

INDEPENDENT AUDITOR'S REPORT

To the Members of Action Against Hunger Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Action Against Hunger Foundation** (the 'Company'), which comprise the Balance sheet as at 31st March, 2023, and the Income and Expenditure Account and the Statement of Cash Flows for the year then ended, and notes to 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, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its excess of income over expenditure and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards of Auditing (SAs) specified under Section 143(10) of the Act. 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 Company in accordance with the *Code of Ethics* issued by the Institute of the Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether 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 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors;
- Conclude on the appropriateness of Board of Directors' 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 Company'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 Company to cease to continue as a going concern; and
- 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.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We 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;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, the Income and Expenditure Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account; and
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.



Restriction of use and distribution

This report has been issued at the request of the Company for the complete financials (in Rupees) for submission to the Income Tax Department for the purposes of filing Income Tax Return of the Company. As a result, this report may not be suitable for any other purpose. Hence this report is intended to be and shall be used only by above specified party.



Mumbai, 25th August, 2023

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

A handwritten signature in blue ink, appearing to read "Edwin Paul Augustine".

Edwin Paul Augustine
Partner
Membership No.:043385
UDIN: 23043385BGPJSW5177

ACTION AGAINST HUNGER FOUNDATION
Balance Sheet as at 31st March, 2023

Particulars	Note No.	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	1	100,000	100,000
Reserves and Surplus	2	59,983,784	59,042,934
		60,083,784	59,142,934
<u>Non-Current Liabilities</u>			
Long-term Provisions	3	4,328,593	3,035,123
		4,328,593	3,035,123
<u>Current Liabilities</u>			
Grant Received in Advance	4	49,919,128	77,595,155
Trade Payables	5		
Due to Micro Enterprises and Small Enterprises		847,432	-
Due to Creditors other than Micro Enterprises and Small Enterprises		6,561,380	7,752,556
		7,408,812	7,752,556
Other Current Liabilities	6	2,720,093	2,676,143
Short-term Provisions	7	471,817	328,112
		60,519,850	88,351,966
Total		124,932,227	150,530,023
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment and Intangible Assets			
-Property, Plant and Equipment	8	17,012,647	17,372,725
- Intangible Assets	8	582,808	276,881
		17,595,455	17,649,606
Other Non-current Assets	9	2,389,657	1,565,019
		19,985,112	19,214,625
<u>Current Assets</u>			
Cash and Cash Equivalents	10	99,045,537	129,381,103
Short term Loans and Advances	11	2,460,916	1,592,973
Other Current Assets	12	3,440,662	341,322
		104,947,115	131,315,398
Total		124,932,227	150,530,023
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO FINANCIAL STATEMENTS	18		

The accompanying notes are an integral part of the financial accounts

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin Paul Augustine

EDWIN PAUL AUGUSTINE
Partner
Membership No. 043385

Place: Mumbai
Date : 25th August, 2023



Vipul Jain

VIPUL JAIN
Director
DIN: 00142518

TCA Rangachari

TCA RANGACHARI
Director
DIN: 01516949

Place: Mumbai
Date : 25th August, 2023



ACTION AGAINST HUNGER FOUNDATION
Income and Expenditure Account for the year ended 31st March, 2023

Particulars	Note No.	2022-23 (Rs.)	2021-22 (Rs.)
Income			
Income from Grants and Donations	13	185,647,576	199,223,246
Other Income	14	4,675,148	6,039,410
		190,322,724	205,262,656
Expenses:			
Programme cost	15	163,031,287	168,539,183
Depreciation and Amortisation	8	8,349,648	4,720,005
General and Administrative cost	16	18,000,939	12,804,962
		189,381,874	186,064,150
Excess of Income over Expenditure for the year		940,850	19,198,506
Tax Expenses:	18(12)		
- Current tax		-	-
- Deferred tax		-	-
Surplus/ (Deficit) for the year		940,850	19,198,506
Basic and Diluted Earnings per equity share:	18(7)		
Face value per equity share		94.08	1,919.85
		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO FINANCIAL STATEMENTS	18		

The accompanying notes are an integral part of the financial accounts

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Augustine

EDWIN PAUL AUGUSTINE
Partner
Membership No. 043385

Place: Mumbai
Date : 25th August, 2023

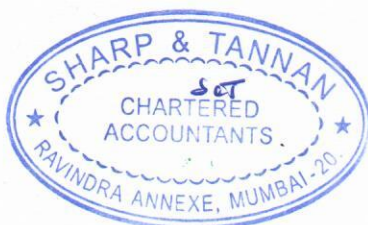
Vipul Jain

VIPUL JAIN
Director
DIN: 00142518

TCA Rangachari

TCA RANGACHARI
Director
DIN: 01516949

Place: Mumbai
Date : 25th August, 2023



ACTION AGAINST HUNGER FOUNDATION
Statement of Cash Flows for the year ended 31st March, 2023

Particulars	2022-23 Rs.	2021-22 Rs.
A Cash flows from operating activities:		
Excess of income over expenditure before tax	940,850	19,198,506
Adjustments for:		
Depreciation and amortization expense	8,349,648	4,720,005
Provision for doubtful deposit	(55,000)	-
Unrealised foreign exchange gains and losses	-	(1,251)
Interest income	(4,675,148)	(6,038,159)
Operating surplus before working capital changes	4,560,350	17,879,101
Adjustments for		
(Increase)/ Decrease in other Non current Assets	(740,000)	121
(Increase)/ Decrease in Short term loan and advances	(867,943)	(446,211)
(Increase)/ Decrease in other current assets	(3,040,973)	184,057
Increase/ (Decrease) in Non current liabilities (net)	1,293,470	576,600
Increase/ (Decrease) in Current liabilities (net)	(27,832,115)	(4,037,991)
Net change in working capital	(26,627,212)	14,155,676
Cash from operating activities - A	(26,627,212)	14,155,676
B Cash flows from investing activities:		
Interest received	4,618,497	6,470,003
Purchase of property, plant and equipment	(8,295,497)	(15,286,454)
Net cash from investing activities - B	(3,677,000)	(8,816,451)
C Cash flows from financing activities - C	-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)	(30,304,212)	5,339,225
Cash and cash equivalents at beginning of the year	129,969,319	124,630,094
Cash and cash equivalents at the end of the year	99,665,107	129,969,319
Net increase in cash and cash equivalents	(30,304,212)	5,339,225

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 - Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006 as amended.

2 Cash and cash equivalents included in the statement of cash flows comprises the following:-

	Rs.	Rs.
(i) Cash and the cash equivalents disclosed under current assets (Note 10)	99,045,537	129,381,103
(ii) Cash and cash equivalents disclosed under other Non current assets (Note 9)	619,570	588,216
3 Total cash and cash equivalents as per statement of cash flow as at the Previous year's figures have been regrouped wherever necessary.	<u>99,665,107</u>	<u>129,969,319</u>

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Augustine

EDWIN PAUL AUGUSTINE
Partner
Membership No. 043385

Place: Mumbai
Date : 25th August, 2023



Vipul Jain

VIPUL JAIN
Director
DIN: 00142518

TCA Rangachari

TCA RANGACHARI
Director
DIN: 01516949

Place: Mumbai
Date : 25th August, 2023



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022 -23

Note 1: Share Capital

Sr. No	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
(a)	AUTHORISED 50,000 Equity Shares of Rs. 10 each	500,000	500,000
(b)	ISSUED, SUBSCRIBED AND FULLY PAID-UP 10,000 Equity Shares of Rs. 10 each	100,000	100,000
	Total	100,000	100,000

(c) Reconciliation of opening and closing share capital:

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares at the beginning of the year	10,000	100,000	10,000	100,000
Add: Equity shares issued during the year	-	-	-	-
Equity shares at the close of the year	10,000	100,000	10,000	100,000

(d) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e. equity shares having face value of Rs. 10 per share. Each holder of equity share is entitled

(e) List of Shareholders holding more than 5% of Share Capital along with number of shares held:

Sr. No	Name of the Share Holder	As at 31.03.2023		As at 31.03.2022	
		No. of shares held	Percentage	No. of shares held	Percentage
1	Mr. Vipul Jain	3,333	33.33%	3,333	33.33%
2	Mr. Ashwini Kakkar	3,334	33.34%	3,334	33.34%
3	Mr. T.C.A. Rangachari	3,333	33.33%	3,333	33.33%

- (f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended 31st
(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding
(h) The aggregate number of equity shares bought back in immediately preceding five years ended 31st March, 2023 are NIL; (Previous
(i) No shares have been reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.
(j) No securities are issued which are convertible into equity/preference shares during the year.

Shares held by promoters at the end of the year						
Sr No	Promoter Name	No of shares		% of Total shares		% Change during the period
		As at 1st April 2022 Rs	As at 31st March 2023 Rs	As at 1st April 2022	As at 31st March 2023	
1	Mr. Vipul Jain	3,333	3,333	33.33%	33.33%	0.00%
2	Mr. Ashwini Kakkar	3,334	3,334	33.34%	33.34%	0.00%
3	Mr. T.C.A. Rangachari	3,333	3,333	33.33%	33.33%	0.00%



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 2: Reserves and Surplus

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Accumulated Surplus As per last Balance sheet	59,042,934	39,844,428
	Add: Surplus for the year	940,850	19,198,506
	Total	59,983,784	59,042,934

Note 3: Long-term provisions

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Provision for Employee Benefits:		
	Provision for gratuity	4,328,593	3,035,123
	Total	4,328,593	3,035,123

Note 4: Grant Received in Advance

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Grant received in advance - FCRA account	48,375,788	72,358,880
	Grant received in advance - Other account	1,543,340	5,236,275
	Total	49,919,128	77,595,155

Note 5: Trade Payable

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Trade Payable		
	Due to Micro Enterprises and Small Enterprises	847,432	-
	Due to Creditors other than Micro Enterprises and Small Enterprises	6,561,380	7,752,556
	Total	7,408,812	7,752,556



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 6: Other Current Liabilities

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Audit fee payable	304,660	266,872
	Statutory dues payable	1,893,260	1,603,080
	Other payable	522,173	806,191
	Total	2,720,093	2,676,143

Note 7: Short-term provisions

	Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
	Provsion for Employee Benefits:		
	Provision for gratuity	471,817	328,112
	Total	471,817	328,112



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 8: Property Plant and Equipment and Intangible Assets

(A) Property, Plant and Equipment

					(Rs.)
Gross Block	Plant & Equipment	Furniture and fixtures	Office equipments	Computers	Total
Balance as at 1 April 2021	-	1,563,217	2,472,562	7,639,614	11,675,393
Additions	12,786,642	321,600	866,452	1,139,480	15,114,174
Disposals	-	-	-	-	-
Balance as at 31 March 2022	12,786,642	1,884,817	3,339,014	8,779,094	26,789,567
Balance as at 1 April 2022	12,786,642	1,884,817	3,339,014	8,779,094	26,789,567
Additions	4,692,942	789,542	222,044	2,173,249	7,877,777
Disposals	-	-	-	-	-
Balance as at 31 March 2023	17,479,584	2,674,359	3,561,058	10,952,343	34,667,344
Accumulated Depreciation					
Balance as at 1 April 2021	-	303,432	1,507,793	2,929,567	4,740,792
Depreciation	1,940,920	175,015	462,246	2,097,869	4,676,050
Disposal	-	-	-	-	-
Balance as at 31 March 2022	1,940,920	478,447	1,970,039	5,027,436	9,416,842
Balance as at 1 April 2022	1,940,920	478,447	1,970,039	5,027,436	9,416,842
Depreciation	5,225,186	198,200	460,999	2,353,470	8,237,855
Disposal	-	-	-	-	-
Balance as at 31 March 2023	7,166,106	678,647	2,431,038	7,380,906	17,654,697
Net Block					
Balance as at 31 March 2023	10,313,478	1,997,712	1,130,020	3,571,437	17,012,647
Balance as at 31 March 2022	10,845,722	1,406,370	1,368,975	3,751,658	17,372,725

(b) Intangible Assets

				(Rs.)
Gross Block	Software	Total		
Balance as at 1 April 2021	313,327	313,327		
Additions	172,280	172,280		
Disposals	-	-		
Balance as at 31 March 2022	485,607	485,607		
Balance as at 1 April 2022	485,607	485,607		
Additions	417,720	417,720		
Disposals	-	-		
Balance as at 31 March 2023	903,327	903,327		
Accumulated Depreciation				
Balance as at 1 April 2021	164,771	164,771		
Depreciation	43,955	43,955		
Disposal	-	-		
Balance as at 31 March 2022	208,726	208,726		
Balance as at 1 April 2022	208,726	208,726		
Depreciation	111,793	111,793		
Disposal	-	-		
Balance as at 31 March 2023	320,519	320,519		
Net Block				
Balance as at 31 March 2023	582,808	582,808		
Balance as at 31 March 2022	276,881	276,881		



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 9: Other Non-current assets
(Unsecured)

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
<u>Deposits - considered good</u>		
Security Deposit - Baran Office	10,000	10,000
Security Deposit - Dhar Office	13,500	13,500
Security Deposit - Dharni Office	42,600	42,600
Security Deposit - Delhi Office	-	55,000
Security Deposit - Santacruz Office	-	500,000
Security Deposit - Jawahar Office	30,000	30,000
Security Deposit - Andheri Office	100,000	100,000
Security Deposit - Govandi Office	125,000	125,000
Security Deposit - Gandhinagar Office	80,000	80,000
Security Deposit - Himmatnagar Office	15,000	15,000
Security Deposit - Marol Office	1,260,000	-
Security Deposit - Sanand Office	90,000	-
Deposit- others	2,779	2,779
	1,768,879	973,879
Security Deposit - Delhi Office - Considered doubtful	55,000	-
Less : Provision for Doubtful Deposit	55,000	-
Total	1,768,879	973,879
Fixed deposits with banks with maturity more than 12		
FCRA account	-	-
Other account	619,570	588,216
Interest Accrued on Fixed Deposits with Banks		
FCRA account		
Other account	1,208	2,924
Total	2,389,657	1,565,019



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 10: Cash and Cash Equivalents

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
Cash and Cash Equivalents		
<u>Balances with Bank in savings account</u>		
FCRA account	34,686,380	52,247,065
Other account	10,860,676	18,978,127
<u>Cash on Hand</u> (as taken and certified by management)	16,669	26,661
Other Bank Balances		
Fixed Deposits with banks with maturity more than 3 months		
FCRA account	45,000,000	50,299,241
Other account	8,481,812	7,830,009
Total	99,045,537	129,381,103

**Note 11: Short term Loans and Advances
(Unsecured, considered good)**

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
Advances Recoverable in cash or kind for value to be received:		
Prepaid	627,208	372,859
Others	498,227	154,852
Income-Tax Receivable		
Previous years*	1,065,262	766,719
Current year	270,219	298,543
* Subject to outcome of assessments		
Total	2,460,916	1,592,973

Note 12 : Other Current Assets (Unsecured considered good)

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
Interest Accrued on Fixed Deposits with Banks		
FCRA account	297,732	305,217
Other account	101,957	36,105
Other Receivable	3,040,973	-
Total	3,440,662	341,322



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 10: Cash and Cash Equivalents

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Other Bank Balances		
Fixed Deposits with banks with maturity more than 3 months		
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* Subject to outcome of assessments		
Total	2,460,916	1,592,973

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Other account	101,957	36,105
Other Receivable	3,040,973	-
Total	3,440,662	341,322



ACTION AGAINST HUNGER FOUNDATION
Notes forming part of Financial Statements : 2022-23

Note 13: Income from Grants and Donations

Particulars	2022-23 (Rs.)	2021-22 (Rs.)
<u>Grants and Donations</u>		
In FCRA account	112,271,089	130,490,793
In Other account	73,376,487	68,732,453
Total	185,647,576	199,223,246

Note 14: Other Income

Particulars	2022-23 (Rs.)	2021-22 (Rs.)
Fixed Deposit Interest from bank	2,702,175	3,011,379
Interest - saving bank	1,972,973	3,026,780
Foreign Exchange Fluctuation gain (Net)	-	1,251
Total	4,675,148	6,039,410

Note 15: Programme Cost

Particulars	2022-23 (Rs.)	2021-22 (Rs.)
Programme Staff Expenses	84,980,735	69,562,938
Treatment and Related Expenses	60,273,260	82,969,194
Advocacy & Visibility	1,959,351	2,485,479
Field office support cost	4,702,939	5,313,902
Travel expenses	10,383,944	7,598,159
Communication	731,058	609,511
Total	163,031,287	168,539,183

Note 16: General and Administrative cost

Particulars	2022-23 (Rs.)	2021-22 (Rs.)
Non-programme staff salary	12,150,567	10,035,510
Administrative Expenses	5,428,937	2,284,995
Fund Raising Activities	16,651	149,265
Provision for doubtful deposit	55,000	-
Auditors Remuneration	349,784	335,192
TOTAL	18,000,939	12,804,962



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

NOTE 17

Background

Action Against Hunger Foundation (the 'Company') was incorporated in Mumbai on 16th August, 2012 under Section 25 of the Companies Act, 1956 (now section 8 of the Companies Act, 2013) with the objective of eradicating malnutrition and protecting children from hunger in India.

The Company is registered under the Foreign Contribution (Regulation) Act, 2010 bearing Registration Number: 083781496 vide letter number 0100025612015-dated 24th February, 2016 and the same was renewed vide letter number 0300002532020 dated 30th March, 2021 with a validity period of five years with effect from 1st June, 2021.

The financial statement of the Company for the year ended 31st March, 2023 were approved on 25th August, 2023 for issue in accordance with the resolution passed at the meeting of the Board of Directors.

Significant Accounting Policies

1. Basis of accounting

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India, the Companies Act, 2013 (the 'Act'), to the extent applicable.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of financial statements. Examples of such estimates include the useful lives of tangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

The Company has Indian Rupee as its functional currency.

2. Presentation and disclosure

The Financial Statements of the Company have been prepared in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Accounting Standard) Rules, 2021 and the presentation requirements of Schedule III to the Act. As stated in the above notification the Company has made the disclosures specified in the Schedule III to the Act, to the extent those disclosures are applicable and reportable.



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

3. Operating Cycle

The operating cycle of the Company is twelve months.

4. Small and medium sized company

The Company is a "small and medium sized company" as defined in Rule 2(1)(f) of the Companies (Accounting Standards) Rules, 2021, read with Rule 7 of the Companies (Accounts) Rules, 2014 specified under Section 133 of the Act. Accordingly, it has complied with the Accounting Standards to the extent applicable to such companies.

5. Revenue Recognition

Restricted Funds

Revenue from restricted grants/donations is recognized during the year in the Income and Expenditure Account to the extent utilized to match the related expenditure. Restricted grants /donations remain unexpended at the balance sheet date are disclosed as "Grant Received in Advance" under current liabilities.

Any unspent balance left over from the closed project will be written back in the same financial year to Income and Expenditure Account.

Un-restricted Funds

The Company receives un-restricted funds from donors. It is accounted for in the year of receipt. The excess of Income over expenditure during the year, being general purpose in nature is carried forward for use in the future periods.

6. Other Income

Interest income on Fixed Deposits from Bank is accounted on accrual basis and time proportionate basis.

Other Items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

7. Allocation of Salary

Salary has been allocated in Programme and Non Programme Activities on the basis of proportion decided by the management.

8. Employee Benefits

a. Short-term employee benefits

All employee benefits like salaries, wages, short-term compensated absences, etc. falling due wholly within twelve months of rendering the service are classified as short-term employee benefits.

b. Post-employment benefits

i) Defined contribution plans



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

The Company's state governed provident fund and employee pension scheme are the defined contribution plans. Contribution is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense on the accrual basis. The Company has no further obligation under these plans beyond its monthly contribution.

ii) Defined benefit plans

The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, resignation, incapacitation, of an amount based on the respective employee's salary and the tenure of employment.

The present value of the obligations for the gratuity is determined based on actuarial valuation using the projected unit credit method that recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flow. The discount rates used for determining the present value of the obligation is based on market yield on Government securities at the balance sheet date, having maturity periods approximating to the terms of related obligations. The fair value of the plan assets is reduced from the obligation to recognised the obligation on a net basis.

Provision for gratuity is made in the financial statement is not funded.

9. a. Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost net of recoverable taxes, accumulated depreciation and impairment losses if any. All costs including finance costs and expenses incidental to acquisition and installation attributable to property, plant and equipment till the date of readiness of their use are capitalized.

PPE received as Grants and Donation are accounted at fair value as determined by the Company on the date of receipt of the asset.

PPE are eliminated from financial statements, either on disposal or when retired from active use, Generally, such retired assets are disposed off soon thereafter.

Residual value of all the above assets is considered as Rs. NIL.

The estimated useful life and residual value are reviewed at each reporting date and the effect of any change in the estimates in useful life/residual value is accounted on prospective basis.

b. Intangible Assets

Intangible Assets are stated at cost which is directly attributable and allocated in making the Asset.

Residual value of the above assets is considered as Rs. NIL.



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

10. Depreciation / Amortisation

a. Property, plant and equipment

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on assets added or deleted during the year is provided for on pro-rata basis (number of days).

Except in respect of Plant and Equipment as given below:

As per the opinion of the management of the Company, the Plant and Equipment is depreciated over the useful life of three years instead of useful life of 15 years as per schedule II of the Companies Act, 2013 based on technical evaluation done by the operations team since the asset is used extensively in the hospital sector.

b. Intangible Assets

Software is amortised over the period of ten years.

11. Foreign Currency Transactions

- a. The reporting currency of the company is Indian Rupee
- b. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of transaction.
- c. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- d. Exchange differences that arise on settlement of monetary items at each balance sheet date at the closing rate are recognised as income or expense in the period in which they arise.

12. Taxation

The Company is exempt from income tax under Section 12AA of the Income tax Act ("the Act"), 1961 and apart from tax liability, if any, on anonymous donations under Section 115BBC of the Act, no provision for taxation is required. Since, the Company is exempt from income tax, no deferred tax (asset or liability) is required to be recognized in respect of timing differences.

Current tax, if any, will be determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Act, and based on outcome of assessments / appeals.

13. Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is recognised if, as a result of a past event the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

determined by the best estimates of the outflow of economic benefits required to settle the obligation at the reporting date.

- (b) A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- (c) Contingent assets are neither recognised nor disclosed in the financial statements.

14. Contingencies and Events occurring after the Balance Sheet date:

- (a) Accounting for contingencies (gains and losses) arising out of contractual obligations are made on the basis of mutual acceptances.
- (b) Where material, events occurring after the Balance sheet date are considered upto the date of approval of accounts by the Board of Directors.



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

NOTE 18

Other Notes to Financial Statements

1. Contingent Liabilities

- (a) The Income Tax Department has issued demand notice amounting to Rs.1,32,34,288/- for Assessment year 2018-19 for certain issues specified in the assessment order. The Company has filed an appeal against the said order before the Commissioner of Income Tax (Appeals). The Management of the Company is of the opinion that the demand will not be tenable hence no provision for the same is required.
- (b) The Company has filed the application for rectification of the orders passed by the Assessing Officer for the Assessment years 2014-15 and 2015-16 for the amount of Rs.5,65,652/- and Rs.58,858/- respectively. The applications filed by the Company are pending rectification with Assessing Officer. The Management of the Company is of the opinion that the demand will not be tenable, hence no provision for the amount demanded is required to be made in the financial statements.
- (c) There are no claims against the Company acknowledged as debts.

2. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs NIL (Previous year Rs. NIL).

3. Disclosure pursuant to Accounting Standard (AS) 15, Employee Benefits

Defined contribution plans:

Amount of Rs.60,67,652 (Previous year : Rs. 39,16,885) is recognised as an expense and included in Programme staff expense and Non-programme staff salary as under the following defined contribution plans.

Benefits / (Contribution to)	2022-23 Rs.	2021-22 Rs.
Provident Fund	53,17,141	32,91,850
Employee state insurance scheme	7,50,511	6,25,035
Total	60,67,652	39,16,885



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

Defined benefit plans:

a) The amounts recognized in the Balance Sheet in respect of Gratuity Fund (Unfunded) are as follows –

	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Present value of unfunded obligations at the end of the period	48,00,410	33,63,235
Less : Fair Value of Plan Assets	-	-
Amount to be recognized as liability at the end of the period	48,00,410	33,63,235
Amount reflecting in the Balance Sheet as Current Liability	4,71,817	3,28,112
Amount reflecting in the Balance Sheet as Non – Current Liability	43,28,593	30,35,123

b) The amounts recognized in the Income and Expenditure Account for gratuity liability are as follows:-

	Year ended 31.03.2023 Rs.	Year ended 31.03.2022 Rs.
Current Service Cost	12,92,219	8,97,067
Interest Cost	2,15,108	1,62,765
Net Actuarial Losses/(Gains) recognized in the year	4,44,700	1,98,552
Recognised Past Service Cost-Vested	1,14,827	-
Expenses recognized in the Income and Expenditure Account	*20,66,854	12,58,384

*included in Programme staff expenses and Non programme staff salary



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

- c) The changes in the present value of defined benefit obligations (relating to gratuity liability) representing reconciliation of opening and closing balances thereof are as follows:-

	As at 31.03.2023	As at 31.03.2022
	Rs.	Rs.
Opening balance of the present value of defined benefit obligations	33,63,235	26,38,217
Add:-Current Service Cost	12,92,219	8,97,067
Add:- Interest Cost	2,15,108	1,62,765
Add/(Less):- Actuarial Losses/(Gains)	4,44,700	1,98,552
Add:- Past Service Cost	1,14,827	-
Less:-Benefit Paid	(6,29,679)	(5,33,366)
Closing balance of the present value of defined benefit obligations	48,00,410	33,63,235

- d) **Principal actuarial assumptions as at the Balance Sheet date:**

	As at 31.03.2023	As at 31.03.2022
Discount Rate (p.a)	7.35 % per annum	6.70 % per annum
Salary Escalation rate (p.a)	7.00 % per annum	7.00 % per annum

- 1) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

- 2) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

- 3) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

- 4) Retirement Age:

The employees of the Company are assumed to retire at the age of 58 years.

- 5) Mortality:

Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

4. Disclosures as required by Accounting Standard (AS) 17 Segment Reporting:

The Company being a "small and medium sized company" as defined in Rule 2(1)(f) of the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 specified under Section 133 of the Act, the information as regards Accounting Standard is not required to be given.

5. Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures :

The name of related parties of the Company and their relationship, as required to be disclosed under Accounting Standard 18, are as follows:

Key Management Personnel:

Sr. No.	Name	Relationship
1	Mr. Ashwini Kakkar	Chairman
2	Mr. Vipul Jain	Director
3	Mr. T.C.A. Rangachari	Director

There were no transactions with the related parties during the year.

6. Disclosures as required by Accounting Standard (AS) 19 Leases:

The Company has not entered into any finance lease as specified in the Accounting Standard.

The Company has however, taken commercial premises under cancellable operating leases, the future minimum lease payments in respect of which are as follows:

Sr, No	Particulars	As at 31.03.2023	As at 31.03.2022
		Rs.	Rs.
1	Payable not later than 1 year	44,61,103	33,71,329
2	Payable later than 1 year and not later than 5 years	1,14,81,061	25,96,442
3	Payable later than 5 years	-	-
	Total	1,59,42,164	59,67,771

These lease agreements are normally renewed on expiry, wherever required. There are no exceptional or restrictive covenants in the lease agreements.

Lease rental expense Rs.55,48,617/-; (Previous year Rs.4,803,303-).

Contingent rent recognized in the Income and Expenditure Account Rs. NIL (Previous year Rs. NIL)



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

7. Disclosures as required by Accounting Standard (AS) 20 Earnings Per Share:

The disclosure requirements in respect of Accounting Standard, are as under:

Particulars	2022-23	2021-22
Excess of Income over Expenditure for the year (Rs.) (A)	9,40,850	1,91,98,506
Weighted average number of equity shares (Nos) (B)	10,000	10,000
Earnings per share – Basic and diluted (Rs.) (A / B)	94.08	1919.85
Nominal value per share (Rs.)	10	10

8. Earning in Foreign Currency

Amount received during the year in foreign currency

Particulars	2022-23 Rs.	2021-22 Rs.
Income from Grant/Donation	7,09,44,499	13,06,66,333
Total	7,09,44,499	13,06,66,333

9. Expenditure in Foreign Exchange

Amount remitted during the year in foreign currency, on account of expenses

Particulars	2022-23 Rs.	2021-22 Rs.
Travelling, stipend and Conveyance	-	45,355
Total	-	45,355

10. Auditors' Remuneration (Inclusive of applicable taxes)

Particulars	2022-23 Rs.	2021-22 Rs.
Statutory Audit	2,36,590	2,12,400
Taxation services	28,320	28,320
Certification	76,700	70,800
Reimbursement of Out of pocket expenses	8,174	23,672
Total	3,49,784	3,35,192



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

11. Income Tax

The Company is exempt from income tax under Section 12AA of the Income tax ("Act"), 1961 and apart from tax liability, if any, on anonymous donations under Section 115BBC of the Act, no provision for taxation is required. Since the Company is exempt from income tax, no deferred tax (asset or liability) as per AS 22, Accounting for taxes on income is required to be recognized in respect of timing differences.

12. Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT)

Based on the information received by the Company from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, total outstanding dues to any suppliers covered under this Act as at 31st March, 2023 and 31st March 2022 was Rs.8,47,432/- and Rs. NIL/- respectively. Interest due thereon remaining unpaid as at 31st March, 2023 and 31st March, 2022 was Rs 2,053/- and Rs.NIL respectively.

13. Remuneration to Board of Directors

The Members of the Board of Directors of the Company were not paid any remuneration/sitting fees for the current year (Previous year Rs. Nil)

14. Appointment of Whole- Time Secretary.

Since Paid up Capital of the Company is less than the threshold limit as prescribed under section 203 of the Act, there is no requirement to appoint whole- time secretary.

15. Corporate Social Responsibility.

The Management of the Company is of the view that the Company does not fall within the purview of Section 135 of the Act, hence, there is no obligation for compliance of the above section.

16. The Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') relating to employee benefits during employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.



Action Against Hunger Foundation
Notes forming part of Financial Statements: 2022-23

17. Analytical Ratios

The following are the analytical ratios for the year ended 31st March, 2023 and 31st March, 2022 as applicable to the company:

Type of Ratios	Numerator	Denominator	As at 31 st March 2023	As at 31 st March 2022	% variation	Reason for variation greater than 25%
Current Ratio	Current Assets	Current Liabilities	1.73	1.49	16.67%	Not Applicable
Return on Equity Ratio	Surplus after Tax	Average Shareholder Equity	1.58%	38.75%	-95.93%	Reduced donations compared to previous year
Trade Payable Turnover Ratio	Net Credit Purchases/service	Average Trade Payables	11.49	29.87	-61.53%	More purchases for Covid in year 2021-22
Net Capital Turnover Ratio	Net Income	Average Working capital	4.25	5.20	-18.25%	Not Applicable
Net Profit Ratio	Surplus after Tax	Income from Grants and Donations	0.51%	9.64%	-94.74%	Reduced donations compared to previous year

18. Previous year's figures have been regrouped, wherever necessary.

Signature to Notes 1 to 18

SHARP & TANNAN
 Chartered Accountants
 Firm's Registration No.109982W
 by the hand of

Augustine

EDWIN PAUL AUGUSTINE
 Partner
 Membership No. 043385

Vipul Jain

VIPUL JAIN
 Director
 DIN: 00142518

TCA Rangachari

TCA RANGACHARI
 Director
 DIN: 01516949

Place: Mumbai
 Date : 25th August, 2023

Place: Mumbai
 Date : 25th August, 2023

