

FINANCIAL STATEMENTS

2023-24



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH



FINANCIAL STATEMENTS
Financial Year 2023-24



INDIAN RED CROSS SOCIETY
Punjab State branch, Chandigarh

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AUDITOR'S REPORT

We have examined the annexed balance sheet of the INDIAN RED CROSS SOCIETY, PUNJAB STATE BRANCH, CHANDIGARH as at 31 March, 2024 and the Income and Expenditure Account for the year ended on that date are in agreement with the books of account maintained by the said organization.

We have obtained all the information and explanations to the best of my knowledge and belief which are necessary for the purpose of the audit.

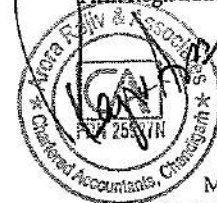
In our opinion, proper books of accounts have been maintained at the registered office of the above-named organization at Madhya Marg, Sector 16, Chandigarh.

In our opinion and to the best of my information, and according to information given to me, the said accounts give a true and fair view of the state and affairs of the organization as on 31 March, 2024 and of the income and application of its accounting year ending on 31 March, 2024, subject to the following observations/qualifications-

SI No	Basis or Observation/Qualification	Description
1.	Closing Inventory not certain able	Without being able to verify the physical existence of the stock, we cannot be certain that the organisation's assets are not overstated.
2.	Incomplete records	We have been unable to obtain the receipt and payment account for the year ended 31 March, 2024. Without the receipt and payment account, we cannot verify the cash transactions of the organisation. This means we cannot be certain that the financial statements accurately reflect the organisation's cash position.
3.	Depreciation on Land	Depreciation has been provided on land till FY2022-23, even though land is not depreciable, which resulted in overstatement of expenses and understatement of income. However, they have stopped charging depreciation from FY 2023-24 onward.
4.	Depreciation on RTC Building	RTC Building was constructed and completed in FY 2016-17, no depreciation has been charged till FY 2022-23. Depreciation on the said Building is charged from FY 2023-24 onward.

Place: Chandigarh
Date: 25/09/2024
UDIN: 24093976BKAHKX2201

In terms of our Separate Audit Report
For ARORA RAJIV & ASSOCIATES
Chartered Accountants
Firm Registration No.: 024927N



Rajiv Arora
Managing Partner
Membership No.: 093976



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Balance Sheet as on 31/03/2024

SOURCE OF FUNDS	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND	1	175585723.00	156940477.87
RESERVES AND SURPLUS	2	(5100.00)	(5100.00)
EARMARKED/ENDOWMENT FUNDS	3	39243554.60	33943817.00
SECURED LOANS AND BORROWINGS			
UNSECURED LOANS AND BORROWINGS	4	2200000.00	2200000.00
DEFERRED CREDIT LIABILITIES			
CURRENT LIABILITIES AND PROVISIONS	5	14549106.02	12989915.48
TOTAL		231573283.62	206069110.80
APPLICATION OF FUNDS			
FIXED ASSETS	6	55355789.09	54669442.65
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	7	38038937.35	32639199.75
INVESTMENTS-OTHERS			
CURRENT ASSETS, LOANS, ADVANCES ETC.	8	138178557.18	96200897.90
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
TOTAL		231573283.62	206069110.80
SIGNIFICANT ACCOUNTING POLICIES			
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			

For THE INDIAN RED CROSS SOCIETY PUNJAB STATE BRACH, CHANDIGARH

Sd-
Vice-Chairman

Swi
Secretary

Sam
Deputy Secretary

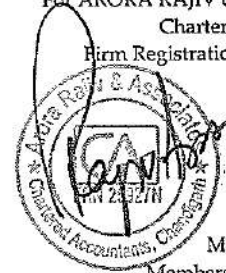
Sam
Accounts Officer

Sam
Sr. Assistant

Javed
Clerk

Place: Chandigarh
Date: 25/09/2024
UDIN: 24093976BKAHKX2201

In terms of our Separate Audit Report
For ARORA RAJIV & ASSOCIATES
Chartered Accountants
Firm Registration No.: 024927N



Rajiv Arora
Managing Partner
Membership No.: 093976



FINANCIAL STATEMENTS
Financial Year 2023-24

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Statement of Income and Expenditure for the year ending 31/03/2024

<u>INCOME</u>	Schedule	Current Year	Previous Year
Income From Sale/Services	9	1322389.00	1579217.95
Grants/Subsidies	10	28151000.00	28500000.00
Fees/Subscriptions	11	8938853.00	1300944.00
Income from Investments (Income on Invest. from earmarked/endow. Funds transferred to Funds)			
Income from Royalty, Publications etc.			
Interest Earned	12	4117669.00	3501040.00
Other Income	13	26148895.57	17500745.04
Increase/(decrease) in stock of Finished goods and works-in-progress			
TOTAL (A)		68678806.57	52381946.99
<u>EXPENDITURE</u>			
Establishment Expenses	14	22061720.73	20810559.00
Other Administrative Expenses etc.	15	8591456.23	6949099.27
Expenditure on Grants, Subsidies etc.	16	15419936.00	11630496.00
Interest			
Depreciation (Net Total at the year-end corresponding to Schedule 6)		3960448.48	838914.98
TOTAL (B)		50833561.44	40229069.25
Balance being excess of Income over Expenditure (A-B)		18645245.13	12152877.74
Transfer to Special Reserve			
Transfer from Accumulated Funds		8863692.00	
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND		27508937.13	12152877.74
SIGNIFICANT ACCOUNTING POLICIES	17		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			

For THE INDIAN RED CROSS SOCIETY PUNJAB STATE BRACH, CHANDIGARH

-Sd-
Vice-Chairman

Secretary

Deputy Secretary

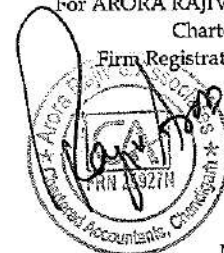
Accounts Officer

Sr. Assistant

Clerk

Place: Chandigarh
Date: 25/09/2024
UDiN: 24093976BKAHKX2201

In terms of our Separate Audit Report
For ARORA RAJIV & ASSOCIATES
Chartered Accountants
Firm Registration No.: 024927N



Rajiv Arora
Managing Partner
Membership No.: 093976

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

<u>SCHEDULE 1- CORPUS/CAPITAL FUNDS</u>	Current Year		Previous Year	
	a) Capital Funds			
b) Surplus/(Deficit)				
Balance at the beginning of the year	156940477.87		144787600.13	
(Deductions): Utilization	(8863692.00)			
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	18645245.13	175585723.00	12152877.74	156940477.87
<u>BALANCE AT THE YEAR-END</u>		175585723.00		156940477.87

<u>SCHEDULE 2- RESERVES AND SURPLUS</u>	Current Year		Previous Year	
	1. <u>Capital Reserve:</u>			
As per last Account				
Additions during the year				
Less: Deductions during the year				
2. <u>Revaluation Reserve:</u>				
As per last Account				
Additions during the year				
Less: Deductions during the year				
3. <u>Special Reserve:</u>				
As per last Account				
Additions during the year				
Less: Deductions during the year				
4. <u>General Reserve:</u>				
As per last Account	(5100.00)		(5100.00)	
Additions during the year		(5100.00)		(5100.00)
Less: Deductions during the year				
<u>TOTAL</u>		(5100.00)		(5100.00)



FINANCIAL STATEMENTS
Financial Year 2023-24

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet As At 31/03/2024

SCHEDULE 3- EARMARKED/ENDOWMENT FUNDS	FUND-WISE BREAK UP					TOTAL	
	Provident Fund	Disaster Relief Fund	Flood Relief Fund	Fund for Nutritional Care of TB Patient	Funds for Repair and Renovation of Training Hall	Current Year	Previous Year
a) <u>Opening balance of the funds</u>	32639199.75	231200.00	277524.25	100000.00	695893.00	33943817.00	34244117.69
b) <u>Additions to the funds:</u> i. Donation/grants ii. Income from investment made on account of funds iii. Other additions	5399737.60					5399737.60	
TOTAL (a+b)	38038937.35	231200.00	277524.25	100000.00	695893.00	39343554.60	34244117.69
c) <u>Utilization/Expenditure towards objectives of funds</u> i. <u>Capital Expenditure</u> - Fixed Assets - Other Total ii. <u>Revenue Expenditure</u> - Salaries, Wages and allowance etc. - Rent - Other Total							300300.69
TOTAL (c)				100000.00		100000.00	300300.69
NET BALANCE AS AT THE YEAR-END (a+b-c)	38038937.35	231200.00	277524.25	0.00	695893.00	39243554.60	33943817.00
Notes:							
1) Disclosures shall be made under relevant heads based on conditions attaching to the grants.							
2) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds							

SCHEDULE 4- UNSECURED LOANS AND BORROWINGS	Current Year	Previous Year
1. Central Government		
2. State Government		
3. Financial Institutions		
4. Banks:		
a) Term Loans		
b) Other Loans		
5. Other Institutions and Agencies		
a) TB Association Punjab	2200000.00	2200000.00
6. Debenture and Bonds		
7. Others		
Total	2200000.00	2200000.00
Note: Amounts due within one year		



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet As At 31/03/2024

<u>SCHEDULE 5- CURRENT LIABILITIES AND PROVISIONS</u>	<u>Current Year</u>		<u>Previous Year</u>	
A. CURRENT LIABILITIES				
1. Acceptances				
2. Sundry Creditors:				
a) For Goods				
b) Others				
3. Advances Received				
4. Interest accrued but not due on:				
a) Secured Loans/Borrowings				
b) Unsecured Loans/Borrowings				
5. Statutory Liabilities:				
a) Overdue				
b) Others	787447.10	787447.10	107204.00	107204.00
6. Other current Liabilities				
a) Amount Payable				
- To Distt. Branches	10000.00		278706.00	
- To National Headquarters	11999332.92		12099982.92	
- To Mine Risk Education Training	23464.00		23464.00	
- To Government of Punjab	4398.00		4398.00	
- EPF	107204.00			
- Salaries	1166272.00	13310670.92		12406550.92
b) Headquarter Levy				
c) Security from Employees		450988.00		383468.00
7. Branch or Divisions (HWS)				92692.56
TOTAL (A)		14549106.02		12989915.48
B. PROVISIONS				
1. For Taxation				
2. Gratuity				
3. Superannuation/Pension				
4. Accumulated Leave/Encashment				
5. Trade Warranties/Claims				
6. Other				
TOTAL (B)				
TOTAL (A+B)		14549106.02		12989915.48



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INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet As At 31/03/2024

SCHEDULE 6- FIXED ASSETS										
DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost/Valuation as at the beginning of the year	Additions during the year	Deductions during the year	Cost/Valuation as at the Year-end	As at the beginning of the year	On additions during the year	On Deductions During the Year	Total Up-to the Year-end	As at the Current Year-end	As at the Previous Year-end
FIXED ASSETS:										
LAND & BUILDING	135518.61			135518.61					135518.61	135518.61
RTC BUILDING	49426298.00			49426298.00	2471314.90			2471314.00	46954983.10	49426298.00
PLANTS MACHINERY & EQUIPMENT										
VEHICLES										
FURNITURE, FIXTURES	11693.30			11693.00	1169.33			1169.33	10523.97	11693.30
OFFICE EQUIPMENT	4986389.25	4646794.92		9633184.17	747957.04	696236.20		1444223.24	8189151.93	4986589.25
COMPUTER/PERIPHERALS	109352.50			109352.50	43741.00			43741.00	65611.50	109352.50
ELECTRIC INSTALLATIONS										
LIBRARY BOOKS										
TUBEWELL & W. SUPPLY										
OTHER FIXED ASSETS										
TOTAL OF CURRENT YEAR	51669442.65	4646794.92		59316237.58	3264212.27	696236.20		3960448.47		
PREVIOUS YEAR	52121914.63	3086443.00		55808357.63	763191.63	75723.35		838914.96		
CAPITAL WORK-IN-PROGRESS										
TOTAL									55555789.09	51669442.65

SCHEDULE 7- INVESTMENT FROM EARMARKED/ENDOWMENT FUNDS		Current Year	Previous Year
1. In Government Securities			
2. Other approved Securities			
3. Shares			
4. Debentures and Bonds			
5. Subsidiaries and Joint Venture			
6. Provident Fund Investment		38038937.35	32639199.75
TOTAL		38038937.35	32639199.75



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

<u>SCHEDULE 8- CURRENT ASSETS, LOANS, ADVANCES ETC.</u>	Current Year		Previous Year	
A. CURRENT ASSETS				
1. <u>Inventories:</u>				
a) Stores and Spares				
b) Loose Tools				
c) Stock-in-Trade				
- Finished Goods	12031.00		12031.00	
- Work-in-Progress				
- Raw material		12031.00		12031.00
2. <u>Sundry Debtors:</u>				
a) Debtors outstanding for a period exceeding six months				
b) Others				
3. <u>Cash balance in hand</u> (including cheques/drafts and imprest)		18071.00		19282.00
4. <u>Bank Balances:</u>				
a) <u>With Scheduled Banks:</u>				
- On Current Accounts				
- On Deposit Accounts (including margin money)	81335436.00		68448603.00	
- On Savings Account	15953717.06	97289153.06	19351165.78	87799768.78
b) <u>With non-Scheduled Banks:</u>				
- On Current Accounts				
- On Deposit Accounts				
- On Savings Accounts				
5. <u>Post Office-Savings Accounts</u>				
TOTAL (A)		97319255.06		87831081.78



FINANCIAL STATEMENTS
Financial Year 2023-24

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

SCHEDULE 8- CURRENT ASSETS, LOANS, ADVANCES ETC. (Contd.)	Current Year		Previous Year	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. <u>Loans:</u>				
a) Staff (Festival loan)	10000.00		14000.00	
b) Other Entities engaged in activity/objectives similar to that of the Entity				14000.00
c) Other		10000.00		
2. <u>Advances and other amounts recoverable in cash or in kind or for value to be received:</u>				
a) On Capital Account				
b) Prepayments				
c) <u>Advance</u>				
- To DDA Centres	28993185.00		23174085.00	
- To CITCO (Fuel)	100000.00		100000.00	
- To PHSC	402000.00		402000.00	
- To Drivers			1000.00	
- To Ultimate Engineering, CHD	15000.00	29510185.00	15000.00	23692085.00
d) <u>Amount with Revenue Authorities</u>				
- Tax Deducted Receivable	3955104.00		774396.00	
- Amount with GST Authorities	879235.00	4834339.00	882099.00	1656495.00
e) <u>Amount Receivables</u>				
- From Distt. Branches	3836154.12		5099007.12	
- From Others (HRC & SIC)	2110731.00	5946885.12		5099007.12
3. <u>Income Accrued:</u>				
a) On Investment from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances				
d) Others				
4. <u>Branch or Divisions</u>				
a) St. John Ambulance (GST)	92131.00			
b) Punjab Saket Hospital	465762.00	557893.00	465762.00	465762.00
5. <u>Suspense</u>				2037.05
TOTAL (B)		40859302.12		30929386.62
TOTAL (A+B)		138178557.18		118760468.40



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

<u>SCHEDULE 9- INCOME FROM SALES/SERVICE</u>	Current Year	Previous Year
1) <u>Income from sales</u>		
a) Sale of Finished Goods		
b) Sale of Raw Material		
c) Sale of Red Cross Flags	80200.00	254885.95
d) Sales of Form B		
2) <u>Income from services</u>		
a) Use of Vehicle	1175829.00	1232132.00
b) Patent Care and Attendant Services	65600.00	92200.00
c) Cost of Certificate	760.00	
d) Maintenance Services (Equipment/Property)		
<u>TOTAL</u>	1322389.00	1579217.95

<u>SCHEDULE 10- GRANTS/SUBSIDIES</u> (Irrevocable Grants & Subsidies Received)	Current Year	Previous Year
1) Central Government		
2) State Government		
a) Punjab State Government	28151000.00	28500000.00
3) Government Agencies		
4) Institutions/Welfare Bodies		
5) International Organisations		
6) Others		
<u>TOTAL</u>	28151000.00	28500000.00

<u>SCHEDULE 11- FEES/SUBSCRIPTIONS</u>	Current Year	Previous Year
1) Registration Fees		
a) Inter-State JRC Camp	86400.00	117500.00
b) Two State JRC Camp	54000.00	
2) Annual Fees/Subscriptions	1098902.00	888860.00
3) Seminar/Program Fees	29000.00	35000.00
4) Membership	7670551.00	259584.00
<u>TOTAL</u>	8938853.00	1300944.00



FINANCIAL STATEMENTS
Financial Year 2023-24

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

SCHEDULE 12- INTEREST EARNED	Current Year	Previous Year
1) On Term Deposits:		
a) With Scheduled Banks	3223892.00	3501040.00
b) With Non-Scheduled Banks		
c) With Institutions		
d) Others		
2) On Savings Account:		
a) With Scheduled Banks	893777.00	
b) With Non-Scheduled Banks		
c) With Institutions		
d) Others		
3) On Loans:		
a) Employee/Staff		
b) Others		
4) Interest on Debtors and other Receivables		
TOTAL	4117669.00	3501040.00

SCHEDULE 13- OTHER INCOME	Current Year	Previous Year
1) Profit on Sale/disposal of Assets:		
a) Owned Assets	185200.00	160000.00
b) Assets acquired out of grants, or received free of cost		
2) Export incentives realised		
3) Donation	539133.00	816447.04
4) Fee for Miscellaneous Services		
5) Miscellaneous Income		
a) Misc. Income	67080.00	51890.00
b) Rent Received	25357486.42	16472407.00
c) Rounding Off	(3.85)	1.00
TOTAL	26148895.57	17500745.04

SCHEDULE 14- ESTABLISHMENT EXPENSES	Current Year	Previous Year
1) Salaries and Wages	21136589.73	17392176.00
2) Allowance and Bonus	24964.00	
3) Contribution to Provident Fund		1764307.00
4) Contribution to Other Fund		
a) ESI	900.00	
5) Staff Welfare Expenses		
a) Uniform to Class IV Employees	13626.00	
6) Expenses on Employees Retirement and Termination Benefits	863482.00	1619260.00
7) Reimbursement for Indoor Treatment	22159.00	34816.00
TOTAL	22061720.73	20810559.00



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

<u>SCHEDULE 15- OTHER ADMINISTRATIVE EXPENSES ETC.</u>	Current Year	Previous Year
1) Repair and Maintenance		
a) Maintenance of Building	1787372.00	1456486.00
b) Maintenance of Office Equipment	403241.00	86969.00
c) Repair & Insurance		70962.00
d) Maintenance of Vehicles	449318.00	1996058.00
2) Camp, Program and Event Expenses		
a) Expenses over Computer Centre Chandigarh	4000.00	5000.00
b) Expenditure on YRC Counsellors Workshop		146085.00
c) Expenses over YRC Camp	313093.00	
d) Expenses over Interstate JRC Camp	497833.00	459716.00
e) Expenses over JRC Camp	339408.00	134082.00
f) World Red Cross Day and Other Days	212759.00	132327.00
3) Welfare Activities		
a) Blood transfusion services	250000.50	10200.00
b) Medicine to poor patients	1024551.00	124752.00
c) Relief Services	93225.06	11420.00
d) Welfare of Visiting Delegates	5754.00	6942.00
e) Expenses over Subsidized Ambulance and Funeral Van Services	1778477.51	
f) Aids and Appliances to the Needy	90000.00	
g) Sewing Machines for Needy Women	28000.00	
h) Expenses over uniform and books for JRC Students	32490.00	
4) Promotional Activities		
a) Publicity and Propaganda	39664.00	89167.00
b) Printing of Red Cross Flags, Newsletters etc.	184182.00	
5) Administrative Expenses		
a) 15% Headquarter share		37760.00
b) Bank Commission	6975.22	7054.27
c) GSLIS		920.00
d) Legal Counselling Fee	20000.00	127900.00
e) Managing Body and Annual General Meeting Expenses	5230.00	15456.00
f) Meeting Expenses	7501.00	22286.00
g) Office Stationery	70194.05	45938.00
h) Postage and Telegram	6000.00	25000.00
i) Property Tax	77598.00	1319377.00
j) Telephone and Internet	100785.40	108111.00
k) Water and Electricity	269983.00	434436.00
l) Introduction of New Projects and Expansion Etc.	238268.00	
m) Purchase of Ambulance Van, FV and Office Vehicle Etc.	5584.99	
n) Unforeseen Charges for DDA Centre	140250.00	42913.00
o) Unforeseen Charges	6854.00	
6) Audit Fee	80564.50	
7) Misc. Expenses	22300.00	31780.00
TOTAL	8591456.23	6949099.27



FINANCIAL STATEMENTS
Financial Year 2023-24

INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

SCHEDULE 16- EXPENDITURE ON GRANTS, SUBSIDIES ETC.	Current Year	Previous Year
1) Grant given to Institutions/Organisations		
a) DDA Centres	4484450.00	3580496.00
b) District Red Cross Branches	6835486.00	3390000.00
c) Punjab Saket Hospital	2500000.00	2480000.00
d) Hospital Welfare Section	1000000.00	1680000.00
e) St. John Ambulance Association	600000.00	500000.00
2) Subsidies given to Institutions/Organisations		
TOTAL	15419936.00	11630496.00

For THE INDIAN RED CROSS SOCIETY PUNJAB STATE BRACH, CHANDIGARH

-Sd-
Vice-Chairman

[Signature]
Secretary

[Signature]
Deputy Secretary

[Signature]
Accounts Officer

[Signature]
Sr. Assistant

[Signature]
Clerk

In terms of our Separate Audit Report
For ARORA RAJIV & ASSOCIATES
Chartered Accountants
Firm Registration No.: 024927N



Rajiv Arora
Managing Partner
Membership No.: 093976

Place: Chandigarh
Date: 25/09/2024
UDIN: 24093976BKAHKX2201



INDIAN RED CROSS SOCIETY PUNJAB STATE BRANCH CHANDIGARH
Schedules Forming Part of Balance Sheet as at 31/03/2024

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVERSION

- 1.1. The financial statements of the Organisation¹ are prepared on the basis of historical cost conversion, unless otherwise stated and on the accrual method of accounting.
- 1.2. The accounting treatment and presentation in the Balance Sheet and the Income and Expenditure Account, of transactions and events shall be governed by their substance and not merely by the legal form.

2. CORPUS/CAPITAL FUND

- 2.1. The Corpus/Capital Fund is a designated fund established by the Organization to accumulate the surplus or deficit of its Income and Expenditure Account. The accumulated balance in this fund is exempt from income tax for the first five years from the date of its creation. After five years, the balance will be subject to income tax as per the provisions of the Income Tax Act, 1961.
- 2.2. The Corpus/Capital Fund shall be initially recognized with the opening balance of the Income and Expenditure Account. Any surplus from the Income and Expenditure Account shall be transferred to the Corpus/Capital Fund at the end of each accounting period. Any deficit from the Income and Expenditure Account shall be deducted from the Corpus/Capital Fund at the end of each accounting period.
- 2.3. The utilization of funds from the Corpus/Capital Fund shall be on a First-In, First-Out (FIFO) basis. This means that the oldest accumulated balance shall be utilized first.
- 2.4. After the fifth year, the accumulated balance in the Corpus/Capital Fund shall be subject to income tax as per the provisions of the Income Tax Act, 1961. The tax liability shall be calculated based on the nature of the income and the applicable tax rates.

3. EARMARKED/ENDOWMENT FUNDS

- 3.1. Amounts received as grants or assistance, or retained by the entity to be utilised for specific or Earmarked purposes and remaining to be expended/utilised for the specific purpose for which these are intended, subject to compliance by the entity, of certain stipulated terms and conditions, the sum equals to the amount so received is earmarked/transferred to a separate account. Such funds may be received in cash or kind from Government, Govt. agencies, institutions and other agencies etc. The Plan Funds received from the Central and/or State Governments are to be shown As distinct category of Fund.

4. CURRENT LIABILITIES AND PROVISIONS

- 4.1. Statutory liabilities are the amounts payable to government authorities or other statutory bodies due to the organization's operations.
 - 4.1.1. Statutory liabilities shall be recognized as expenses and liabilities in the period in which they are incurred, regardless of when they are paid. If the amount of a statutory liability cannot be reliably measured, a provision shall be recognized in the financial statements. The provision shall be based on the best estimate of the expected outflow of resources.
 - 4.1.2. Statutory liabilities shall be measured at their fair value, which is typically the amount expected to be paid to settle the liability. If there is uncertainty about the existence or amount of a statutory liability, it shall be disclosed as a contingent liability in the notes to the financial statements.
- 4.2. Amounts payable to District Branches of the Organization, excluding those branches operated by the Parent Organisation². This policy applies to all amounts owed to District Branches that are independent entities, not controlled by the parent organization.
 - 4.2.1. Amounts payable to District Branches shall be recognized as liabilities when a legal or constructive obligation exists to transfer economic resources to the District Branch. Amounts payable shall be measured at their fair value, which is typically the amount expected to be paid to settle the liability.
 - 4.2.2. Amounts payable to District Branches that are due within one year from the reporting date shall be classified as current liabilities. Amounts payable to District Branches that are due after one year from the reporting date shall be classified as non-current liabilities. If there is uncertainty about the existence or amount of a liability to a District Branch, it shall be disclosed as a contingent liability in the notes to the financial statements.
- 4.3. The "Headquarter Levy" is a charge imposed by the National Headquarters on District Branches, calculated as 30% of the District Branch's book profit. 50% of this levy is remitted to the National Headquarters, and remaining 50% is recognised as income by the Organisation.
- 4.4. The levy shall be remitted to the National Headquarters within the specified timeframe upon receipt from District Branches, if the levy is not paid by the District Branches, it shall be treated as a liability to the National Headquarters and asset receivable from district branches.
- 4.5. Provision is an amount written off or retained by way of providing for depreciation or diminution in the value of assets, or retained by way of providing for a known liability, the amount of which cannot be determined with substantial accuracy.

¹ Organisation: The Indian Red Cross Society Punjab State Branch, Chandigarh.

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5. FIXED ASSETS

- 5.1. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of project involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion), form part of the value of the assets capitalised.
- 5.2. Fixed assets received by way of non-monetary grants, (other than towards the Corpus Fund), are capitalised as value stated, by corresponding credit to Capital Reserve.

6. DEPRECIATION

- 6.1. Depreciation is provided on Written-down value as per the rates specified in the Income Tax Act, 1961 expected depreciation on cost adjustments arising on account of conversion of foreign currency liabilities for acquisition of fixed assets, which is amortised over the residual life of the respective assets.

For THE INDIAN RED CROSS SOCIETY PUNJAB STATE BRACH, CHANDIGARH

- Sd -
Vice-Chairman:


Secretary


Deputy Secretary

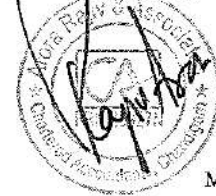

Accounts Officer


Sr. Assistant


Clerk

Place: Chandigarh
Date: 25/09/2024
UDIN: 24093976BKAHKX2201

In terms of our Separate Audit Report
For ARORA RAJIV & ASSOCIATES
Chartered Accountants
Firm Registration No.: 024927N



Rajiv Arora
Managing Partner
Membership No.: 093976

