

# **SINGH KRISHNA & ASSOCIATES**

**Chartered Accountants**

8, Second Floor, Krishna Market, Kalkaji, New Delhi - 110 019

Tele./ Fax: 40590344, e-mail: skacamail@gmail.com

## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Trustees of  
**Breakthrough Trust**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Breakthrough Trust (the entity), which comprise the balance sheet as at March 31, 2019, and the income and expenditure account for the year then ended, and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2019, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with 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 Management and Those Charged with Governance for the Financial Statements**

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 entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.





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

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 SAs 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.

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 entity'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 entity 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.

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.




## Report on Other Requirements

We report that:

- (i) 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;
- (ii) in our opinion, proper books of account as required by law have been kept by the entity so far as appears from our examination of the books;
- (iii) the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account; and
- (iv) in our opinion, the Balance Sheet and the Income and Expenditure Account dealt with by this report comply with the applicable accounting standards issued by the ICAI.

for Singh Krishna & Associates  
Chartered Accountants  
Firm's Registration No. 008714C

  
(Krishna Kumar Singh)  
Partner  
M. No. 077494



UDIN : 19077494AAAAAW7461

Place : New Delhi

Date : 27/09/2019



# BREAKTHROUGH TRUST

Plot No. 3, DDA Community Centre, Zamrudpur, New Delhi - 110048

Balance Sheet as at March 31, 2019

	Sch. No.	As at March 31,2019			Amount (Rs.) As at March 31,2018	
<b>SOURCES OF FUNDS</b>						
Settler's Fund			5,000.00			5,000.00
General Reserve Fund	1		10,000,000.00			91,375,682.58
Designated Funds	2		95,358,442.10			-
Deferred Revenue Funds	3		8,786,620.00			1,768,207.00
Restricted Grants and Contributions	4		160,518,990.17			91,969,115.38
Current Liabilities and Provisions	5		15,743,804.41			10,450,602.59
<b>TOTAL</b>			<b>290,412,856.68</b>			<b>195,568,607.55</b>
<b>APPLICATION OF FUNDS</b>						
Property, Plant and Equipment						
Gross Block	6	27,739,838.69		7,223,594.10		
Less: Accumulated Depreciation		8,312,901.69		5,453,502.10		
Net Block			19,426,937.00			1,770,092.00
Investments	7		145,558,901.40			162,100,946.41
Current Assets, Loans & Advances						
Restricted Grants and Contributions	4		945,489.14			377,229.89
Cash and Bank Balances	8		93,348,541.69			13,681,870.68
Advances recoverable in cash or in kind or for value to be received	9		4,785,769.95			5,181,916.27
Other Current Assets	10		26,347,217.50			12,456,552.30
<b>TOTAL</b>			<b>290,412,856.68</b>			<b>195,568,607.55</b>

Significant Accounting Policies and Notes on Accounts 14

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

As per our audit report of even date attached

for Singh Krishna & Associates  
Chartered Accountants  
Firm's Registration No. 008714C



for Breakthrough Trust

*Benu Kumar*

(Benu Kumar)  
Trustee

*Sh. Bhat*

(Sohini Bhattacharya)  
President & CEO

*Krishna Kumar Singh*

(Krishna Kumar Singh)  
Partner  
M. No. 077494

UDIN : 19077494 AAAA W7461

Place : New Delhi

Date : 27/09/2019

*Venkatesh Ramakrishnan*

(Venkatesh Ramakrishnan)  
Deputy Director - Finance & Operations



# BREAKTHROUGH TRUST

Plot No. 3, DDA Community Centre, Zamrudpur, New Delhi - 110048

Income And Expenditure Account for the Year Ended March 31, 2019

Particulars	Sch. No.	Amount (Rs.)	
		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Restricted Grants and Contributions Availed/ Utilised	4	185,617,135.25	124,334,146.83
Unrestricted Grants Received		1,368,600.00	14,346,000.00
Other Project Receipts		1,069,639.86	321,347.55
Interest Income		14,725,266.50	12,940,676.07
Donations		3,669,770.24	2,030,470.63
Miscellaneous Income		481,046.15	789,946.09
Payables Written off		363,654.82	675,780.04
Exchange Gain		10,394.58	48,994.22
Appropriation from Deferred Revenue Funds	3	1,874,645.04	2,160,184.00
<b>TOTAL</b>		<b>209,180,152.44</b>	<b>157,647,545.43</b>
<b>EXPENDITURE</b>			
Establishment Expenses	11	12,711,048.72	8,021,894.08
Information Dissemination Expenses	12	24,861,392.10	13,444,419.82
Salaries and Benefits	13	70,579,007.94	59,325,566.54
Consultancy Expenses		39,227,485.60	37,340,288.00
Sub-grant expenses		15,858,127.00	13,310,460.79
Travel Expenses		10,348,001.92	8,618,034.85
Workshop & Seminar Expenses		18,281,922.05	13,056,543.65
Welfare & Relief Activities		-	429,135.00
Assets Written off		-	1,055,466.00
Depreciation	6	3,330,407.59	1,252,342.00
<b>TOTAL</b>		<b>195,197,392.92</b>	<b>155,854,150.73</b>
Excess of Income over Expenditure		<b>13,982,759.52</b>	<b>1,793,394.70</b>
<b>APPROPRIATIONS</b>			
Transfer to Institutional Sustainability Fund		5,593,103.81	-
Transfer to Program Innovation, Expansion and Staff Development Fund		6,991,379.76	-
Transfer to Asset Replacement and Infrastructure Improvement Fund		1,398,275.95	-
Transfer to General Reserve Fund		-	1,793,394.70
<b>TOTAL</b>		<b>13,982,759.52</b>	<b>1,793,394.70</b>

Significant Accounting Policies and Notes on Accounts

14

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

As per our audit report of even date attached

for Singh Krishna & Associates  
Chartered Accountants  
Firm's Registration No. 008714C



*Krishna Kumar Singh*

(Krishna Kumar Singh)  
Partner  
M. No. 077494

UDIN : 19077494AAAAAW7461

Place : New Delhi

Date : 27/09/2019

for Breakthrough Trust

*Benu Kumar*  
(Benu Kumar)  
Trustee

*Sohini Bhattacharya*  
(Sohini Bhattacharya)  
President & CEO

*Venkatesan Ramakrishnan*  
(Venkatesan Ramakrishnan)  
Deputy Director - Finance & Operations





# BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2019

Particular	As at		Amount (Rs.)	
	31/03/2019		As at	31/03/2018
<b>SCHEDULE 1 - GENERAL RESERVE FUND</b>				
Opening Balance	91,375,682.58		89,582,287.88	
Add: Brought Forward from Income and Expenditure Account	-		1,793,394.70	
Less: Appropriation to Institutional Sustainability Fund	58,125,488.00		-	
Less: Appropriation to Program Innovation, Program Expansion, Staff Development Fund	17,437,646.00		-	
Less: Appropriation to Asset Replacement and Infrastructure Improvement Fund	5,812,548.58	10,000,000.00	-	91,375,682.58
<b>TOTAL</b>		<b>10,000,000.00</b>		<b>91,375,682.58</b>
<b>SCHEDULE 2 - DESIGNATED FUNDS</b>				
Institutional Sustainability Fund				
Opening Balance	-		-	
Add: Appropriation from General Reserve Fund	58,125,488.00		-	
Add: Appropriation from Income and Expenditure Account	5,593,103.81		-	
Less: Utilised during the year	-	63,718,591.81	-	-
Transfer to Program Innovation, Expansion and Staff Development Fund				
Opening Balance	-		-	
Add: Appropriation from General Reserve Fund	17,437,646.00		-	
Add: Appropriation from Income and Expenditure Account	6,991,379.76		-	
Less : Utilized during the year	-	24,429,025.76	-	-
Asset Replacement and Infrastructure Improvement Fund				
Opening Balance	-		-	
Add: Appropriation from General Reserve Fund	5,812,548.58		-	
Add: Appropriation from Income and Expenditure Account	1,398,275.95		-	
Less: Utilized during the year	-	7,210,824.53	-	-
<b>TOTAL</b>		<b>95,358,442.10</b>		<b>-</b>
<b>SCHEDULE 3 - DEFERRED REVENUE FUNDS</b>				
Deferred Revenue Fund - Assets under projects				
Opening Balance	1,768,207.00		3,199,065.00	
Add: Additions during the year	8,663,274.04		729,326.00	
Less: Amount Transferred to Income and Expenditure Account	1,874,645.04	8,556,836.00	2,160,184.00	1,768,207.00
Deferred Revenue Fund - Prepaid Expenses				
Opening Balance	-		-	
Add: Additions during the year	229,784.00		-	
Less: Amount Transferred to Income and Expenditure Account	-	229,784.00	-	-
<b>TOTAL</b>		<b>8,786,620.00</b>		<b>1,768,207.00</b>



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**BREAKTHROUGH TRUST**

Schedules forming part of the accounts for the year ended March 31, 2019

**SCHEDULE 4 - RESTRICTED GRANTS AND CONTRIBUTIONS**

Particulars	Opening Balance as at April 01, 2018		Grants Received/ Interest Allocated During the Year	Total	Availed/ utilized during the year against			Grant Refunded	Total	Closing Balance as at March 31, 2019	
	Unutilised Grants	Grants Receivable			Expenses	Assets	Prepaid			Unutilised Grants	Grant Receivable
C&A Foundation	15,541,616.06	-	11,701,665.55	27,243,281.61	9,579,809.87	4,956.00	8,940.00	-	9,593,705.87	17,649,575.74	-
Ford Foundation	15,986,970.13	-	-	15,986,970.13	15,964,621.13	-	22,349.00	-	15,986,970.13	-	-
Human Dignity Foundation	8,575,589.23	-	11,401,001.20	19,976,590.43	19,037,693.10	96,400.00	-	-	19,134,093.10	842,497.33	-
The David and Lucile Packard Foundation	5,220,479.20	-	-	5,220,479.20	5,202,629.20	17,850.00	-	-	5,220,479.20	-	-
The David and Lucile Packard Foundation - Interest allocation to Grant	-	-	440,081.00	440,081.00	440,081.00	-	-	-	440,081.00	-	-
The David and Lucile Packard Foundation	-	-	11,064,909.84	11,064,909.84	1,504,174.86	-	3,002.00	-	1,507,176.86	9,557,732.98	-
The David and Lucile Packard Foundation - Interest allocation to Grant	-	-	181,483.00	181,483.00	-	-	-	-	-	181,483.00	-
IKEA Foundation	33,986,203.92	-	82,877,349.00	116,863,552.92	70,783,919.20	793,605.04	105,047.00	-	71,682,571.24	45,180,981.68	-
Charities Aid Foundation India	-	-	6,412,160.00	6,412,160.00	6,392,035.00	1,500.00	18,625.00	-	6,412,160.00	-	-
Oak Foundation	7,039,766.70	-	-	7,039,766.70	6,935,890.70	77,090.00	26,786.00	-	7,039,766.70	-	-
Save the Children - Bal Raksha Bharat	2,623,766.00	-	-	2,623,766.00	-	-	-	-	2,623,766.00	-	-
Vanguard Charitable Endowment Program	1,928,910.14	-	-	1,928,910.14	1,928,910.14	-	-	-	1,928,910.14	-	-
Fidelity	-	-	13,333,106.49	13,333,106.49	8,958.96	7,303,023.00	-	-	7,311,981.96	6,021,124.53	-
Shujaaz, Narobi	-	-	161,189.75	161,189.75	260,317.00	-	-	-	260,317.00	-	99,127.25
Azim Premji Philanthropic Initiatives	-	171,570.00	-	(171,570.00)	-	-	-	-	-	-	171,570.00
Edelgive Foundation	965,702.00	-	6,918,039.00	7,883,741.00	7,342,668.60	-	-	-	7,342,668.60	541,072.40	-
Edelgive Foundation (BAT)	-	-	25,891,001.00	25,891,001.00	1,623,875.00	22,100.00	-	-	1,645,975.00	24,245,026.00	-
Twitter Communications	-	-	720,000.00	720,000.00	368,841.00	-	-	-	368,841.00	351,159.00	-
UNICEF	100,112.00	-	-	100,112.00	-	-	-	-	100,112.00	-	-
The JRD Tata Trust	-	205,659.89	-	(205,659.89)	-	-	-	-	-	-	205,659.89
Azim Premji Philanthropic Initiatives	-	-	89,733,394.00	89,733,394.00	36,651,688.49	346,750.00	45,035.00	-	37,043,473.49	52,689,920.51	-
Azim Premji Philanthropic Initiatives - Interest allocation to Grant	-	-	3,258,417.00	3,258,417.00	-	-	-	-	-	3,258,417.00	-
Becton Dickson India Pvt. Ltd.	-	-	1,121,890.00	1,121,890.00	1,591,022.00	-	-	-	1,591,022.00	-	469,132.00
<b>TOTAL</b>	<b>91,969,115.38</b>	<b>377,229.89</b>	<b>265,215,686.83</b>	<b>356,807,572.32</b>	<b>185,617,135.25</b>	<b>8,663,274.04</b>	<b>229,784.00</b>	<b>2,723,878.00</b>	<b>197,234,071.29</b>	<b>160,518,990.17</b>	<b>945,489.14</b>



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**BREAKTHROUGH TRUST**

Schedules forming part of the accounts for the year ended March 31, 2019

**SCHEDULE 6 - PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 01.04.2018	Additions during the year	Deletions /Adjustments	As at 31.03.2019	As at 01.04.2018	Depreciation for the year	As at 31.03.2019	As at 01.04.2018
<b>(A) Assets - General Fund</b>								
Information Technology (IT) Equipments	-	236,354.00	-	236,354.00	-	46,753.00	189,601.00	-
Office Equipment	37,002.00	1,636,196.01	-	1,673,198.01	35,152.00	191,864.01	1,446,182.00	1,850.00
Furniture & Fixtures	-	380,730.54	-	380,730.54	-	22,698.54	358,032.00	-
Leasehold Improvements	-	10,071,598.00	-	10,071,598.00	-	1,195,347.00	8,876,251.00	-
Donated Assets	35.00	-	-	35.00	-	-	35.00	35.00
<b>TOTAL (A)</b>	<b>37,037.00</b>	<b>12,324,878.55</b>	<b>-</b>	<b>12,361,915.55</b>	<b>35,152.00</b>	<b>1,456,662.55</b>	<b>10,870,101.00</b>	<b>1,885.00</b>
<b>(B) Assets acquired under Projects</b>								
Information Technology (IT) Equipments	4,935,227.00	5,887,853.00	452,908.00	10,370,172.00	4,000,079.00	1,342,547.00	5,480,454.00	935,148.00
Office Equipment	2,042,229.10	1,757,888.04	19,000.00	3,781,117.14	1,252,376.10	402,661.04	2,144,180.00	789,853.00
Furniture & Fixtures	160,238.00	3,970.00	-	164,208.00	117,032.00	8,242.00	38,934.00	43,206.00
Computer Software	48,863.00	-	-	48,863.00	48,863.00	-	-	-
Leasehold Improvements	-	1,013,563.00	-	1,013,563.00	-	120,295.00	893,268.00	-
<b>TOTAL (B)</b>	<b>7,186,557.10</b>	<b>8,663,274.04</b>	<b>471,908.00</b>	<b>15,377,923.14</b>	<b>5,418,350.10</b>	<b>1,873,745.04</b>	<b>8,821,087.14</b>	<b>1,768,207.00</b>
<b>TOTAL (A)+(B)</b>	<b>7,223,594.10</b>	<b>20,988,152.59</b>	<b>471,908.00</b>	<b>27,739,838.69</b>	<b>5,453,502.10</b>	<b>3,330,407.59</b>	<b>8,312,901.69</b>	<b>1,770,092.00</b>
<b>PREVIOUS YEAR</b>	<b>8,145,305.60</b>	<b>729,326.00</b>	<b>1,651,037.50</b>	<b>7,223,594.10</b>	<b>4,796,731.60</b>	<b>1,252,342.00</b>	<b>5,453,502.10</b>	<b>1,770,092.00</b>





# BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2019

Particular	Amount (Rs.)	
	As at 31/03/2019	As at 31/03/2018
<b>SCHEDULE 5 - CURRENT LIABILITIES AND PROVISIONS</b>		
Sundry Creditors	3,689,960.12	1,658,586.22
Expense Payable	630,036.29	444,405.37
Statutory Liability		
TDS Payable	1,089,699.00	-
PF Payable	773,804.00	664,341.00
Provisions for Employee Benefits		
Provisions for Gratuity	9,560,305.00	7,683,270.00
<b>TOTAL</b>	<b>15,743,804.41</b>	<b>10,450,602.59</b>
<b>SCHEDULE 7 - INVESTMENTS</b>		
<b>Long Term Investments</b>		
8% GOI Bonds	20,000,000.00	20,000,000.00
Fixed Deposits with CBHFL	-	15,000,000.00
Fixed Deposits with KTDCL	120,500,000.00	120,500,000.00
Fixed Deposits with Scheduled Banks	5,058,901.40	6,600,946.41
<b>TOTAL</b>	<b>145,558,901.40</b>	<b>162,100,946.41</b>
<b>SCHEDULE 8- CASH AND BANK BALANCES</b>		
<b>Cash Balances :</b>		
Cash in Hand	44,308.00	18,863.00
Foreign Currency in Hand	172,993.95	143,338.78
Balance in Forex Cards	149,319.65	308,668.23
<b>Balance with Bank:</b>		
Designated FCRA Account	3,411,101.02	2,131,510.11
Other Bank Accounts	89,570,819.07	11,079,490.56
<b>TOTAL</b>	<b>93,348,541.69</b>	<b>13,681,870.68</b>
<b>SCHEDULE 9 - ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED</b>		
Program Partners	2,522,890.25	3,353,295.25
Advance to Vendors and Service Providers	1,682,042.87	1,328,993.44
Prepaid Expenses	229,784.00	15,805.00
Advance to Staff	351,052.83	483,822.58
<b>TOTAL</b>	<b>4,785,769.95</b>	<b>5,181,916.27</b>
<b>SCHEDULE 10 - OTHER CURRENT ASSETS</b>		
Security Deposits	1,635,000.00	372,000.00
Accrued Interest	20,565,729.33	9,093,710.83
TDS Receivables	4,146,488.17	2,990,841.47
<b>TOTAL</b>	<b>26,347,217.50</b>	<b>12,456,552.30</b>



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# BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2019

Particular	Amount (Rs.)	
	As at 31/03/2019	As at 31/03/2018
<b>SCHEDULE 11 - ESTABLISHMENT EXPENSES</b>		
Audit Fees	331,816.00	295,000.00
Bank Charges	55,856.34	34,218.23
Courier and Postage	51,904.00	50,366.00
Electricity & Water Charges	532,460.00	496,377.00
Insurance Expenses	-	16,667.00
Legal & Professional Charges	1,013,412.00	548,739.00
Office Expenses	336,509.09	292,021.83
Printing & Stationery	224,798.00	121,021.00
Rent	8,201,128.00	4,077,405.00
Repair & Maintenance	870,083.36	941,839.20
Staff and Guest Welfare	449,464.32	223,786.38
Telephone, Fax and Internet Charges	605,464.61	561,047.22
Receivable Written off	38,153.00	363,406.22
<b>TOTAL</b>	<b>12,711,048.72</b>	<b>8,021,894.08</b>
<b>SCHEDULE 12 - INFORMATION DISSEMINATION EXPENSES</b>		
Books & Periodicals	6,221.00	10,143.87
Campaigns and Advertisements for Awareness	21,128,067.89	11,338,086.12
Giveaways	1,119,148.00	288,760.00
License Fees	-	337,930.94
Printing and Production of IEC Material	2,605,656.00	1,310,810.00
Warehousing and Logistic Expenses	-	107,039.00
Website Development	2,299.21	51,649.89
<b>TOTAL</b>	<b>24,861,392.10</b>	<b>13,444,419.82</b>
<b>SCHEDULE 13 - SALARIES AND BENEFITS</b>		
Salaries	63,231,408.00	50,139,526.00
Mediclaime and Accidental Insurance	75,054.59	630,568.54
Gratuity	2,192,035.00	3,236,529.00
Provident Fund Expenses	4,580,231.00	3,667,569.00
Other Benefits and Expenses	500,279.35	1,651,374.00
<b>TOTAL</b>	<b>70,579,007.94</b>	<b>59,325,566.54</b>



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## BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2019

### SCHEDULE – 14 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Accounting Convention

The financial statements of the Trust have been prepared on a going concern basis under the historical cost convention on accrual basis and in accordance with mandatory accounting standards issued by the Institute of Chartered Accountants of India.

2. Use of Estimates

The preparation of the financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognised in the period in which the results are crystallised.

3. Fixed assets

*Tangibles*

Fixed assets are stated at cost, less accumulated depreciation. The cost of fixed asset comprises its purchase price and any cost attributable of bringing the asset to its working condition and intended use. An asset received as donation is recognised at nominal value of ` 1 in the books of account.

*Intangibles*

Intangible assets comprise softwares which are stated at cost less amortisation. These are recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the Trust and the cost of the assets can be measured reliably.

4. Depreciation and amortisation

Depreciation is charged on straight line method based on management's estimate of useful life of the asset after considering the residual value of five percent. The estimated useful life of the assets are as under:

Asset description	Useful life
Computer Equipment	3 years
Office Equipment	5 years
Office Furniture	10 years

Amortization on the intangible assets is provided on pro-rata basis on the straight-line method based on management's estimate of useful life. Useful life has been estimated as 3 years in case of acquired software.

An asset costing Rs. 5,000 or below is depreciated/ amortized fully in the year of purchase.

5. Impairment of Assets

Management of the Trust periodically assesses whether there is an indication that an asset may be impaired. In case of such an indication, the management estimates the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the difference is recognized as impairment loss.

6. Investment

Long-term investments are carried at cost after adjusting decline, other than temporary, in carrying amount.



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7. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Income and Expenditure Account.

8. Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Income and Expenditure Account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Income and Expenditure Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to revenue.

9. Revenue recognition

Grants received for specific purposes are initially treated as a liability and adjusted for capital or revenue expenses as per utilisation during the year. Generally, grants, to the extent utilised for revenue expenditure, are treated as income of the year. After fulfillment of obligations attached with a particular grant, any unutilised amount of the grant, not refundable to the donor, is transferred to Income and Expenditure Account.

Grants, to the extent utilised for depreciable assets, are treated as deferred income and recognised in the Income and Expenditure Account on a systematic and rational basis.

10. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Income and Expenditure Account.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognised in the Income and Expenditure Account.

11. Provisions and Contingencies

Provisions are recognised when the Trust has a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provision required settling the obligation are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

A disclosure for a 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. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow.



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## Notes on Accounts

1. Breakthrough Trust was established on October 12, 1999 as a Public Charitable Trust. The Trust is an innovative and effective human rights organisation that deploys multi-media, popular culture, leadership development and community mobilization to promote values of dignity, equality and justice. The Trust is working on the issue related to violence against women, early marriage, sex selection and human rights. The Trust is actively involved in awareness generation and response strengthening of these issues.

2. The Trust is registered with the Income-Tax Department under Section 12A of the Income-Tax Act, 1961 vide a certificate No. DIT (E)/ 99-2000/ B -783/ 99/ 697 dated February 03, 2000.

In the opinion of the Board of Trustees, the Trust is eligible for exemption from income tax under section 11 to 13 of the Act. Hence, no provision for the current income tax and deferred tax has been made in these financial statements.

3. Contingent Liability

Aggregate demands for TDS and interest thereon of Rs. 2,79,667.47 are appearing on TRACES web-portal for TAN No. DELB04495B of the Trust. However, no provision has been made by the Trust for the demands as the Trust is hopeful that most of the demands will be addressed after rectification of errors in the TDS returns and Challans.

4. Capital Commitment – Nil.

5. Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent identified and information available with the Society pursuant to section 22 of the MSMED Act, 2006:

Particulars	Current Year	Previous Year
Principal amount remaining unpaid to suppliers registered under the MSMED Act as at year end	4,680	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest paid by the Society in terms of Section 16 of MSMED Act along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
Interest accrued and remaining unpaid as at year end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-

6. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

Employer's Contribution to Provident Fund      Rs. 43,23,503 (Previous Year Rs. 34,19,864)

The Employees' Gratuity Fund Scheme is a defined benefit plan. The present value of obligation is determined using projected unit credit (PUC) actuarial method. Under the PUC method, a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.



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The principal actuarial assumptions used as at the balance sheet date are as under:

a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long-term basis.

		31/03/2019	31/03/2018
i)	Discounting Rate	7.65 % p.a.	7.71 % p.a.
ii)	Future salary Increase	15.00 % p.a.	15.00 % p.a.
iii)	Expected Rate of return on plan assets	0.00 % p.a.	0.00 % p.a.

b) Demographic Assumption

		31/03/2019	31/03/2018
i)	Retirement Age	60 Years	60 Years
ii)	Mortality Table	IALM 2006-08	IALM 2006-08
iii)	Withdrawal rate	Ages and %	Ages and %
		Up to 30 Years 35.00 %	Up to 30 Years 35.00 %
		From 31 to 44 years 60.00 %	From 31 to 44 years 60.00 %
		Above 44 years 5.00 %	Above 44 years 5.00 %

7. In the opinion of the Board of Trustees, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities have been made in the financial statements.
8. During the financial year 2018-19, the Trust used services of Google Ads and Twitter equivalent to US\$ 23,738 (Previous Year US\$ 1,25,159) which were made available free of cost by them.
9. The Trust leases certain office premises under cancellable operating lease arrangements. The rent expense under these agreements for the year is Rs. 82,01,128 (Previous Year Rs. 40,77,405).

Signatories to the Schedule 1 to 14

As per our Report of even date attached

for Singh Krishna & Associates  
Chartered Accountants  
Firm's Registration No. 008714C

*Krishna Kumar Singh*  
(Krishna Kumar Singh)  
Partner  
M. No. 077494

UDIN: 19077494AAAAW7461

Place : New Delhi

Date : 27/09/2019



for Breakthrough Trust

*Benu Kumar*

(Benu Kumar)  
Trustee

*Sohini Bhattacharya*

(Sohini Bhattacharya)  
President & CEO

*Venkatesan Ramakrishnan*  
(Venkatesan Ramakrishnan)  
Deputy Director - Finance & Operations

