

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Jal Seva Charitable Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Jal Seva Charitable Foundation** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Income and Expenditure Account, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its excess of income over expenditure and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

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

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

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

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:

14th Floor, Central Wing, Tower 4, Nesco Center,
Western Express Highway, Goregaon (East), Mumbai – 400063

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors'

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 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 Legal and Regulatory Requirements

1. The Company is licensed to operate under Section 8 of the Companies Act, 2013 (the Act). Accordingly, the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Income and Expenditure Account, and Statement of Cash Flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, the Company is a private limited company and accordingly the matters to be reported under section 197(16) of the Companies Act 2013 are not applicable.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231 W/W-100024


Sandeep Batra
Partner
Membership No. 093320
UDIN:20093320AAAACI8500

Place: New Delhi
Date: 29 September 2020

Annexure A to the Independent Auditors' report on the financial statements of Jal Seva Charitable Foundation for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Jal Seva Charitable Foundation ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.116231W/W-100024



Sandeep Batra

Partner

Membership No. 093320

UDIN: 20093320AAAAC18500

Place: New Delhi

Date: 29 September 2020

Jal Seva Charitable Foundation
Balance Sheet as at 31 March 2020
(All amounts are in Indian Rupees unless, otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share capital	3	17,500	17,500
Corpus fund	4	2,80,000	2,50,000
Reserves and surplus	5	16,72,84,233	10,14,38,844
		16,75,81,733	10,17,06,344
Non-current liabilities			
Long term provisions	6	70,38,065	49,57,630
Other long term liabilities	7	8,65,306	17,30,611
		79,03,371	66,88,241
Current liabilities			
Trade payables			
-Total outstanding dues to micro and small enterprises	8	4,02,929	44,14,932
-Total outstanding dues of creditors other than micro and small enterprises	8	1,35,65,345	2,11,02,740
Other current liabilities	9	37,39,73,612	27,65,86,462
Short-term provisions	10	15,52,711	7,47,852
		38,94,94,597	30,28,51,986
		56,49,79,701	41,12,46,571
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	11	78,56,782	91,36,756
Intangible assets	11	4,14,053	8,35,264
		82,70,835	99,72,020
Long term loans and advances	12	28,84,057	27,10,639
Other non current assets	13	7,00,000	7,00,000
		1,18,54,892	1,33,82,659
Current assets			
Cash and bank balances	14	50,46,87,672	36,43,82,533
Short-term loans and advances	15	4,83,62,363	3,33,38,143
Other current assets	16	74,773	1,43,236
		55,31,24,809	39,78,63,912
		56,49,79,701	41,12,46,571

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W/ W-100024

Sandeep Batra
Partner
Membership No: 093320

For and on behalf of Board of Directors of
Jal Seva Charitable Foundation

Sumit Bose
Chairperson
DIN: 03340616
Place: Kolkata

Archana Rathore
Director - Finance & IT

Mathew Cherian
Director
DIN: 02467609
Place: New Delhi

VK Madhavan
Chief Executive

Place: New Delhi
Date: 29th September 2020

Place: New Delhi
Date: 29th September 2020

Place: New Delhi
Date: 29th September 2020

Jal Seva Charitable Foundation
Income and Expenditure Account for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Income from grants and donations	17	63,80,07,065	62,41,73,810
Other income	18	1,58,79,281	96,10,614
Total		65,38,86,346	63,37,84,424
Expenses			
Programme expenses	19	42,38,25,616	35,70,83,229
Employee benefit expenses	20	3,00,28,256	2,69,09,004
Fundraising expenses	21	6,86,36,349	12,06,57,897
Other expenses	22	6,07,61,081	5,96,87,261
Depreciation	11	47,89,656	33,55,359
Total		58,80,40,958	56,76,92,749
Excess of income over expenditure / (expenditure over income)		6,58,45,388	6,60,91,675
Amount transferred to general fund	5a	6,58,45,388	6,60,91,675
Earnings / (Loss) per equity share:	28		
Basic		37,626	37,767

Significant accounting policies

2


The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W/ W-100024

Sandeep Batra
Partner
Membership No: 093320

For and on behalf of Board of Directors of
Jal Seva Charitable Foundation


Sumit Bose
Chairperson
DIN: 03340616
Place: *Kolkata*
Archana
Archana Rathore
Director - Finance & IT




Mathew Cherian
Director
DIN: 02467609
Place: *New Delhi*
VK Madhavan
Chief Executive

Place: New Delhi
Date: *29th September 2020*

Place: *New Delhi*
Date: 29th September 2020

Place: *New Delhi*
Date: 29th September 2020

Jal Seva Charitable Foundation
Cash Flow Statement for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities		
Excess of (expenditure) over income/income over expenses	6,58,45,388	6,60,91,675
Adjustment for:		
- Depreciation and amortisation	47,89,656	33,55,359
- Interest income from fixed deposits	(66,04,144)	(36,17,231)
Working capital adjustments:		
- Increase in loans and advances	(1,45,01,406)	(90,97,800)
- Increase in trade payables	(1,15,49,398)	47,79,419
- Increase in provisions for employees benefits	28,85,294	15,32,778
- Increase in other liabilities	9,65,21,845	8,42,01,173
Net cash from operating activities	<u>13,73,87,236</u>	<u>14,72,45,373</u>
Income tax paid (including tax deducted at source)	(6,96,233)	(1,98,126)
Net cash generated from operations	<u>13,66,91,003</u>	<u>14,70,47,247</u>
B. Cash flows from investing activities		
Interest received from fixed deposits	66,72,607	34,84,882
Purchase of property, plant and equipment	(30,88,471)	(50,99,079)
Movement in other bank balances	2,00,00,000	(2,05,00,000)
Net cash used for investing activities	<u>2,35,84,136</u>	<u>(2,21,14,197)</u>
C. Cash flows from financing activities		
Receipt of corpus fund	30,000	50,000
Receipt of restricted fund	-	-
	<u>30,000</u>	<u>50,000</u>
Net increase in cash and cash equivalents (A+B+C)	<u>16,03,05,139</u>	<u>12,49,83,050</u>
Cash and cash equivalents at the beginning of the year	34,43,82,533	21,93,99,483
Cash and cash equivalents at the end of the year	<u>50,46,87,672</u>	<u>34,43,82,533</u>
Components of cash and cash equivalents:		
Cash in hand	50,689	23,258
Balances with scheduled banks	50,46,36,983	33,43,59,275
Balances with deposit accounts	-	1,00,00,000
	<u>50,46,87,672</u>	<u>34,43,82,533</u>

The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on 'Cash Flow Statements' as prescribed under Section 133 of the Companies Act, 2013 ('Act').

As per our report of even date attached

For **BSR & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W/ W-100024

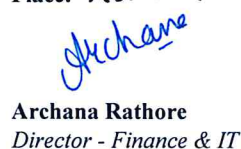


Sandeep Batra
Partner
Membership No: 093320

For and on behalf of Board of Directors of
Jal Seva Charitable Foundation



Sumit Bose
Chairperson
DIN: 03340616
Place: *Kolkata*


Archana Rathore
Director - Finance & IT

Place: *New Delhi*
Date: 29th September 2020



Mathew Cherian
Director
DIN: 02467609
Place: *New Delhi*


VK Madhavan
Chief Executive

Place: *New Delhi*
Date: 29th September 2020

Place: New Delhi
Date: *29th September 2020*



1. Background

Jal Seva Charitable Foundation ("the Company") was incorporated in India on 15 March 2010. The Company is registered as Section 25 Company under the provisions of Companies Act, 1956 (Now corresponding to Section 8 of the Companies Act, 2013).

The Company has been formed to promote the activity of improving all aspects of water management, including water supplies, sanitation and advice on related health matters and promoting public policy initiatives relating to water management favorable to poor (such as small and marginal farmers, destitute, disadvantaged women and senior citizens) and to educate the public concerning the nature, causes and effects of poverty and suffering, on a non-profit making charitable basis.

2. Significant accounting policies

a) Basis of preparation and presentation of financial statements

The financial statements have been prepared and presented under the historical cost convention on a going concern basis, on an accrual basis, of accounting and in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India to comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

Current and non-current classification

The financial statements are presented as per Schedule III to the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013.

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

All assets and liabilities are classified into current and non-current based on below criteria:

Assets

An asset is classified as current when it satisfies any of the following criteria:

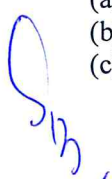
- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or



Jal Seva Charitable Foundation
Notes to financial statements for the year ended 31 March 2020

- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Fixed assets and depreciation/ amortization

- (i) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- (ii) Depreciation on fixed assets is provided on the written down value method. Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act.

Fixed Asset	Useful Life
Computer Hardware	3
Furniture and fixtures	10
Office equipment	5
Software	3

Leasehold improvements are amortized on a straight line basis over the lower of lease term or useful life of the respective assets.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Assets individually costing up to Rs. 5,000 were fully depreciated in the year of purchase.

d) Impairment of assets

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets', the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognized whenever the carrying amount of an asset exceeds its

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recoverable amount. Impairment loss is recognized in the statement of Income and Expenditure Account.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

f) Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Income and Expenditure account. Foreign currency assets and liabilities denominated in foreign currencies, at the year-end are translated into rupees at the year-end rates and resultant gains/losses on foreign exchange translations are recognized in the statement of Income and Expenditure account.

g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Grants and donations for specific projects are recognized as income to the extent utilized during the year as per the terms of agreement/sanction and unutilized amounts are carried forward and disclosed under 'Restricted fund' until the actual expenditure is incurred.

Interest income is recognized on accrual basis when there is reasonable certainty of its ultimate realization/ collection.

h) Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of receiving employee service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognized in the Income and Expenditure Account in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Defined contribution plan

Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Income and Expenditure Account.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value

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of any plan assets are deducted. The calculation of the Company's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Income and Expenditure Account. All expenses related to defined benefit plans are recognized in employee benefits expense in the Income and Expenditure Account.

Compensated absence

Provision for short term compensated absence is made by the Company based on the unavailed leave standing to the credit of employees as at the balance sheet date in accordance with the service rules of the Company.

i) Leases

The Company has taken various premises on operating lease. Lease payments under operating lease are recognized as an expense in the Income and Expenditure Account on a straight line basis over the lease term.

j) Earnings per share

Basic earnings per share is computed by dividing the excess of Income over Expenditure by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the Excess of Income over Expenditure by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

k) Provisions and contingent liabilities

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

l) Grant to NGO Partners

Project funds disbursed as grants to NGO partners are accounted for as advances to sub-grantees at the time of disbursement. Upon incurrence of expenditure by NGO partners and consequent submission of their Monthly Financial and Monitoring Report (MFMR), these advances are adjusted to be shown as grants to NGO partners.

m) General funds

The Company receives general funds which are unrestricted from donors. The excess of Income over Expenditure during the year, being general purpose in nature is carried forward for use in the future periods.



Jal Seva Charitable Foundation

Notes to financial statements for the year ended 31 March 2020

n) Restricted funds

The Company has received funds from domestic and foreign sources which are restricted in nature. Revenue from the restricted fund is recognized during the year in the Income and Expenditure Account to the extent utilized to match the related expenditure. Any unspent balance in the closed projects are transferred to Income and Expenditure Account after obtaining necessary approvals from the donor.



Jal Seva Charitable Foundation
Notes to financial statements for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
3 Share capital		
Authorised capital		
10,000 (previous year 10,000) equity shares of Rs.10 each	1,00,000	1,00,000
Issued, subscribed and paid-up		
1750 (previous year 1750) equity shares of Rs. 10 each fully paid up	17,500	17,500

Rights, preferences and restrictions attached to the equity shares

Each holder of equity shares is entitled one vote per share. The Company is registered as Section 25 Company under the provisions of Companies Act, 1956 (Now corresponding to Section 8 of the Companies Act, 2013) and it is prohibited from the payment of any dividend to its members. In the event of liquidation of the Company, the remaining assets of the Company, shall be given or transferred to some other Association or Company or Companies registered under Section 8 of the Companies Act, 2013 having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

The reconciliation of the shares outstanding at the beginning and end of the year

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
At the beginning of the year	17,500	17,500
Add: Issued during the year	-	-
Outstanding at the end of the year	17,500	17,500

The details of shareholders holding more than 5% shares is as follows

Names of shareholder's	As at 31 March 2020 % of Holding	As at 31 March 2019 % of Holding
Ravi Narayanan	14%	14%
Shankar Narayanan	0%	14%
Ireena Vittal	14%	14%
Sara Ahmed	14%	14%
Nitin Pai	14%	14%
Mathew Cherian	14%	14%
Sumit Bose	29%	14%
Total	100%	100%

4 Corpus fund

	As at 31 March 2020	As at 31 March 2019
Opening balance	2,50,000	2,00,000
Add: Amounts received during the year	30,000	50,000
Closing balance	2,80,000	2,50,000

Jal Seva Charitable Foundation

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
5 Reserves and surplus		
a) General fund		
Opening balance	9,68,14,609	3,07,22,934
Add: Excess of income over expenditure / (expenditure over income) transferred from income and expenditure account	6,58,45,388	6,60,91,675
Closing balance	16,26,59,998	9,68,14,609
b) Capital reserve		
Opening balance	46,24,235	46,24,235
Add: Created during the year	-	-
Closing balance	46,24,235	46,24,235
Total reserves and surplus	16,72,84,233	10,14,38,844
6 Long-term provisions		
Provisions for employee benefits		
- Provision for gratuity	64,29,591	49,57,630
- Provision for compensated absences	6,08,474	-
	70,38,065	49,57,630
7 Other long term liabilities		
Lease equalisation reserve	8,65,306	17,30,611
	8,65,306	17,30,611
8 Trade payables		
- dues to micro and small enterprises (Refer note 29)	4,02,929	44,14,932
- dues to other than micro and small enterprises	1,35,65,345	2,11,02,740
	1,39,68,274	2,55,17,672
9 Other current liabilities		
Employee related payables	2,30,476	7,79,380
PF payable	13,34,398	12,86,334
Other statutory liabilities	40,56,356	9,74,830
Partner payable	19,21,979	20,34,218
Other liabilities -unutilised restricted fund balance	36,55,65,098	27,06,46,395
Lease equalisation reserve	8,65,305	8,65,305
	37,39,73,612	27,65,86,462
10 Short-term provisions		
Provisions for employee benefits		
- Provision for gratuity	14,28,803	1,60,118
- Provision for compensated absences	1,23,908	5,87,734
	15,52,711	7,47,852

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Jal Seva Charitable Foundation
Notes to financial statements for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

11 Property, plant and equipment and Intangible assets

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block as at 31 March 2020	Net block as at 31 March 2019
	As at 1 April 2019	Additions	Deletions/ adjustment	As at 31 March 2020	For the year	Charge during the year	As at 31 March 2020	
Property, plant and equipment								
Computer hardware	56,15,575	22,14,492	-	78,30,067	21,63,824	-	47,14,815	30,64,584
Furniture and fixtures	25,93,362	2,57,839	-	28,51,201	3,46,136	-	16,22,878	13,16,620
Leasehold improvements	70,03,937	-	-	70,03,937	12,07,333	-	43,28,901	38,82,369
Office equipment	28,64,009	4,81,114	-	33,45,123	5,16,126	-	25,06,952	8,73,183
Total	1,80,76,883	29,53,445	-	2,10,30,328	42,33,419	-	1,31,73,546	91,36,756
Intangible assets								
Software	11,80,762	1,35,026	-	13,15,788	5,56,237	-	9,01,735	8,35,264
Total	1,92,57,645	30,88,471	-	2,23,46,116	47,89,656	-	1,40,75,281	99,72,020

*Refer Note 31

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block as at 31 March 2019	Net block as at 31 March 2018
	As at 1 April 2018	Additions	Deletions/ adjustment	As at 31 March 2019	For the year	Deletions/ adjustment	As at 31 March 2019	
Property, plant and equipment								
Computer hardware	21,10,226	35,05,349	-	56,15,575	12,09,594	-	25,50,991	7,68,829
Furniture and fixtures	22,45,630	3,47,732	-	25,93,362	3,93,809	-	12,76,742	13,16,620
Leasehold improvements	70,03,937	-	-	70,03,937	9,20,622	-	31,21,568	48,02,991
Office equipment	26,24,223	2,39,786	-	28,64,009	5,94,907	-	19,90,826	12,28,304
Total	1,39,84,016	40,92,867	-	1,80,76,883	31,18,932	-	89,40,127	81,62,821
Intangible assets								
Software	1,74,550	10,06,212	-	11,80,762	2,36,427	-	3,45,498	65,479
Total	1,41,58,566	50,99,079	-	1,92,57,645	33,55,359	-	92,85,625	82,28,300

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(All amounts are in Indian Rupees, unless otherwise stated)

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Jal Seva Charitable Foundation

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
17 Income from grants and donations		
Donations	5,32,01,829	2,66,68,994
Restricted grants	46,49,15,950	43,25,77,016
Unrestricted grants	11,98,89,287	16,49,27,800
	63,80,07,065	62,41,73,810
18 Other income		
Interest on fixed deposit	66,04,144	36,17,231
Interest on bank savings account	92,72,939	57,69,291
Other income	2,198	2,24,092
	1,58,79,281	96,10,614
19 Programme expenses		
Grant to NGO partners	30,94,52,857	24,82,19,949
Employee Benefit Expenses	7,10,98,666	7,08,22,475
Staff recruitment	56,070	39,052
Staff welfare	13,225	1,28,658
Legal, consultancy and professional fees	1,52,01,530	1,60,83,960
Repairs and maintenance		
- Building	40,319	38,271
- Office equipment	-	8,565
- Computers	-	22,656
Conference and meeting expenses	98,62,988	92,79,130
Travelling and conveyance	81,11,652	57,82,450
Accommodation	57,91,057	32,92,173
Advertising and media	28,97,721	23,46,832
Communication expenses	1,95,374	2,02,492
Printing and stationary	6,31,382	5,75,919
Vehicle hire charges	31,197	13,263
Miscellaneous expenses	1,85,170	2,06,235
Security expenses	1,99,360	-
Electricity and water expenses	57,048	21,149
	42,38,25,616	35,70,83,229
20 Employee benefit expenses		
Salaries, bonus and other allowances	2,64,66,057	2,09,00,623
Contribution to provident fund (refer note 30)	20,05,387	36,63,695
Gratuity	6,68,640	9,71,538
Staff welfare	8,88,173	13,73,148
	3,00,28,256	2,69,09,004

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Jal Seva Charitable Foundation

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
21 Fundraising expenses		
Employee Benefit Expenses	1,79,74,187	1,80,28,472
Repairs and maintenance		
- Computers	3,90,120	4,66,462
Accommodation	6,57,793	15,20,810
Advertising and media	72,29,880	2,88,52,057
Books and periodicals	10,011	1,04,181
Communication expenses	1,69,561	2,93,860
Conference and meeting expenses	92,50,622	74,23,847
Legal, consultancy and professional fees	28,20,939	20,91,079
Fundraising fees and expenses	2,73,63,894	5,92,39,115
Insurance	-	55,000
Subscription fee	56,909	14,079
Miscellaneous expenses	2,68,544	1,12,810
Security expenses	-	8,470
Printing and stationary	1,45,792	2,68,068
Staff welfare	7,67,593	2,51,053
Travelling and conveyance	15,30,504	19,28,533
	6,86,36,349	12,06,57,897
22 Other expenses		
Rent	1,51,89,916	1,53,52,576
Repairs and maintenance		
- Building	27,10,880	24,84,970
- Vehicle	1,12,124	1,40,449
- Office equipment	3,08,049	2,19,196
- Computers	8,58,300	7,19,206
Insurance	19,30,545	22,02,418
Legal, consultancy and professional fees	1,31,11,915	87,93,959
Conference and meeting expenses	39,98,193	81,86,469
Travelling and conveyance	69,03,821	71,97,059
Accommodation	34,92,076	34,39,863
Advertising and media	6,48,740	13,64,869
Communication expenses	20,33,511	22,22,996
Printing and stationary	6,22,549	5,53,357
Vehicle hire charges	1,17,240	1,62,916
Books and periodicals	45,105	66,929
Subscription fee	16,45,763	6,34,209
Security expenses	27,19,142	26,34,803
Electricity and water expenses	12,98,739	13,51,332
Miscellaneous expenses	30,14,473	19,59,684
	6,07,61,081	5,96,87,261

Jal Seva Charitable Foundation**Notes to financial statements for the year ended 31 March 2020***(All amounts are in Indian Rupees, unless otherwise stated)***23. Receipts in foreign currency**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from grant and donation	334,251,979	253,287,497
Total	334,251,979	253,287,497

24. Expenditure in foreign currency

Nature of Expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling and conveyance	120,560	120,610
Accommodation	852,574	452,826
Conference and meeting expenses	227,813	683,744
Books and periodicals	-	78,087
Staff welfare	19,699	27,618
Advertising and media	727,892	655,986
Subscription	1,645,763	634,209
Total	3,594,301	2,653,080

25. Payment to auditor's *:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	925,000	925,000
Other certification	1,00,000	-
Total	1,025,000	925,000

*exclusive of taxes and out of pocket expenses

26. Related party transactions

In the normal course of business, the Company enters into transactions with key management personnel. The names of related parties of the Company and their relationship, as required to be disclosed under Accounting Standard 18, are as follows:

a) Related party and nature of the related party relationship with whom transaction have taken place during the year

Relationship	Names of the related parties
Key management personnel	Mr. V K Madhavan – Chief Executive Officer w.e.f. 23 May 2016



Jal Seva Charitable Foundation**Notes to financial statements for the year ended 31 March 2020***(All amounts are in Indian Rupees, unless otherwise stated)***b) Summary of significant transaction with related parties**

Managerial remuneration	For the year ended 31 March 2020	For the year ended 31 March 2019
Mr. V K Madhavan	6,211,189	5,804,856

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on the basis of actuarial valuation for all the employees of the company taken together.

27. The Company has taken certain cancellable and non-cancellable operating leases for commercial accommodation. Lease payments charged during the year in the Income and Expenditure Account is INR 15,189,916 (previous year INR 15,352,576).

28. Earnings / (loss) per share

The computation of basic earnings / (loss) per share is set out as below:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Excess of income over expenditure / (expenditure over income) attributable to equity shareholders (Rs.)	65,845,388	66,091,675
Weighted average number of equity shares outstanding during the year	1,750	1,750
Nominal value per share (Rs.)	10	10
Basic (loss)/earnings per share (Rs.)	37,626	37,767

29. Dues to micro and small enterprises

Particulars	As at 31 March 2020	As at 31 March 2019
(a) the amounts remaining unpaid to any supplier at the end of each accounting year; - Principal - Interest	402,929 -	4,414,932 -
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of 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 the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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Jal Seva Charitable Foundation**Notes to financial statements for the year ended 31 March 2020***(All amounts are in Indian Rupees, unless otherwise stated)*

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

30. Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) “Employee Benefits” prescribed by the Companies (Accounting Standards) Rules, 2006.

- a) **Defined contribution plans:** Amount of Rs. 7,349,828 (previous year Rs. 7,254,435) pertaining to employers' contribution to provident fund is recognized as an expense and included in “Employee benefit expenses” in note 19, 20 and 21 to the financial statement.
- b) **Defined benefit plans:** Gratuity is payable to all eligible employees of the Company on resignation, retirement, death or permanent disablement, in terms of the Company policy.

General description of defined benefits plan: (Gratuity plan)

The Company operates an unfunded gratuity plan wherein every employee is entitled to the benefit equivalent to 5% of basic salary during the tenure of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit to employees is as per the plan rules of the Company policy.

Principal Actuarial Assumptions

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

Particulars	As at 31 March 2020	As at 31 March 2019
1 Discounting rate (p.a)	6.50%	7.25%
2 Expected rate of return on plan assets (p.a)	-	-
3 Salary growth rate (p.a)	5.00%	5.00%

- ii. **Demographic assumptions**

Particulars	As at 31 March 2020	As at 31 March 2019
1 Retirement age	60 Years	60 Years
2 Mortality table	IALM (2012-14)	IALM (2006-08)
3 Withdrawal rate (%) (p.a)	15.35%	15.35%



Jal Seva Charitable Foundation

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupees, unless otherwise stated)

31. During financial year 2016-17, the Company had received fixed assets aggregating Rs 38,38,093 in kind from WaterAid-UK, after closure of their India Liaison Office with the approval of Reserve Bank of India obtained through authorized dealer's letter dated 26 July 2016. These assets being the non-monetary assets received by the Company free of cost were recorded at Re 1 in its books of accounts.

Under the above mentioned approval, the Company also received Security deposits of Rs 44,47,733 and advances recoverable of Rs 1,76,502. The assets being monetary assets were recorded as security deposits and advances recoverable respectively with a corresponding credit to capital reserve.

32. The Company is engaged in charitable activities which are not distinguishable on the basis of risk and return and hence the Company views the same as single business segment. Further, these charitable activities are being catered in India only and hence there are no separate reportable geographical segments. Accordingly, no separate disclosures in respect of primary and secondary segment have been provided.
33. The Company is exempt from income tax under Section 12AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. Since, the Company is exempt from income tax, no deferred tax (asset or liability) is recognized in respect of timing differences.
34. The Company has obtained opinion on the applicability of provident fund on allowances as per judgement passed by the Supreme Court on 28th February 2019. As per the opinion, no employees basic salary entitlement is less than of INR 15000/- p.m. from its date of incorporation to till date and contribution are also being calculated on or above the prescribed wage ceiling of Rs. 15000/- p.m. and paid accordingly. Hence there will be no impact of this judgement on the organization.
35. In the month of March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has evaluated the effect of the pandemic on its operations and on the carrying amounts of receivables, tangible and intangible assets and other assets/ liabilities and based on such evaluation the Company believes that there is no material impact to be incorporated in these financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company has considered internal and external information available till the date of approval of these financial statements. In the above context and based on the current estimates, the Company does not foresee any material adverse impact in the medium to long term on the business, its liquidity and other obligations. The overall economic situation being uncertain due to the evolving scenario of the pandemic, the Company would continue to closely monitor any developments in future economic conditions as they emerge and consider their impact on the financial statements of the relevant periods.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/ W-100024


Sandeep Batra
Partner

Membership No.: 093320

**For and on behalf of the Board of Directors of
Jal Seva Charitable Foundation**



Sumit Bose
Chairperson
Place: Kolkata



Mathew Cherian
Director
Place: New Delhi


Archana Rathore
Director – Finance & IT




VK Madhavan
Chief Executive

Place: New Delhi
Date: 29th September 2020

Place: New Delhi
Date: 29th September 2020

Place: New Delhi
Date: 29th September 2020