

**AUDITORS' CERTIFICATE**

To,

The Board of Directors,  
George Institute for Global Health  
308, Third Floor, Elegance Tower  
Plot No. 8, Jasola District Centre  
New Delhi - 110025, India

**Certificate under FC-4 in accordance with Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 and the Foreign Contribution (Regulation) Amendment Act, 2020.**

1. We have been requested by George Institute for Global Health ('the Company') having its registered office at "Plot No. 58 & 59, Ground Floor, Saranya Building, 8-2-248/1/7/58 & 59/A, Nagarjuna Circle, Punjagutta, Hyderabad 500082, Telangana, India" vide engagement letter dated June 3, 2021 to issue a certificate as required under FC-4, in accordance with Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (hereinafter collectively referred to as the "Direction"). The Certificate should be read together with following accompanying documents, which have been signed/ initialed by us, as required.
  - Certificate of Compliance, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the Format prescribed under FC-4 (read with the Direction) for Certificate to be issued by the Chartered Accountant. This Certificate of Compliance has been issued by us to strictly comply with the format requirements under FC-4 only and should be read together with this Certificate and accompanying documents.
  - The Statement of Compliance, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, which has been prepared by the Company in accordance with the Direction (hereinafter referred to as the 'Statement').
  - The Special Purpose Financial Statements, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, which has been prepared by the Company in accordance with generally accepted accounting principles in India and the Direction, with the specific purpose of submitting them to the Ministry of Home Affairs and audited by us. These Special Purpose Financial Statements comprise of Balance Sheet as at March 31, 2021, the Income and Expenditure account and the Receipts and Payments account for the year then ended, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, together with accompanying explanatory information.
  - Our audit opinion on these Special Purpose Financial Statements vide our report dated December 17, 2021.



## **2. Management's Responsibility for the Statement**

The preparation of the Statement is the responsibility of Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is responsible for ensuring that the Company complies with the requirements of Foreign Contribution (Regulation) Act, 2010 read with underlying rules and guidelines, as amended from time to time, including the Direction.

## **3. Auditor's Responsibility**

Pursuant to the requirements of the Direction, our responsibility is to verify the Statement from the audited books of accounts of the Company for the year ended March 31, 2021 and other relevant documents produced to us for our examination.

We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## **4. Conclusion**

Based on the procedures performed by us, as referred in paragraph 3 above and according to the information and explanations given to us and based on management representations, nothing has come to our attention that cause us to believe that the Statement is not in agreement with audited books and accounts of the Company and other relevant documents, produced to us for our examination, for the year ended March 31, 2021.

## **5. Restriction of Use**

The certificate is addressed to Board of Directors of the Company solely for the purpose to enable them to comply with requirement of the provision under the Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011. As mentioned above, this Certificate should be read together with accompanying documents, which have been signed/ initialed by us. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.



Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

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**Vinod Gupta**  
Partner  
Membership No.503690  
UDIN: 21503690AAAACO2538



Place: Gurugram  
Date: December 17, 2021

Enclosed - Annexure 1 "Certificate of Compliance" as attached

**Annexure 1 of Auditor's Certificate**

**Certificate of Compliance**

We, MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) have audited the books of accounts of George Institute for Global Health ("The Company") having its registered office at "Plot No. 58 & 59, Ground Floor, Saranya Building, 8-2-248/1/7/58 & 59/A, Nagarjuna Circle, Punjagutta, Hyderabad 500082, Telangana, India" (CIN U74900TG2007NPL055085 under Companies Act, 1956 registered with Registrar of Companies, Andhra Pradesh and FCRA Registration No.:010230895) for the year ended March 31, 2021 and examined all relevant books and vouchers and certify that according to the audited accounts:

- i. The brought forward foreign contribution (cash & bank balance) at the beginning of the financial year was Rs. 52,476,042;
- ii. Foreign contribution of Rs. 159,113,531 was received by the Company during the financial year 2020-21;
- iii. Rs. 2,135,414 was received by the Company as interest on foreign contribution and Rs. 2,390,289 was received as refund of security deposits as other income derived from foreign contribution, during the financial year 2020-21;
- iv. The balance of unutilised foreign contribution (cash & bank balance) with the Company at the end of the financial year 2020-21 was Rs. 30,537,896;
- v. The Company has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 17 of the Foreign Contribution (Regulation) Rules, 2011.
- vi. The Information in this certificate and in the enclosed Balance Sheet, Statement of Income and Expenditure Account and Statement of Receipt and Payment Account is correct as checked by us.
- vii. The Company has utilized the foreign contribution received for the purposes it is registered under Foreign Contribution (Regulation) Act, 2010.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Vinod Gupta**  
Partner  
Membership No.503690  
UDIN: 21503690AAAACO2538



Place: Gurugram  
Date: December 17, 2021

## INDEPENDENT AUDITOR'S REPORT

To

### The Board of Directors

George Institute for Global Health  
308, Third Floor, Elegance Tower  
Plot No. 8, Jasola District Centre  
New Delhi - 110025

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the accompanying Special Purpose Financial Statements of George Institute for Global Health ('the Company'), which comprise the Balance Sheet as at March 31, 2021, and the "Income and Expenditure Account" and "Receipt and Payment Account" for the year then ended, and notes to the Special Purpose Financial Statements, attributable to contributions received by the Company from foreign sources only in designated FCRA bank accounts, together with accompanying explanatory information. These Special Purpose Financial Statements have been prepared by the Company in accordance with the generally accepted accounting principles in India with the specific purpose of submitting them to the Ministry of Home Affairs in accordance with Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 and the Foreign Contribution (Regulation) Amendment Act, 2020 (the 'Direction').

In our opinion, the accompanying Special Purpose Financial Statements, give a true and fair view of the state of affairs of the Company (including unutilized foreign contributions) as at March 31, 2021 and its expenditure over income for the year then ended, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the Direction and accountings principles generally accepted in India.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and 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.





### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2 to the Special Purpose Financial Statements, which describe the basis of preparation of these Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the Company, attributable to contributions received by the Company from foreign sources only in designated FCRA bank accounts, in accordance with the generally accepted accounting principles in India with the specific purpose of submitting them to the Ministry of Home Affairs in accordance with the Direction.

### **Restriction on Distribution and Use**

The Special Purpose Financial Statements are prepared to assist the Company to submit them to Ministry of Home Affairs, in compliance with the provisions under the Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Board of Directors of the Company for the specific purpose of submission to the Ministry of Home Affairs as mentioned above and should not be distributed to or used by any other parties. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

### **Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements**

Management is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair in accordance with the Direction and generally accepted accounting principles in India and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Special Purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 Special Purpose Financial Statements.



We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special purpose financial statements.

**Other Matters**

- As mentioned in the Basis of Accounting above, these Special Purpose Financial Statements have been prepared by the management, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the generally accepted accounting principles and the Direction and therefore, these Special Purpose Financial Statements do not present the affairs of the Company as a whole.
- We have audited the financial statements of the Company (as a whole) as of and for the year ended March 31, 2021 on which we issued unmodified audit opinion vide our report dated July 27, 2021. Our audit of these financial statements was conducted in accordance with the SAs and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
- We draw attention to Note 3 to the Special Purpose Financial Statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the Special Purpose Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Financial Statements.

Our opinion is not modified in respect of above matters.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

*Vinod Gupta*

**Vinod Gupta**  
Partner  
Membership No. 503690  
UDIN: 21503690AAAACN2652



Place: Gurugram  
Date: December 17, 2021

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF GEORGE INSTITUTE FOR GLOBAL HEALTH**

**Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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, but not for the purpose of expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Financial Statements 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 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 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 Special Purpose 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.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

*Vinod Gupta*

**Vinod Gupta**  
Partner  
Membership No. 503690  
UDIN: 21503690AAAACN2652



Place: Gurugram  
Date: December 17, 2021

**GEORGE INSTITUTE FOR GLOBAL HEALTH  
HYDERABAD**

FCRA Registration No.: 010230895

CIN: U74900TG2007NPLO55085

Balance Sheet as at 31-March-2021

FUNDS & LIABILITIES	As at 31-March-2021	As at 31-March-2020	PROPERTY & ASSETS		As at 31-March-2021	As at 31-March-2020
<b>Excess of income over expenditure</b>			<b>Property, plant &amp; equipment and other assets</b>			
Opening balance	10,527,537	19,882,570	Project funds & grant receivable		30,394,096	21,226,377
Less: Deficit for the year	(11,803,879)	(9,355,033)	Prepaid expenses and travel & other advances		4,979,344	7,172,684
	(1,276,342)	10,527,537	Advance income tax pending refund		374,989	280,530
			Property, plant & equipment		8,850,306	8,840,373
<b>Liabilities &amp; Provisions</b>			<b>Cash and Bank Balances</b>		<b>44,598,735</b>	<b>37,519,964</b>
Trade payables	4,531,443	5,600,533	Balances in account with scheduled banks:			
Statutory liabilities	2,646,524	2,108,928	Axis bank - FCRA designated bank account (till 04/03/2021)		26,906,209	30,810,710
Other provisions	2,402,090	2,268,412	Axis bank - Utilisation account-I		2,787,571	227,190
Provisions for gratuity and leave encashment	14,568,794	13,200,889	Yes bank - Utilisation account-II		43,564	20,838,142
Grants received in advance (unutilised)	52,264,122	56,446,834	SBI - FCRA designated bank account (from 05/03/2021)		800,552	757,127
			Fixed deposits with banks		30,537,896	52,633,169
	<b>76,412,973</b>	<b>79,625,596</b>				
<b>Total</b>	<b>75,136,631</b>	<b>90,153,133</b>	<b>Total</b>		<b>75,136,631</b>	<b>90,153,133</b>

Refer notes 1-6 for "Accompanying explanatory information"

As per our report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Registration No.: 105047W

Vinod Gupta  
Partner  
Membership No.: 503690



Place: Gurugram  
Date: 17/12/2021

For and behalf of the Board of Directors of  
George Institute for Global Health

Amit Khanna  
Director  
DIN: 06616990

Place: New Delhi  
Date: 18/12/2021

**GEORGE INSTITUTE FOR GLOBAL HEALTH**  
HYDERABAD

FCRA Registration No.: 010230895

CIN: U74900TG2007NPLO55085

**Income and Expenditure Account for the year ended 31-March-2021**

EXPENDITURE	Year ended 31-March-2021	Year ended 31-March-2020	INCOME	Year ended 31-March-2021	Year ended 31-March-2020
<b>Expenditure</b>			<b>Contribution towards</b>		
Employee benefit expenses	109,508,005	104,078,414	Project funds & grants and donations	173,328,398	185,826,721
Depreciation expenses	4,455,090	1,977,491			
Other project cost	42,840,988	38,591,557	<b>Other Income</b>		
Travelling and conveyance	4,381,533	12,365,649	Interest income (refer note 4)	1,221,179	2,036,607
Audit and other fees	891,490	552,670	Miscellaneous income	-	36,904
Operating lease rent/ office rent	8,876,231	16,248,919			
Electricity charges	517,683	1,152,653			
IT and communications expenses	5,493,415	8,104,817			
Other operating expenses	9,389,021	14,183,095			
<b>Deficit carried over to balance sheet</b>	<b>(11,803,879)</b>	<b>(9,355,033)</b>			
<b>Total</b>	<b>174,549,577</b>	<b>187,900,232</b>	<b>Total</b>	<b>174,549,577</b>	<b>187,900,232</b>

Refer notes 1-6 for "Accompanying explanatory information"

As per our report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Registration No.: 105047W

Vinod Gupta  
Partner  
Membership No.: 503690

Place: Gurugram  
Date: 17/12/2021



For and behalf of the Board of Directors of  
George Institute for Global Health

Amit Khanna  
Director  
DIN: 06616990

Place: New Delhi  
Date: 17/12/2021

**GEORGE INSTITUTE FOR GLOBAL HEALTH  
HYDERABAD**

FCRA Registration No.: 010230895

CIN: U74900TG2007NPL055085

Receipt and Payment Account for the year ended 31-March-2021

RECEIPTS	Year ended 31-March-2021	Year ended 31-March-2020	PAYMENTS	Year ended 31-March-2021	Year ended 31-March-2020
Balance b/f					
Cash in hand					
Bank balances:					
Axis bank - FCRA designated bank account	30,810,710	99,705	Payments:	107,355,234	104,379,327
Axis bank - Utilisation account-I	227,190	5,769,049	Employee benefit expenses	5,039,277	11,871,637
Yes bank - Utilisation account-II	20,838,142	14,775,582	Travelling and conveyance	42,669,646	36,395,370
Fixed deposits with banks	600,000	600,000	Other project cost	8,715,741	15,212,967
			Operating lease rent/ office rent	516,409	1,155,367
			Electricity charges	5,065,459	8,066,999
			IT and communications expenses	9,515,503	10,859,675
			Other operating expenses	4,788,416	7,174,812
			Property, plant & equipment	1,911,695	4,221,717
			Prepaid expenses and travel & other advances		
Receipts:					
Grants and donation received	159,113,531	228,564,845			
Bank interest	2,135,414	1,909,732			
Sale of Property, Plant & Equipment	-	95,000			
Refund of security deposit	2,390,289	-			
			Balance c/f		
			Axis bank - FCRA designated bank account (till 04/03/2021)	26,906,209	30,810,710
			Axis bank - Utilisation account-I	2,787,571	227,190
			Yes bank - Utilisation account-II	43,564	20,838,142
			SBI - FCRA designated bank account (from 05/03/2021)	-	-
			Fixed deposits with banks (including accrued interest)	800,552	600,000
<b>Total</b>	<b>216,115,276</b>	<b>251,813,913</b>	<b>Total</b>	<b>216,115,276</b>	<b>251,813,913</b>

Refer notes 1-6 for "Accompanying explanatory information"

As per our report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Reg'd. Trade No. 105047M  
Virend Gupta  
Partner  
Membership No.: 503690



For and on behalf of the Board of Directors of  
George Institute for Global Health  
Ankit Khanna  
Director  
DIN: 06616990



Place: Gurgaon  
Date: 17/12/2021

Place: New Delhi  
Date: 17/12/2021

## 1. Background

George Institute for Global Health (The Company) is registered under Section 25 of the Companies Act, 1956 (now Section 8 of the Companies Act, 2013) and is a wholly owned subsidiary of The George Institute for Global Health, Australia. The Company was incorporated on August 09, 2007.

The Company is recognised as a Scientific and Industrial Research Organisation (SIRO) by the Department of Scientific and Industrial Research (DSIR) under the Scheme on Recognition of Scientific and Industrial Research Organisations (SIROs), 1988. The Company has recognition of Scientific and Industrial Research Organisation (SIROs) for the period from April 01, 2019 upto March 31, 2022.

The Company is also registered under the Foreign Contribution (Regulation) Act, 2010 for carrying out activities of educational nature. The registration is valid till June 04, 2022.

The Company is also registered under sections 12A and 80G of the Income Tax Act, 1961 as a charitable organisation, and therefore no tax provision has been made.

The Company is engaged in conducting research on the leading causes of premature death and disability, especially chronic and non-communicable diseases (e.g., diabetes, hypertension, heart and kidney diseases, mental disorders etc.) and injury, to transform policy and practice and health outcomes for people. The Company's research focuses on developing effective and affordable solutions for the healthcare challenges of the 21<sup>st</sup> century especially in resource-poor environments.

## 2. Basis for preparation of Special Purpose Financial Statements

The Special Purpose Financial Statements of the Company have been prepared, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the requirement of Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contributions (Regulation) Rules, 2011 and generally accepted accounting principles in India (Indian GAAP). The Special Purpose Financial Statements have been prepared under the historical cost convention on an accrual basis. These Special Purpose Financial Statements have been approved by the Board of Directors of the Company on December 17, 2021.

3. Impact of COVID-19 - Management currently believes that it has adequate liquidity and projects to continue its operations and mitigate the risks associated with COVID-19 for the next 12-24 months from the date of these Special Purpose Financial Statements.

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the Special Purpose Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Financial Statements.

4. Interest income is net of interest amounting to INR 851,567 (Previous year Nil), credited to certain donors on grants received in advance in accordance with terms of grant agreements executed with them. The amount so credited is included under Liabilities & provisions as part of 'Grants received in advance (unutilised)'.
5. The Company for its objectives receives grants both from FCRA sources and non-FCRA sources. At a consolidated legal entity level, income from grants is recognised to match the total expenditure under various projects of the Company and the balance is carried forward as unutilised grants for use in future periods. However, in the standalone accounts for FC and non-FC, there is surplus/ deficit on account of incurring of overhead expenses and the Company ensures compliance with the applicable FCRA provisions.
6. Depreciation and Fixed assets - Depreciation is provided on Straight Line Method (SLM) based on the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013. Assets purchased by the Company specifically for projects are charged off in the Income & Expenditure Account in the year of purchase. Further such tangible assets are recorded in the Fixed Assets register of the Company at a nominal value of INR 1 to facilitate identification of such assets. Gain, if any, on sale of such assets is credited to Income & Expenditure Account in the year of sale.

