



Form No. 10 B

See Rule 17 B

Audit Report under section 12A (b) of the Income - Tax Act, 1961, in the case of charitable religious trusts or institutions

* I/We have examined the balance sheet of **M/s Safe Water Network India , 369-370. Centrum, MG Road, Sultanpur, New Delhi** as at 31-03-2012 and the Profit & Loss and account for the year ended on that date which are in agreement with the books of accounts maintained by the said trust or institution.

* I/We have obtained all the information and explanation which to the best of my/our knowledge and belief were necessary for the purposes of the audit. In my/our opinion, proper books of accounts have been kept by the head office and the branches of the above named *trust/institution visited by my/us so far as appears from *my/our examination of the books, and proper returns adequate for the propose of audit have been received from branches not visited by *my/us subject to the comments given below.

In *my/our opinion and to the best of *my/our information, and according to information given to *me/us the said accounts give a true and fair view -

- (i) in the case of the balance sheet of the state of the affairs of the above named *trust/institution as at 31-03-2012 and
- (ii) in the case of the profit and loss account, of the surplus of its accounting year ending on 31-03-2012.

The prescribed particulars are annexed hereto.

Place: Delhi

Date: 26-09-2012

Signed



Accountant

Statement of Particulars

I. Application of income for charitable or religious purposes

- | | |
|--|--|
| 1. Amount of income of the previous year applied to charitable or religious purposes in India during that year. | ₹ 11913955/- |
| 2. Whether the Trust/institution* has exercised the option under clause (2) of the explanation to section 11(1)? if so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year. | No (deficit) |
| 3. Amount of income <u>accumulated or set apart</u> Finally set apart | N.A. deficit |
| For application to charitable or religious purpose, to the extent it does not exceed 15 percent of the income derived from property held under trust wholly/* in part only for such purposes. | |
| 4. Amount of income eligible for exemption under section 11(1) (c) (Give Details) | Nil |
| 5. Amount of income in addition to the amount referred to in item 3 above, accumulated or set apart for specified purpose under section 11(2) | ₹ Nil |
| 6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2) (b)? If so. The details thereof. | (Bank deposit in the Scheduled Bank) |
| 7. Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11 (1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so, the details thereof. | N.A. |
| 8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year – | N.A. |
| a) Has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for applications there to, or | No |
| b) Has ceased to remain invested in any security referred to in section 11(2) (b) (i) or deposited in any account referred to in section 11(2) (b) (ii) or section 11(2) (b) (iii), or | No |
| c) Has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, in the year immediately following the expiry thereof? if so, the details thereof | No |



Audit Report u/s 12A(b)

II. Application or use of income or property for the benefit of persons referred to in section 13(3)

- | | |
|--|----|
| 1. Whether any part of the income or property of the *trust/institution was lent, or continues to be lent, in the previous year to any person referred to in section 13 (3) (hereinafter referred to in this Annexure as such persons)? if so, give details of the amount, rate of interest charged and the nature of security, if any | No |
| 2. Whether any land, Building or other property of the *trust/institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any | No |
| 3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so give details | No |
| 4. Whether the services of the *trust / institution were made available to any such person during the previous year? If so, give details thereof with remuneration or compensation received, if any | No |
| 5. Whether any share, security, or other property was purchased by or on behalf of the *trust/ institution during the previous year from any such person? If so, give details thereof together with the consideration paid | No |
| 6. Whether any share, security or other property was sold by or on behalf of the *Trust / Institution during the previous year to any such person! If so give details thereof together with the consideration received | No |
| 7. Whether any income or property of the *Trust / Institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted | No |
| 8. Whether the income or property of the *Trust/Institution was used or applied during the previous year for the benefit of any such person in only other manner If so, give details | No |

*Strike out whichever is not applicable



III. Investment held at any time during the previous year(s) in concern in which persons referred to in section 13(3) have a substantial interest

| S. No. | Name & Address of concern | Where the concern is a company, number of shares held | Nominal value of the investment | Income from the investment | Whether the amount in co. 4 exceeded 5 percent of the capital of the concern during the prv. Year say Y/N |
|--------------|---------------------------|---|---------------------------------|----------------------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | Not applicable | | |
| Total | | | | | |

Place : New Delhi
Date : 26-09-12

for :-

Subhash Mittal & Associates
Chartered Accountants



(Deepak Bansal)
Partner
(089135)

Safe Water Network India
Balance sheet as at 31st. March, 2012 (Consolidated)

Rs.

| | <i>As at</i> | |
|--|--------------------------|--------------------------|
| | <i>31st. March, 2012</i> | <i>31st. March, 2011</i> |
| <u>SOURCES OF FUNDS</u> | | |
| <u>General Fund:</u> | | |
| Opening Balance | (88,584) | 10,000 |
| Transferred from Income & Expenditure Account | (4,04,392) | (98,584) |
| <u>Capital Fund:</u> | | |
| Corpus | 5,000 | 5,000 |
| Recapitalisation from NRTT / FCRA Grants | 70,11,317 | 26,64,973 |
| <u>Current Liabilities and Provisions</u> | | |
| Unspent Grants: | | |
| :NRTT | 7,08,123 | 19,71,018 |
| :FCRA(SWN, USA) | 24,80,464 | 23,22,064 |
| Recovery Against Cans/plant | 1,77,319 | 1,85,000.00 |
| Creditors | 73,699 | 22,600 |
| TDS Payable and Other Liabilities | 35,202 | - |
| Provision for Audit Fee | 28,090 | - |
| Total | 1,00,26,237 | 70,82,071 |

SOURCES OF APPLICATION

| | | |
|--|--------------------|------------------|
| <u>Fixed Assets</u> | | |
| Computers | 1,100 | 2,750 |
| Water Kiosks | 62,54,791 | 25,77,906 |
| <u>Current Assets, Loans and Advances</u> | | |
| Cash in hand | 59,867 | 21,000 |
| Bank balance | 28,08,723 | 36,38,563 |
| Advances recoverable | 9,01,757 | 8,41,852 |
| Total | 1,00,26,237 | 70,82,071 |

Significant Accounting Policies and Notes to Accounts attached herewith

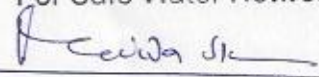
This is the Income & Expenditure Account referred to in our report of even date

For and on behalf of
Subhash Mittal and Associates


Deepak Bansal
Partner

Place : New Delhi
Date : 26th September, 2012

For and on behalf of
Safe Water Network India


Managing Trustee
Managing Trustee
For Safe Water Network India

Trustee
K. D. Saxena
Trustee

Safe Water Network, India

Income & Expenditure Account for the period ended 31.03.2012 -(Consolidated)

Rs.

For the year ended on

31st. March, 2012

31st. March, 2011

INCOME

| | | |
|-----------------------|-----------|-----------|
| Donations received | 2,18,649 | 30,000 |
| Funds Received- NRTT | 32,82,471 | 28,95,891 |
| Funds Received - U.S. | 79,32,194 | 10,53,117 |
| Bank Interest | 76,250 | - |

Total

1,15,09,564

39,79,008

EXPENDITURE

| | | |
|--|-----------|-----------|
| PY exp. adjusted against NRTT now reversed | - | 39,267 |
| Depreciation | 6,71,108 | 89,317 |
| Funds Spent- NRTT | 32,82,471 | 28,95,891 |
| Funds Spent - U.S. Fund | 79,32,194 | 10,53,117 |
| Bank Charges | 93 | - |
| Audit Fees | 28,090 | - |

Total

1,19,13,955

40,77,592

Transferred to the Balance Sheet

(4,04,392)

(98,584)

Significant Accounting Policies and Notes to Accounts attached herewith

This is the Income & Expenditure Account referred to in our report of even date

For and on behalf of
Subhash Mittal and Associates


Deepak Bansal
Partner

Place : New Delhi

Date : 26th September, 2012

For and on behalf of
Safe Water Network India
For Safe Water Network India

Managing Trustee
For Safe Water Network India

Trustee
K. d. Saxena
Trustee

Safe Water Network India
SCHEDULE OF FIXED ASSETS

| <u>Particulars</u> | <u>Gross Block</u> | | | <u>Depreciation</u> | | | <u>Net block</u> Balance as at 31st Mar.'12 |
|--------------------|----------------------------------|------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-----------------|---|
| | Balance as on 1st April, 2011 | Additions during the year | Sale/Disposal during the year | Closing balance as at 31st Mar.'12 | Opening Balance as at 1st Apr.'11 | For the year | |
| Water Kiosks | 25,77,906 | 43,46,343 | - | 69,24,249 | - | 6,69,458 | 62,54,791 |
| Computers | 2,750 | - | - | 2,750 | - | 1,650 | 1,100 |
| Total | 25,80,656 | 43,46,343 | - | 69,26,999 | - | 6,71,108 | 62,55,891 |

For Safe Water Network India

[Signature]

Managing Trustee

For Safe Water Network India

[Signature]

Trustee



Safe Water Network India

F.Y.2011-12

Significant accounting policies and Notes to accounts:

1. Significant accounting policies:

a) Basis of accounting:

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards issued by Institute of Chartered Accountants of India.

b) Fixed assets

Fixed asset are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation. Assets created out of project grants have been recreated / recapitalized in the books of the trust.

c) Depreciation on Fixed assets:

Depreciation is provided on WDV method starting from the month next to the month in which the asset is purchased / installed / put to use. The rate at which the asset is depreciated is given below, which is based on the management estimate of the useful life of the assets.

| Category of asset | Rate of depreciation |
|--------------------------------------|----------------------|
| Water stations (Plant and machinery) | 15% |
| Computers | 60% |

d) Donations

Donations received are recorded as income in the year of receipt.

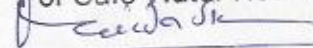
e) Project Grants accounting

In view of contractual terms of grant, project grants are shown as income of the year to the extent, it is utilized. Unspent grants (FCRA and Non-FCRA) are carried forward to the next year as trust's liabilities.

f) Revolving Funds:

The trust has been receiving amounts as revolving funds attributable towards usage of water plants, from various grass root implementing partners engaged into NRTT Project. These are accumulated revolving funds and are disclosed separately.

For Safe Water Network India



Managing Trustee



For Safe Water Network India

K. & Saxena

Trustee