

INDEPENDENT AUDITOR'S REPORT

The Project Director
Jameel Poverty Action Lab South Asia
Institute for Financial Management and Research

1. We have audited the accompanying 'Annexure 1 – Grant Financial Statements' and 'Annexure – 2 Reconciliation of Claims to Total Applications of Funds' ("Statements") of the grants received under the Grant No.TF0A2895 ('Grant') and CLEAR additional Grant No. TF0A7836 from the International Bank for Reconstruction and Development ('World Bank'), summary of significant Accounting policies and other explanatory information and the expenditure incurred towards the Grant for the Centre for Learning on Evaluation and Results Project ("Project") by JAMEEL POVERTY ACTION LAB ('JPAL') Centre of the **INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH** ("the Institute") a society registered under the Societies Registration Act XXI of 1860 for the year ended March 31, 2020. The statement has been prepared by the management based on the requirements of World Bank from the books of accounts maintained in accordance with the Generally Accepted Accounting Principles in India.

Management's Responsibility for the Statement

2. The Institute's Management is responsible for the preparation of the Statement that give a true and fair view of the grants received and expenses incurred in respect of the Project in accordance with the requirements of the Grant Agreement with World Bank, accounting policies as described in notes forming part of the grant financial statements and 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 Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.
3. Management is also responsible for maintenance of adequate supporting documentation in respect of expenses incurred directly by the Institute to support claims to the World Bank for reimbursement of expenditure incurred.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the Statements based on our audit. We conducted our audit in accordance with Standards on Auditing 805, "Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of A Financial Statement" issued by the Institute of Chartered Accountants of India (ICAI) (equivalent to International Standards on Auditing (ISA) 805 issued by the International Auditing and Assurance Standards Board (IAASB)). Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Institute's preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statements.

In addition to our opinion on the Statements, the audit has been conducted to obtain reasonable assurance that (a) with respect to Interim Unaudited Financial Reports (IUFRRs) adequate supporting documentation has been maintained in respect of expenses incurred directly by the Institute to support claims to the World Bank for reimbursements of expenditures incurred; and (b) expenditures are eligible for financing under the Grant Agreement and that the IUFRRs and the connected documents can be relied upon to support reimbursement under the Grant Agreement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

5. Our examination of the utilization of the contributions received as stated in the Statements was confined to the verification of supporting documentary evidence on a test basis for the expenditure incurred and did not include the verification of the delivery of the benefits to the ultimate end user.

Opinion

6. In our opinion, to the best of our information and according to the explanations given to us, read with paragraph 4 and 5 above, the aforesaid Statement presents fairly, in all material respects, the grants received and expenditure incurred on the Project for the year ended March 31, 2020 is in conformity with the accounting principles generally accepted in India and basis of accounting described in notes forming part of the grant financial statements.

Report on Other Legal and Regulatory Requirements

7. In accordance with the reporting requirements specified in Section 2.06 (c) of "Article I - Standard Conditions; Definitions" forming part of the agreement for Grant No. TF0A2895 and additional Grant No. TF0A7836 with World Bank and Section 2.07 (a) of the Standard Conditions for Grants Made by the World Bank, we report that,



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- (a) With respect to IUFRRs, adequate supporting documentation has been maintained in respect of expenses incurred directly by the Institute to support claims to the World Bank for reimbursements of expenditures incurred; and
- (b) Expenditures are eligible for financing under the Grant Agreement. During the course of the audit, IUFRRs as per Annexure 2 and the connected documents were examined and these can be relied upon to support reimbursement under the Grant Agreement.

Restriction on Distribution

8. This Statement is prepared by the Institute for submission to the World Bank to meet the reporting requirements of the Institute to World Bank as required by the grant agreement and is in respect of the specific Grant No. TF0A2895 and additional Grant No. TF0A7836 referred to in paragraph 1 above. Our report is issued at the request of the management for submission to World Bank along with the Statement and should not be used, quoted or otherwise reported to for any other purpose or circulated to other parties.

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

For **Fraser & Ross**
Chartered Accountants
(Firm Registration No. 000829S)



Geetha Suryanarayanan
Partner
Membership No. 29519
UDIN: 20029519AAAAGL8866

Place: Chennai
Date: 18-12-2020



INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH
Grant Financial Statements

Notes forming part of the Grant Financial statements for the year ended March 31, 2020

1 Background:

IFMR (the Institute) was established in October 1970 to take up research in the broad areas of finance, organize training programs and publish its research findings which will be of help to the policy makers. It is an approved Social Science Research Organization by the Department of Science and Technology, Government of India.

Centre for Learning on Evaluation and Results ('CLEAR' or 'the project') is the leading capacity building initiatives particularly in India, Pakistan, Nepal, Bangladesh and Sri Lanka implemented by the Regional Centre of Jameel Poverty Action Lab (J-PAL South Asia) division of the Institute.

These grant financial statements ("Statements") are prepared for the purpose of submission to the World Bank from whom the funds are received vide Grant TF0A2895 and Additional Grant No. TF0A7836 for the purpose of the project.

2 Basis of accounting:

These Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The statements have been prepared on accrual basis under the historical cost convention except for certain expenses that have been specifically mentioned as having been accounted on a cash basis/ on receipt of information.

These Statements are prepared for submission to the World Bank to meet the reporting requirements of the Institute to World Bank as required by the grant agreement and is in respect of the specific Grant No. TF0A2895 and Additional Grant No. TF0A7836 for the CLEAR project. As a result these Statements are not a complete set of financial statements of the Institute and may not be suitable for a purpose other than for submission to the World Bank.

3 Source of Funds

All donations, grants, endowments and monies received for the specific purposes towards project funds are accounted on accrual basis. Grants received are accounted under the heading "World Bank Grant" and grant receivable is accounted as current liability in accordance with the terms of the grant agreement.

4 Employee cost

Employee cost included in these statements under the head 'Employee Cost' represents the payroll costs of the employees who have been assigned to the project based on the proportionate time spent on the project. Gratuity expenses are accounted based on Payment of Gratuity Act and apportioned based on the proportionate time spent on the project.

5 Leases

Lease rentals under operating leases are recognised based on proportionate area occupied for the project under "Office Operational Expense"

6 Capital Expenditure on Project

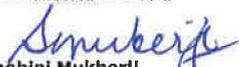
Capital Expenditure on project represents the asset purchased for the project. These assets are expensed in the year of purchase.

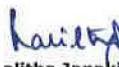
7 Agreement with World Bank

The agreement for the grant TF0A2895 was executed on June 30, 2016. The expenses incurred under the project have been claimed from July 2015 based on the clause 3.02 of the Annex to the grant agreement to the effect that withdrawals upto an aggregate amount not to exceed \$190,000 equivalent may be made for payments made prior to the date of the agreement but on or after 1st July 2015 for eligible expenditure.

The World Bank based on its annual review of the project's progress amended the Grant agreement on June 30, 2018 increasing the value of the contract from \$950,000 to \$1,550,000 and the tenure from June 30, 2017 to December 31, 2020.

The component of the program remains the same along with the other terms and conditions for the withdrawal of the grant allotted to IFMR.


Shobini Mukherji
Project Director - JPAL


Lalitha Janakraman
Chief Financial Officer

Place :
Date :

Place :
Date :



| Grant No Grant Name | | Original Grant No.TFOA2895; Additional Grant No.TFOA7836 Centers for Learning on Evaluation and Results in South Asia – Phase 3 Grant Financial Statements for the year Ended 31 March 2020 | | |
|--|--------------------------------------|---|-------------------|------------------|
| | | | | (Amounts In INR) |
| Particulars | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 | Project to Date | |
| Bank Funds Eligible to be claimed (A) | | | | |
| Withdrawal Claims for July 2015 to June 2016 | - | - | 12,349,387 | |
| Withdrawal Claims for July 2016 to September 2016 | - | - | 7,459,355 | |
| Withdrawal Claims for October 2016 to February 2017 | - | - | 7,451,893 | |
| Withdrawal Claims for March 2017 | - | - | 1,693,119 | |
| Withdrawal Claims for March 2018 | - | - | 19,865,980 | |
| Withdrawal Claims for March 2019 | - | 15,104,640 | 15,104,640 | |
| Withdrawal Claims for March 2020 | 16,728,063 | - | 16,728,063 | |
| Total Bank Funds Claimed | 16,728,063 | 15,104,640 | 80,652,436 | |
| Total Expenditure made during the year (B) | | | | |
| Expenditure as per books of account (Refer Note 6) | 16,728,063 | 15,104,640 | 80,652,436 | |
| Less: Outstanding advances (C) | | | | |
| Ineligible expenditures (D) | - | - | - | |
| Expenditures not claimed / yet to be claimed (E) | 1,357,686 | 1,174,773 | - | |
| Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E) | 15,370,377 | 13,929,866 | 80,652,436 | |
| World Bank Share @100% of (F) - (G) | 15,370,377 | 13,929,866 | 80,652,436 | |
| Claim in excess of expenditure over claims (A-G) | - | - | - | |

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|  Shobhini Mukerji Executive Director - JPAL Place: Delhi Date: |  Lalitha Janakiraman Chief Financial Officer Place: Chennai Date: |
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INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH
Grant Financial Statement

| Schedules for Project Expenditure | | | |
|--|--|--|--|
| Grant No Grant Name | | (Amounts in INR) | |
| | | Original Grant No. TF0A2895; Additional Grant No. TF0A7836 Centers for Learning on Evaluation and Results in South Asia-Phase 3 Grant Financial Statements for the Year Ended 31 March 2020 | |
| CONSULTANCY | Cumulative until March 31, 2019 | For the period April 1, 2019 to March 31, 2020 | Cumulative until March 31, 2020 |
| | Rs. | | Rs. |
| Consultancy/Professional Services [A] | 1,433,167 | 639,751 | 2,072,918 |
| Assets | Cumulative until March 31, 2019 | For the period April 1, 2019 to March 31, 2020 | Cumulative until March 31, 2020 |
| | Rs. | | Rs. |
| Laptops [B] | 281,820 | 106,196 | 388,016 |
| Expenses | Cumulative until March 31, 2019 | For the period April 1, 2019 to March 31, 2020 | Cumulative until March 31, 2020 |
| | Rs. | | Rs. |
| Office operational expense | 6,542,410 | 1,781,336 | 8,323,746 |
| Employee Cost | 42,767,528 | 11,408,300 | 54,175,828 |
| Training and workshops | 11,941,831 | 1,668,980 | 13,610,811 |
| Other expenses | 957,617 | 1,123,500 | 2,081,117 |
| SUB-Total [C] | 62,209,386 | 15,982,116 | 78,191,502 |
| Grand Total [A+B+C] | 63,924,373 | 16,728,063 | 80,652,436 |
|  Shobhini Mukerji Executive Director - JPAL Place: Delhi Date: | |  Lalitha Janakiraman Chief Financial Officer Place: Chennai Date: | |



(Amount in INR)

| Grant No Grant Name | | Original Grant No. TFOA2895; Additional Grant No. TFOA7836 Centers for Learning on Evaluation and Results in South Asia - Phase 3 Grant Financial Statements for the Year Ended 31 March 2020 | | |
|--|-----------------|---|----------------------|--|
| Particulars | Reference | As at March 31, 2020 | As at March 31, 2019 | |
| | | Rs. | Rs. | |
| Source of Funds | | | | |
| World Bank Grant (Refer note 3) | (A) | 78,143,128 | 61,931,256 | |
| <u>Current liabilities:</u> Expenses incurred in excess of grant received from World Bank to be replenished to IFMR General Funds | (B) | 2,509,308 | 1,993,117 | |
| Total | C= (A+B) | 80,652,436 | 63,924,373 | |
| Usage of funds | | | | |
| Capital expenditure on project | (D) | 388,016 | 281,820 | |
| Project expenses | (E) | 80,264,420 | 63,642,553 | |
| Total | F= (D+E) | 80,652,436 | 63,924,373 | |
| <p>  Shobhini Mukerji Executive Director - JPAL Place: Delhi Date: </p> <p>  Lalitha Janakiraman Chief Financial Officer Place: Chennai Date: </p> | | | | |

