
Less: Accumulated Depreciation		13,71,269	13,34,099
Net Block		<b>1,94,295</b>	<b>2,31,465</b>
<b>II. INVESTMENTS</b>			
Against Corpus		-	-
Against Others		-	-
<b>III. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
a. Loans & Advance	[03]	2,95,426	2,95,426
b. Other Current Assets	[04]	65,702	1,62,571
c. Cash & Bank Balance	[05]	5,35,158	13,66,005
	<b>A</b>	<b>8,96,286</b>	<b>18,24,002</b>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS:</b>			
a. Unspent Grant balance	[06]	-	-
b. Current Liabilities	[07]	-	-
	<b>B</b>	<b>-</b>	<b>-</b>
<b>NET CURRENT ASSETS</b>	<b>[ A - B ]</b>	<b>8,96,286</b>	<b>18,24,002</b>
<b>TOTAL</b>	<b>[I+II+III]</b>	<b>10,90,581</b>	<b>20,55,468</b>

**Significant Accounting Policies and Notes to Accounts**

The schedules referred to above forms an integral part of the Balance Sheet

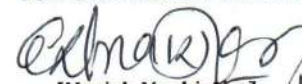
**IN TERMS OF OUR REPORT ON EVEN DATE**

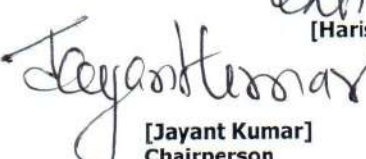
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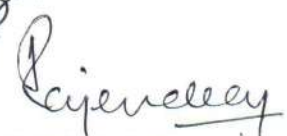
**S.SAHOO & CO.**  
Chartered Accountants

  
[CA.Subhajit Sahoo, FCA, LLB]  
Partner  
MM No. 057426  
FRN: 322952E

For: CREDIBILITY ALLIANCE

  
[Harish Vashista]  
Director

  
[Jayant Kumar]  
Chairperson

  
[K P Rajendran]  
Member

Place : New Delhi

Date : 15 OCT 2019

**CREDIBILITY ALLIANCE**

206, 2nd FLOOR, KIRTI SHIKHAR BUILDING, DISTRICT CENTRE, JANAKPURI, NEW DELHI 110058

**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st March 2019**

	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
<b>I. INCOME</b>			
Grants	[08]	6,25,000	35,64,000
Donation		7,35,497	8,80,994
Interest Income	[09]	14,498	10,857
Other Income	[10]	-	2,52,700
<b>TOTAL</b>		<b>13,74,995</b>	<b>47,08,551</b>
<b>II. EXPENDITURE</b>			
Grant Related Expenses	[11]	-	35,72,734
Programme Related Expenses	[12]	14,92,567	9,98,922
Administrative Expenses	[13]	6,75,276	6,94,227
Written Off		1,34,869	-
Non recurring expenses		-	37,000
Depreciation	[02]	37,170	50,331
Less: Transferred to Assets Fund		37,170	50,331
		<b>23,02,712</b>	<b>53,02,883</b>
<b>III. EXCESS OF INCOME OVER EXPENDITURE TRANSFERRED TO GENERAL FUND</b>		<b>(9,27,717)</b>	<b>(5,94,332)</b>

**Significant Accounting Policies and notes to Accounts**  
The Schedules referred to above forms an integral part of the I & E Account

[14]

**IN TERMS OF OUR REPORT ON EVEN DATE**

For &amp; on behalf :

**S.SAHOO & CO.**

Chartered Accountants

[CA. Subhajt Sahoo, FCA, LLB]  
PartnerMM No. 057426  
FRN: 322952E

Place :New Delhi

Date :

For: CREDIBILITY ALLIANCE

[Harish Vashistha]  
Director

[Jayant Kumar]  
Chairperson

[K P Rajendran]  
Member

**CREDIBILITY ALLIANCE**

206, 2nd FLOOR, KIRTI SHIKHAR BUILDING, DISTRICT CENTRE, JANAKPURI, NEW DELHI 110058

**RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31st March 2019**

	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
<b>RECEIPTS</b>			
<b>Opening Balance</b>			
Cash in Hand		7,911	595
Cash at Bank		13,58,095	19,80,042
		<u>13,66,006</u>	<u>19,80,637</u>
Grant	[08A]	6,25,000	35,64,000
Donation		7,35,497	8,80,994
Interest Income		14,498	10,857
Loans and Advances Received		24,500	2,52,700
		<u>27,65,501</u>	<u>66,89,188</u>
<b>PAYMENT</b>			
Grant Related Expenses	[11]	-	35,72,734
Programme Related Expenses	[12A]	14,92,567	9,98,922
Administrative Expenses	[13A]	6,75,276	6,94,227
Non- Recurring Expenses		-	37,000
TDS Receivable		62,500	20,300
		<u>27,65,501</u>	<u>66,89,188</u>
<b>Closing Balance</b>			
Cash in Hand		396	7,911
Cash at Bank :		5,34,762	13,58,094
		<u>5,35,158</u>	<u>13,66,005</u>
		<u>27,65,501</u>	<u>66,89,188</u>

**Significant Accounting Policies and Notes to Accounts**

[14]

The schedules referred to above form an integral part of the R &amp; P Account

**IN TERMS OF OUR REPORT OF EVEN DATE**

For &amp; on behalf :

**S.SAHOO & CO.**

Chartered Accountants

For: CREDIBILITY ALLIANCE

[CA. Subhajit Sahoo, FCA, LLB]  
Partner[Harish Vashista]  
Director[Jayant Kumar]  
Chairperson[K P Rajendran]  
Member

MM No. 057426

FRN: 322952E

Place : New Delhi

Date :

10 5 OCT 2019

## Schedule-13

### CREDIBILITY ALLIANCE

206, 2nd FLOOR, KIRTI SHIKHAR BUILDING, DISTRICT CENTRE,  
JANAKPURI, NEW DELHI 110058

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FCRA ACCOUNTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2019

### **A. SIGNIFICANT NOTES ON ACTIVITIES**

Credibility Alliance is a consortium of Voluntary Organizations (VOs) committed towards enhancing Accountability and Transparency in the Voluntary Sector through good governance. Registered in May 2004 as an independent, not-for-profit Organisation, CA emerged as an initiative from within the sector. The organisation was formed after an extensive consultative process over a period of two years involving more than 500 VOs all over India. As an organisation, CA aspires to build trust among all stakeholders through improving governance and accountable practices within the Voluntary Sector.

### **B. SIGNIFICANT ACCOUNTING POLICIES**

1. ***Basis of Accounting:*** The Accounting Standards issued by the Institute of Chartered Accountants of India are applicable to non-profit entities, only if any part of the activities of the entity is considered to be commercial, industrial or business in nature.

The Society is not carrying on any activity in nature of commercial, industrial or business therefore the Accounting Standards are not mandatory and have been followed to the extent practicable or relevant.

The financial statements have been prepared under the historical cost convention and on accrual basis except stated otherwise. The accounting policies have been consistently applied by the society except stated otherwise.





2. **Fixed Assets:** Assets are stated at cost of acquisition including taxes, duties and other incidental expenses relating to acquisition and installation.

- a) Fixed Assets are shown at cost less accumulated depreciation in the Balance Sheet.
- b) No revaluation of fixed assets was made during the year.

3. **Depreciation:** Depreciation on the depreciable assets is charged on written down value method as per the rates and manner prescribed under Appendix 1 to the Income Tax Rule 1962.

<u>Item</u>	<u>Rate of Depreciation</u>
Computer Equipment & Accessories	40%
Office & electrical Equipment	15%
Furniture & Fixture	10%

4. **Revenue Recognition:** Restricted project grants were recognized as income on the basis of utilization towards such projects, whereas unrestricted project grants and Donations were recognized on the basis of receipts in accordance to the guidelines on "Not for-Profit Organization" issued by The Institute of Chartered Accountants of India.

5. **Bank Interest:** Interest earned including the interest accrued on savings bank as well as on the amount held under Fixed Deposit is reflected under the Income & Expenditure Account without allocating such interest derived on unutilized donor funds. The interest is accounted under the Receipts & Payment Account as the total interest received during the period from 01.04.2018 to 31.03.2019 in the savings bank account as well as in the Fixed Deposit account.

6. **Membership Fees:** Membership Fees were recognized as income on receipt basis.

7. **Foreign Contribution:** Foreign Contributions (Foreign Grants/Donation) are accounted for on the basis of the credit advice received from Bank.



## **B. NOTES TO ACCOUNTS**

1. There is no such income which is of a business nature as defined under Section 2(15) of the Income Tax Act,1961
2. Donation represents amount received from member organizations towards Accreditation fee.
3. The organization has duly complied with the new provision of FCRA 2010 while finalizing the accounts relating to the foreign funds.
4. Previous year figures to the extent possible has been regrouped and rearranged wherever required.

### **5. Pending Legal Case/Contingent Liabilities:**

It was informed to us by the management that there are no legal cases pending or initiated during the year either by any individual or organization against Credibility Alliance.

### **6. The Organization is registered under:**

- a) Delhi Societies Registration Act. 1860 Vide Registration No S-49315 dated 28.05.2004.
- b) Under section 12A of the Income Tax Act, 1961 vide registration No. **DIT(E)/2004-05/C824/04/1487 dated 25.01.2005**. The organization has submitted the Income Tax Return for the year 2016-17 before the due date.
- c) Foreign Contribution Regulation Act, 2010 vide registration no. - **083781102 dated 19/12/2007** with the Ministry of Home Affairs to receive foreign contribution. The organization has submitted the information through FC-4 Return for the year 2016-17 before the due date.



d) Section 80G (5)(vi) of the Income Tax Act, 1961 vide Registration No. DIT(E)/3289/DEL-CE21649 dated 19.03.2010. The said exemption is valid for life unless rescind by the Income Tax Authorities.

e) PAN of the Organization is **AAAAC2595B**.

f) TAN of the Organisation is **MUMC15427G**

For & on behalf :

**S.SAHOO & CO.**  
**Chartered Accountants**



**[CA.Subhajit Sahoo, FCA,LLB]**

Partner  
MM No. 057426  
Firm Regn No. - 322952E

For:

**CREDIBILITY ALLIANCE**

  
**[Harish Vashista]**  
Director

  
**[Jayant Kumar]**

Chairperson



**[K P Rajendran]**

Board Member

Place :New Delhi

Date : 