

INDEPENDENT AUDITOR'S REPORT

To The Members of

Bharat Rural Livelihoods Foundation (BRLF)

Report on the Financial Statements

We have audited the accompanying financial statements of Bharat Rural Livelihoods Foundation (BRLF), which comprise the Balance Sheet as at 31st March, 2018, the Income & Expenditure Account, Receipt & Payment Account for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the society in accordance with the accounting practices followed as per the guidelines prescribed by the Government of India.

This responsibility includes the design, implementation and maintenance of adequate internal financial controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Society's preparation and fair presentation of the financial 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 Society'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 financial statements.

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

Opinion

We further report that we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of

accounts have been kept by the Society as far as appears from our examination of those books. We also report that the annexed statements of accounts are in agreement with the said books of accounts.

We also made an attempt to examine the transactions on test basis for regularity, reasonability, prudence and also the impact of various laws or underlying grant conditions with a view to appraise the propriety of expenditure. In our opinion and according to the information and explanation given to us, having regards to the explanation that certain items purchased/ services procured are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations and in view of exigencies of operations; and for which appropriate management approvals have been obtained, there is an adequate internal control system commensurate with the size of the society.


In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the schedules thereon give a true and fair view in accordance with the accounting principles generally accepted in India:

- a. In the case of Balance Sheet, of the state of affairs of the society as at 31st March 2018.
- b. In the case of Income and Expenditure Account, of the deficit of the period ended on that date.
- c. In the case of Receipt and Payment Account, of the cash flows during the period.

Further we report that:

- a. We have 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 under Societies Registration Act, 1860 has been kept by the society so far as appears from our examination.
- c. The Balance Sheet, Income & Expenditure Account and Receipt & Payment Account dealt with this Report are in agreement with the books of account.
- d. In our opinion the Balance Sheet, Income & Expenditure Account and Receipt & Payment Account, comply with the relevant accounting standards issued by Institute of Chartered Accountants of India.

For Lodha & Co.
Chartered Accountants
FRN : 301051E


Gaurav Lodha
Partner
M. No. 507462



Place : New Delhi

Date: 23/07/2018

BHARAT RURAL LIVELIHOODS FOUNDATION (BRLF)

Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001

BALANCE SHEET AS AT 31st MARCH 2018

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	Amount in Rs.	
		2017-18	2016-17
Corpus Fund	A	2,000,000,000	2,000,000,000
Endowment Fund	B	206,541,805	205,297,782
Grant-in-Aid	C	357,336	511,401
Reserve & Surplus	D	267,974,157	286,995,839
Current Liabilities & Provisions	E	1,978,330	1,432,573
Total (Rs.)		2,476,851,628	2,494,237,595
ASSETS			
Fixed Assets	F	2,675,774	1,793,209
Investments	G	2,160,000,000	2,160,000,000
Investment of Endowment Fund	H	203,181,172	201,926,172
Current Assets			
Cash & Bank Balance	I	21,237,012	44,042,983
Other Current Assets	J	89,757,670	86,475,231
TOTAL (Rs.)		2,476,851,628	2,494,237,595

Significant Accounting Policies
Contingent Liabilities & Notes to Accounts

As per our report of even dated attached

For Lodha & Co.,
Chartered Accountants
FRN : 301051E






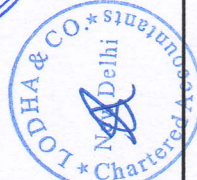


(Signature)
CA Gaurav Lodha
Partner
M. No. 507462
Place: New Delhi
Date: 23/07/2018



For Bharat Rural Livelihoods Foundation

(Signature)
Dr. Mihir Shah
President


(Signature)
Sharad Bhargava
Chief Executive Officer

BHARAT RURAL LIVELIHOODS FOUNDATION Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001 INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018			
		Amount in Rs.	
INCOME	Sch	2017-18	2016-17
Grants, Subsidies & Donations			
Grants	K	12,749,406	3,331,514
Other Income	L	201,640,188	194,622,304
TOTAL		214,389,594	197,953,818
EXPENDITURE			
Expenditure			
Program Expenses	M	209,420,085	172,334,466
Establishment Expenses	N	21,282,662	17,011,724
Other Administrative Expenses	O	1,529,499	1,626,313
Depreciation	F	1,179,030	690,791
Excess of Income over Expenditure		233,411,276 (19,021,682)	191,663,294 6,290,524
TOTAL		214,389,594	197,953,818
Significant Accounting Policies	P		
Contingent Liabilities & Notes to Accounts	Q		
As per our report of even dated attached			
For Lodha & Co., Chartered Accountants FRN : 301051E		For Bharat Rural Livelihoods Foundation <div style="display: flex; justify-content: space-around;"> <div>  CA Gaurav Lodha Partner M. No. 507462 Place: New Delhi Date: 23/07/2018 </div> <div>  Dr. Mihir Shah President  </div> <div>  Pramathesh Ambasta Chief Executive Officer  </div> <div>  Sharad Bhargava Chief Finance Officer </div> </div>	

Regd. Office: Room No. 38-A, Krishni Bhawan, New Delhi-110001

As per our report of even dated attached

**For Lodha & Co.,
Chartered Accountants
FRN : 301051E**


CA Gaurav Lodha
Partner
M. No. 507462
Place: New Delhi
Date: 23/07/2018

For Bharat Rural Livelihoods Foundation

Dr. Mihir Shah
President

Pramathesh Ambasta
Chief Executive Officer

Sharad Bhargava
Chief Finance Officer



BHARAT RURAL LIVELIHOODS FOUNDATION (BRLF)

Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018

PARTICULARS	AMOUNT (2017-18)	AMOUNT (2016-17)
SCHEDULE A - Corpus Fund		
Grant from Ministry of Rural Development, Government of India		
Opening Balance	2,000,000,000	2,000,000,000
Add: Received During the year		
Closing Balance	2,000,000,000	2,000,000,000

PARTICULARS	AMOUNT (2017-18)	AMOUNT (2016-17)
SCHEDULE B - Endowment Fund		
(i) Ford Foundation Endowment fund (FCRA Funds)		
Opening Balance		
Grant received during the year		
Add: Interest (Gross) Earned during the year	7,208,180	1,084,182
Add: Accrued Interest Received during the year	283,797	
Less: TDS	29,369	64,510
Less: Interest accrued but but not due and received	319,629	283,797
Net Interest received	7,142,979	735,875
Less: Available for Utilization as income for the year (90% of net interest received)	6,427,979	662,287
Balance interest accumulated in the fund	715,000	73,588
Closing balance of Ford Foundation Endowment Fund	100,364,760	99,649,760
(ii) Tata Trusts Endowment fund for Institutional Development and Partnerships		
Opening Balance		
Interest Earned (Gross) during the year	8,697,650	8,619,701
Less: TDS	8,459	131,589
Less: Interest accrued but not due and received	757,930	757,707
Net Interest	7,931,261	7,730,405
Less: Utilization during the year		
- Human Resource / Personnel Cost	99,466	886,584
- Aid 360 Software & Server Expenses	77,290	170,544
Closing balance of Tata Trusts Endowment fund	105,648,022	104,628,636



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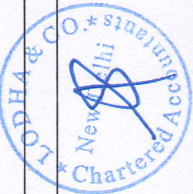
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- Program Expenses	3,455,065		3,249,914	
- Travel Cost	3,392,963		2,562,645	
- Office Running Cost	1,143,843		730,628	
Total Utilization	8,168,627		7,600,315	130,090
		(237,366)		
Closing Balance of Endowment Fund		105,410,656		104,758,726
Add: Adjustments for TDS	8,459		131,589	
Interest Accrued	757,930		757,707	
Prepaid Expenses	-	766,389	-	889,296
Closing Balance of Tata Trust Endowment Fund		106,177,045		105,648,022
Grand Total		206,541,805		205,297,782

Note: 15% of the annual interest income earned on the Endowment Fund or the unused portion of the income after meeting expenditure towards the objective of the grant, whichever is greater, shall be added to the Endowment Fund and be reinvested in the same manner as the Endowment Fund is invested. Accordingly against Rs. 9396967/- (8688967+ 708000) an amount of Rs.14,10,000/- has been deposited in FDR on 11/07/2018.

SCHEDULE C - Grant in Aid	2017-18	2016-17
Capital Grants		
United Nations Development Programme		
Opening Balance	446,983	612,766
Received during the year	-	-
Less: Amortized over the useful life of Assets purchased	89,647	165,783
	357,336	446,983
	357,336	446,983
Other Grants		
ARAGHYAM		
Opening Balance	64,417	64,417
Less : Transfer to Other Income	64,417	-
	-	-
	357,336	64,417
	357,336	511,400

SCHEDULE D - Reserve & Surplus	2017-18	2016-17
Surplus		
Opening Balance		280,705,315
Add: Surplus of Income over Expenditure for the year	286,995,839 (19,021,682)	6,290,524
Closing Balance	267,974,157	286,995,839

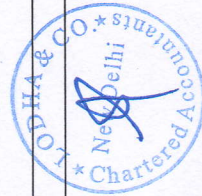




SCHEDULE E - Current Liabilities & Provisions			
	2017-18	2016-17	
i. Current Liabilities			
TDS Payable	360,220	251,292	
PF Payable	201,642	110,626	
Expenses Payable	224,176	454,191	
Payable to staff	-	2,791	
ii. Provisions			
Employee Benefits			
- Long Term Defined Benefits Plan (Earned Leave)	379,753	252,742	
- Short Term Benefits (Encashment of Leave)	248,539	101,931	
- Long Term Defined Benefits Plan (Gratuity)	561,000	259,000	
- Short Term Benefits (Gratuity)	3,000	-	
Total	1,978,330	613,673	1,432,573

SCHEDULE G - Investments			
	2017-18	2016-17	
Investments in FDR with Bandhan Bank			
Corpus Fund received from Ministry of Rural Development, Government of India	2,000,000,000	2,000,000,000	
Investments in FDR with Bandhan Bank	160,000,000	160,000,000	
Invested out of interest on above			
Investments in FDR with Yes Bank			
Total	2,160,000,000	2,160,000,000	

SCHEDULE H - Investments of Endowment Fund			
	2017-18	2016-17	
Investments in FDR with Bandhan Bank			
Tata Trusts Endowment fund for Institutional Development and Partnerships	100,000,000	100,000,000	
Investments in FDR with Bandhan Bank	2,350,000	2,350,000	
Invested out of interest on above			
Investments in FDR with RBL Bank	1,180,000	-	
Tata Trusts Endowment fund for Institutional Development and Partnerships	99,576,172	99,576,172	
Investments in FDR with Yes Bank (FCRA Funds)	75,000	-	
Ford Foundation Endowment fund for Institutional Development and Partnerships			
Investments in FDR with Yes Bank			
Invested out of interest on above			
Total	203,181,172	201,926,172	

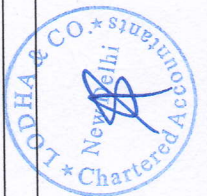


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SCHEDULE I - Cash & Bank Balances		2017-18	2016-17
Cash in Hand			
Bank Balances in Savings Accounts with YES Bank Chanakyapuri, New Delhi Branch			
Account No. 000393900000039 (FCRA Designated Account)	3,797,499	735,875	
Account No. 0003946000000384	1,924,676	40,943,339	
Account No. 0003946000000391	2,260,840	1,921,815	
Account No. 0003946000001349	2,246,258		
Account No. 0003946000000443	400,605	441,954	44,042,983
Bank Balances in Savings Accounts with RBL Bank, New Delhi Branch		10,629,878	
Account No. 309003418585		10,607,134	
Total		21,237,012	44,042,983

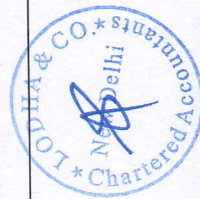
SCHEDULE J - Other Current Assets		2017-18	2016-17
Grant to Project Partners- Unutilized		15,752,302	8,665,154
Interest Accrued on Fixed Deposits with Bandhan Bank and RBL Bank			
- Corpus Fund received from Ministry of Rural Development, GOI	67,883,152	53,104,777	
- Tata Trusts Endowment fund for Institutional Development and Partnerships	757,930	757,707	
Interest Accrued on Fixed Deposits with Yes Banks			
- Ford Foundation Endowment fund	319,629	68,960,711	54,146,281
Advance Recoverable			
Prepaid Expenses (Warranty of Server)		149,689	194,517
Grant receivable from ARGHYAM		48,675	
Security Deposit (Rent)		2,492,000	1,158,514
Tax Deducted at Source (2014-15)		200,000	200,000
Tax Deducted at Source (2015-16)			19,994,301
Tax Deducted at Source (2016-17)		1,452,060	1,452,060
Tax Deducted at Source (2017-18)		664,405	664,405
Total		89,757,670	86,475,231



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SCHEDULE K. Grants, Subsidies & Donations	2017-18	2016-17
Grant From ARGHYAM-PGWM	5,998,486	3,331,514
Grant From ARGHYAM-Springshed	1,500,000	
Grant From VATECH-WABAG	5,225,920	
General Donation	25,000	
Total Grants	12,749,406	3,331,514

SCHEDULE L. Other Incomes	2017-18	2016-17
<u>Saving Bank Interest</u>	3,084,070	4,950,129
<u>Add:</u>	64,417	
-Interest earned on Araghyam Grant in 2016-17	12,401	43,908
<u>Less:</u>		64,417
- 10% reinvested to Ford foundation Endowment Fund		
- Transfer to Araghyam Grant		
- Transfer to Tata Trusts Endowment fund for Institutional Development and Partnerships (Schedule - B)	71,845	38,620
Total	3,064,241	4,803,184
<u>Interest Earned on Fixed Deposits with Banks</u>		
- Corpus Fund received from Ministry of Rural Development, Government of India	187,778,375	186,687,402
- Tata Trusts Endowment fund for Institutional Development and Partnerships	8,625,805	8,581,082
- Ford foundation endowment fund	7,084,166	645,097
Total	203,488,346	195,913,581
<u>Less: 10% reinvested to Ford Endowment Fund</u>	702,599	29,680
<u>Less: Transfer to Tata Trusts Endowment Fund for Institutional Development and Partnerships (Schedule - B)</u>	8,625,805	8,581,082
Total	194,159,942	187,302,819
<u>Interest On Income Tax Refund</u>	2,899,169	
<u>Sponsorship Fee For CPRL Course</u>	140,000	340,000
<u>Interest earned by the Grant Partners</u>	1,375,636	1,929,717
<u>Miscellaneous Income</u>	1,200	166,583
<u>Reversal of excess provision of Grauity</u>		80,000
Total	201,640,188	194,622,303



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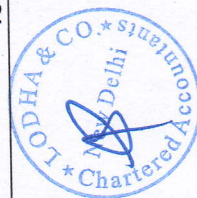


SCHEDULE M. Program Expenses	2017-18	2016-17
Expenses incurred from Grants		
Ground Water Management Project with ARGHYAM		
Field Facilitation Support for Implementing Partner (ARGHYAM)	4,074,955	2,863,046
Implementation Support for PGWM (ARGHYAM)	1,453,132	416,612
Partners Meeting (program planning & review) (ARGHYAM)	104,887	51,856
Springshed Project with ARGHYAM		
Implementation Support for SpringShed	872,518	-
Watershed Project with VATECH		
Field Facilitation Support for Implementing Partner	2,462,594	-
Field Implementation Support for Implementing Partner	465,000	-
FORD Program Cost		
Human Research Development Report Expenses	1,430,124	-
Capacity Building Expense	1,250,501	-
Consultancy & Evaluation Fees	294,330	-
MoRD Program Cost		
Field Implementation Support to CSO Partners	151,389,707	151,772,463
Capacity Building Expense	15,658,632	3,124,452
Field Implementation Support to Watershed Partners	16,587,000	-
Field Facilitation Support to institutional partners for Implementing Partners	4,504,912	9,596,917
Event, Meetings and Workshop Expenses	2,372,245	427,087
Expenditure on TCS Aid 360 & Server	1,983,087	2,758,383
Pilot & Innovations	1,172,433	-
State Govt Partnership	905,545	39,804
Travel Expenses	857,342	487,353
Consultancy & Evaluation Fees	947,769	464,315
Field Facilitation Support to Technical support partners for Implementing Partners	363,553	-
Organisation Development training to staff	-	226,928
Information, Education and Communication Material	117,036	105,250
Human Research Development Report Expenses	152,783	-
	197,012,044	169,002,952
Total	209,420,085	172,334,466

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SCHEDULE N. Establishment Expenses		2017-18	2016-17
MoRD Establishment Cost			
Salary		18,034,277	13,929,523
Employer Contribution to Provident Fund		1,063,613	765,549
Recruitment expenses		749,272	936,844
Earned Leave expenses		688,446	474,326
EPF Admin Charges		56,809	55,965
Gratuity Expenses		305,000	-
Medical Insurance & Related Expenses		131,728	140,776
Vehicle Running maintenance Expenses		194,407	622,917
Books, Periodicals & Publications		22,412	20,844
Consultancy Fees for PF calculation		25,780	2,300
Relocation expenses		10,918	62,680
Total		21,282,662	17,011,724

SCHEDULE O. Other Administrative Expenses		2017-18	2016-17
MoRD Other Establishment Cost			
Office Rent	200,000.00		1,300,000
Audit Fees	135,700.00		143,694
Communication Expenses	32,353.00		72,357
Miscellaneous Expenses	-		10,356
Office Maintenance Expenses	69,693.00		60,718
Stationery expenses	-		15,768
Water & Electricity expenses	20,753.00	458,499	23,420
FORD Other Establishment Cost			
Office Rent	1,021,000.00	1,071,000	-
Office Maintenance Expenses	50,000.00		
Total		1,529,499	1,626,313



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Schedule F.
Schedule F-a

MoRD - FIXED ASSETS as on 31.03.18

Particulars	Rate	WDV as on 01.04.2017	Addition		Deduction	Total	Depreciation for the Year	WDV as on 31.03.2018
			More than 180 Days	Less than 180 Days				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE								
Computer	60%	652,779	225,898	1,593,103	-	2,471,780	1,005,137	1,466,643
Hardware								
Office	15%	126,111	10,125	54,238	-	190,474	24,503	165,971
Equipment								
Furniture & Fixture	10%	193,913	119,296	101,358	-	414,567	36,389	378,178
Sub Total		972,803	355,319	1,748,699		3,076,821	1,066,029	2,010,792
INTANGIBLE								
Computer	33%	14,798	-	-	-	14,798	4,883	9,915
Software								
Sub Total		14,798	-	-		14,798	4,883	9,915
Total		987,601	355,319	1,748,699		3,091,619	1,070,912	2,020,707

UNDP Sponsor Project - FIXED ASSETS as on 31.03.18
Schedule F-b

Particulars	Rate	WDV as on 01.04.2017	Addition		Deduction	Total	Depreciation for the Year	WDV as on 31.03.2018
			More than 180 Days	Less than 180 Days				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE								
Computer	60%	77,633	-	-	-	77,633	46,580	31,053
Hardware								
Office	15%	106,888	-	-	-	106,888	16,033	90,855
Equipment								
Furniture & Fixtures	10%	259,034	-	-	-	259,034	25,903	233,131
Sub Total		443,555				443,555	88,516	355,039
INTANGIBLE								
Software	33%	3,428	-	-	-	3,428	1,131	2,297
Sub Total		3,428				3,428	1,131	2,297
Total		446,983				446,983	89,647	357,336

TATA Sponsor Project - FIXED ASSETS as on 31.03.18
Schedule F-C

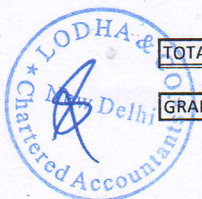
Particulars	Rate	WDV as on 01.04.2017	Addition		Deduction	Total	Depreciation for the Year	WDV as on 31.03.2018
			More than 180 Days	Less than 180 Days				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE								
Computer	60%	123,683	-	4,200	-	127,883	75,470	52,413
Hardware								
Office	15%	79,043	26,500	-	-	105,543	15,831	89,712
Equipment								
Furniture & Fixtures	10%	155,898	8,025	8,500	-	172,423	16,817	155,606
Sub Total		358,624	34,525	12,700		405,849	108,118	297,731
INTANGIBLE								
Software	33%	-	-	-	-	-	-	-
Sub Total		-	-	-		-	-	-
Total		358,624	34,525	12,700		405,849	108,118	297,731



TOTAL TANGIBLE	1,774,982	389,844	1,761,399	-	3,926,225	1,262,663	2,663,562
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TOTAL INTANGIBLE	18,226	-	-	-	18,226	6,014	12,212
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GRAND TOTAL	1,793,208	389,844	1,761,399	-	3,944,451	1,268,676	2,675,774
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SCHEDULE-P

Bharat Rural Livelihoods Foundation (BRLF)

1. Legal Status and Operation:

Bharat Rural Livelihoods Foundation (BRLF) has been promoted by Ministry of Rural Development, Government of India as an autonomous charitable society registered under the Society Registration Act, 1860 having registration no. S/ND/351/2013 dated 10th December, 2013.

Envisaged as supporting CSO projects focused on tribals, especially women's empowerment and livelihoods, BRLF's mission is to facilitate and upscale civil society action in partnership with Government for transforming livelihoods and lives of rural households, with an emphasis on women all over India. Concentrating in the Central Indian Tribal Region in the initial years of its functioning covering ten states of Odisha, Jharkhand, West Bengal, Chattisgarh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Rajasthan, Telangana and Gujarat, its long term goals *inter alia* are providing grants to civil society organisations (CSOs) to meet their human resource and institutional costs for up-scaling proven interventions, invest in institutional strengthening of smaller CSOs and capacity building and development of professional human resources working at the grassroots.

2. Corpus Fund:

A Memorandum of Understanding (MoU) between Ministry of Rural Development, Government of India and Bharat Rural Livelihoods Foundation (BRLF) dated 13th January 2014 has been entered into to provide grants upto Rs. 500 crores for creating corpus, in two tranches subject to conditions laid down in the MoU. During the year 2013-14 the Government of India has released Rs. 200 crore as first tranche of corpus fund on 5th March 2014 and the second tranche of Rs. 300 crores will be released after two years on fulfilment of conditions prescribed in the MOU. In accordance with Grant conditions in MoU, no expenditure can be met from the corpus fund received from Government of India; however, the income arising out of the corpus can be utilized to fulfil the objectives of the society. MoU also mandates review of BRLF and its programmes' impact assessment by the Government after five years and may take back the grant and may advise dissolution of BRLF in case the outcomes are not forthcoming as projected.

3. Summary of Significant Accounting policies:

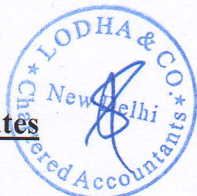
3.1 Accounting Convention

These statements of accounts have been prepared under the historical cost convention, without any adjustment to the effect of inflation.

3.2 Basis of preparation

The financial statement has been prepared following accrual basis of accounting except interest on saving banks.

3.3 Use of Estimates



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The preparation of financial statements requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

3.4 Grant in Aid

Treatment of Grant in Aid has been made in the accounts as per AS-12 – Accounting for Government Grants issued by Institute of Chartered Accountants of India.

- i. Grants are recognized only when there is reasonable assurance that BRLF will comply with the conditions attached to them and grants will be received.
- ii. Grants in the nature of Corpus are treated as Corpus Fund and only the income arising out of Corpus shall be utilized to fulfil the objectives of BRLF.
- iii. Grants received for specific purposes are utilized for the purpose of its release.
- iv. Grants utilized to the extent of and in accordance with the grant conditions and project objectives are treated as Income in the Income & Expenditure Account.
- v. Unutilized grants are treated as Liabilities in the Balance sheet.
- vi. Grant related to specific depreciable Fixed Assets treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the assets. Such allocation may be in the proportion in which depreciation on related assets is charged.

3.5 Income Recognition

Interest on Fixed deposit with banks is recognized on accrued basis and that on saving banks is recognized on cash basis.

3.6 Fixed Assets

A. Tangible Assets

Tangible Assets are stated at cost of acquisition less depreciation and impairment losses (if any). The cost of tangible assets include inward freight, duties & taxes (non refundable) and incidental & direct expenditure related to acquisition.

B. Intangible Assets

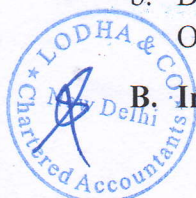
Intangible Assets are stated at cost of acquisition less depreciation and impairment (if any). The Cost of intangible assets includes duties & taxes and incidental & direct expenditure related to acquisition.

3.7 Depreciation

A. Tangible Assets

- a. Depreciation has been provided on written down value method as per the rate specified in Income Tax Act, 1961. Depreciation on assets purchased and put to use for less than 180 days in a year charged at the half rate of depreciation specified in Income Tax Act.
- b. Depreciation of Assets purchased out of Capital Grant-in-Aid have been treated as Non Operating income and shown under "Miscellaneous Income".

B. Intangible Assets



Cost of Intangible Assets (Software) is amortized on a straight line basis over their useful life of three years as estimated by the Management.

C. Items, each costing Rs. 5000 or less, are fully depreciated in the year of acquisition.

3.8 Investment

- a. Investment: Fixed deposits with banks which are intended to be held against corpus funds considered as long term and disclosed under investment.
- b. Investment of Endowment Fund: Fixed deposits with banks intended to be held against endowment funds also considered as long term and classified under Investment of Endowment Fund.
- c. Other investments: Other fixed deposit with banks shall be classified as cash and cash equivalent because of readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values.

3.9 Employee Benefits

- i. Short Term Benefits
Short term benefits like salary, allowances, ex-gratia, earned leave are recognised as expenses in the year in which related services are rendered.
- ii. Defined Contribution Plan
The Society makes defined contribution to Provident Fund scheme which are recognized in the profit and loss account on accrual basis
- iii. Defined Benefits Plan
 - a. The provision in relation to Gratuity is made through Actuarial Valuation.
 - b. Provision on employee discontinuance basis, in relation to Earned Leaves is made for the leave which can be accumulated up to 11 days in a year subject to maximum 66 days in aggregate, beyond which employee may make encashment.

3.10 Impairment of Assets

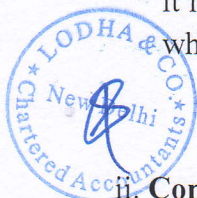
The carrying value of assets at each year balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

3.11 Provisions, Contingent Liabilities and Contingent Assets

i. Provisions

A provision is recognised when the entity has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

ii. Contingent Liability and Assets



Contingent liability is a possible obligation that arise from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the society, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resource embodying benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent Assets are neither disclosed nor recognised.

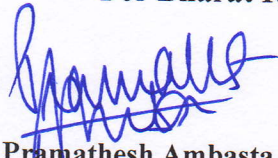
3.12 Taxes on Income

No Provision for Income Tax is considered necessary as the Society is registered as a Charitable Institution under section 12A (a) of the Income Tax Act, 1961 and the society shall fulfill the conditions attached to claim exemption under section 11 and 12 of the Income Tax Act.



For Bharat Rural Livelihoods Foundation


Dr. Mihir Shah
President


Pramathesh Ambasta
Chief Executive Officer


Sharad Bhargava
Chief Finance Officer



SCHEDULE-Q

CONTINGENT LIABILITIES & NOTES TO ACCOUNTS (FORMING PART OF THE FINANCIAL STATEMENTS)

I. In the opinion of the management,

- a. Current Assets are approximately of the value stated if realized in the ordinary course of business except otherwise stated.
- b. BRLF had received Rs 10,00,00,000/- from Navajbai Ratan Tata Trust and Sir Dorabji Tata Trust contributing Rs. 5,00,00,000/- each towards Tata Trusts Endowment Fund for Institutional Development and Partnerships'. As per the grant conditions the funds entrusted shall under no circumstances be in any manner diminished, drawn out, borrowed upon or merged with any other endowment fund of BRLF or any other organisation, divided used as collateral, or in any way encumbered or any lien created thereupon or advanced in any manner whatever.

During the year society has earned interest of Rs. 86,97,650/- against Endowment Grant received from Tata Trusts Endowment Fund for Institutional Development. Out of total interest earned, an amount of Rs.81,68,627/- has been utilized during the year 2017-18 as per the decision taken in the Executive Committee meeting dated 19th December 2014 on the heads of expenditure stated therein.

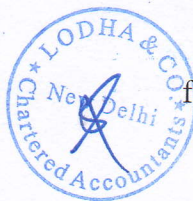
- c. BRLF had received Rs. 9,95,76,172/- (\$ 1,500,000) from Ford Foundation as Endowment Fund. As per grant condition, BRLF would be permitted to utilize a maximum of 90 percent of revenue earned from the Endowment Fund for the purpose to meet the operational cost and the remaining 10% of the Fund's income shall be re-invested in the Fund in annual fixed deposit.

During the year society has earned interest of Rs. 72,08,180/- against the Endowment grant received from Ford Foundation. Out of total interest received, an amount of Rs. 7,15,000/- has been re-invested in the fund in fixed deposit by BRLF.



- d. BRLF has entered into MOU with ARGHYAM a registered public charitable trust to widen and deepen practice on groundwater management and sanitation. BRLF received Rs. 46,65,000/- being 2nd & 3rd instalment as per MOU against which Rs.11,58,514/- pertains to Grant Receivable for 2016-17 and expenses incurred Rs. 56,32,974/- during the current financial year. An amount of Rs.24,92,000/- being 4th instalment has been disclosed as receivable from ARGHYAM in Schedule – J (Other Current Asset).

- e. BRLF has entered into MOU with ARGHYAM a registered public charitable trust to widen and deepen practice on Spring-shed Development Program. An amount of Rs. 8,72,518/- has been spent against ARGHYAM grant during the year whereas BRLF spent Rs.8,72,517/- being the 50% amount of total expenditure as per the MoU signed between BRLF & Arghyam. BRLF received Rs. 15,00,000/- as first & second instalment as per MOU from ARGHYAM. After adjusting expenses incurred of Rs.8,72,518/-, the balance amount Rs.6,27,482/- has been disclosed as surplus in Income & Expenditure and transferred to Reserve & Surplus.



- f. BRLF has entered into MOU with VA Tech WABAG Ltd., a company registered under Companies Act, 1956 to widen and deepen practice on Watershed Project. An amount of Rs. 29,27,594/- has been spent against VA Tech WABAG Ltd. grant during the year. BRLF received Rs. 52,25,920/- first instalment on signing of MOU. After accounting for expenses

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incurred of Rs. 29,27,594/-, balance amount of Rs 22,98,326/- has been disclosed as surplus in Income & Expenditure and transferred to Reserve & Surplus.

- II. Fixed assets purchased having closing written down value of Rs. 3,57,336 /- from grant of United Nations Development Program (UNDP) now vest with BRLF as per the condition of grant term.
- III. BRLF has been issued with a certificate of lower deduction of Tax at source on interest income by the Income tax department.
- IV. The Society is not having any contingent liability as on 31.03.2018
- V. Figures have been rounded off to nearest rupees.
- VI. Previous year figures have been regrouped or rearranged wherever necessary.



Dr. Mihir Shah
President

For Bharat Rural Livelihoods Foundation

Pramathesh Ambasta
Chief Executive Officer

Sharad Bhargava
Chief Finance Officer

