

## SRIJAN FOUNDATION

106, BIJOY ENCLAVE, HEERABAG CHOWK, HAZARIBAGH

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2020.

#### A. SIGNIFICANT NOTES ON ACTIVITIES

Srijan Foundation is a Jharkhand based non-profit NGO formed by a group of socially committed young professionals in 1995 and formally registered in 7<sup>th</sup> February 2001 under the Indian Trust Act, 1882. Since inception, SF has been working directly with the community, particularly with women and children, struggling with poverty, social exclusion and gender injustice. Keeping them in the focus SF is working for all the round development by ensuring their rights within the human rights approach.

#### 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 Trust 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 Trust 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) Assets purchased out of grant received are charged to Income & Expenditure Account under the concerned project expenses head. Simultaneously Asset Fund is



created against the value of the Fixed Assets charged to the Income & Expenditure Account.

- b) Fixed Assets are shown at Written Down Value (W.D.V) in the Balance Sheet
- c) 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>
Furniture and Fixtures	10%
Office Equipment	15%
Computer and Equipment	40%

As the total value of the Assets acquired is claimed as utilization during the year of purchase, depreciation on such assets is adjusted against the Assets Fund for disclosure purpose in the Balance Sheet.

- 4. **Restricted Project Grant:** Restricted Project Grants received during the period were recognized as income, on the basis of grant approval letters received from the donors.
- 5. **Grant / Contribution Receivable:** Expenses incurred in excess of the grant received during the year, in accordance of the memorandum of the understanding or terms of reference with the funder, has been recognized as grant receivable and these balances were disclosed under the head current assets in the Balance Sheet.
- 6. **Project Fund:** - The unutilized portion of the project grants are disclosed as part of Program Balances, for utilization as per the funders direction while sanctioning the grant. These balances were disclosed under the head Project Fund in the Balance Sheet.
- 7. **Foreign Contribution:** Foreign Contributions (Foreign Grants/Donation) are accounted for on the basis of the credit advice received from Bank.
- 8. **Income taxes:** Trust is registered under Section 12A of the Income tax Act, 1961 ('the Act') which exempts from taxes on income from property held under trust and voluntary contributions received. Accordingly, the income of Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Income Tax Act, 1961.

## B. NOTES TO ACCOUNTS

- 1. Income and expenses are generally disclosed as per budget of the funding/donor agencies.
- 2. Current Liabilities of Rs. 83,480 has been written off during the year and transfer to other Income.





3. Few of the Bank accounts has not been updated since long. The Bank Balance is treated as same as in last year.

Bank Account	Balance
S.B.I. A/c No. 30596208643	Rs. 3,201.00
S.P.G. Bank A/c No. 2925	Rs. 90,601.00
J.G. Bank A/c No. 3984	Rs. 3 394.00

4. There is no such income which is of a business nature as defined under Section 2(15) of the Income Tax Act,1961
5. The organization has duly complied with the new provision of FCRA 2010 while finalizing the accounts relating to the foreign funds.
6. Previous year figures to the extent possible has been regrouped and rearranged wherever required.
7. **Pending Legal Case/Contingent Liabilities:** There are no legal cases pending or initiated during the year either by any individual or organization against Srijan Foundation.
8. **The Organization is registered under:**
- Indian Trust Act. 1882, Dated 07<sup>th</sup> February, 2001.
  - Foreign Contribution Regulation Act, 2010 vide registration no. - **337750013** dated **13.06.2002** with the Ministry of Home Affairs to receive foreign contribution. The organization has submitted the information through FC-4 Return for the year 2018-19 before the due date.
  - PAN of the Organization is AACTS3064L.
  - TAN of the Organization is RCHS03614C.

For & on behalf:  
**S. SAHOO & CO.**  
Chartered Accountants

[CA. Subhjit Sahoo, FCA, LL.B.]  
Partner  
MM No. 057426  
Firm Regn No. - 322952E

Place: New Delhi  
Date: 31-12-2020

For:  
**SRIJAN FOUNDATION**

  
Secretary  
Srijan Foundation  
(Jharkhand)

Swapan Mahna  
Secretary