

**FORM 10B**  
(See Rule 17B)

**AUDIT REPORT UNDER SECTION 12A (b) OF THE INCOME TAX ACT, 1961, IN  
THE CASE OF CHARITABLE OR RELIGIOUS TRUST OR INSTITUTIONS**

We have examined the Balance Sheet of **SM Sehgal Foundation, AABTS7576A** as at 31<sup>st</sup> March, 2020 and the Income & Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by the said Trust.

We have obtained all the information & explanations which to the best of our knowledge, and belief, were necessary for the purpose of audit. In our opinion, proper books of account have been kept by the above said office visited by us so far as it appears from our examination of the books.

In our opinion, and to the best of our information and according to the explanation given to us, the said accounts give a true and fair view:

- i) in the case of the Balance Sheet, of the state of affairs of the above-named trust as at 31<sup>st</sup> March, 2020 and
- ii) in the case of the Income & Expenditure Account, of the excess of Income over Expenditure of its accounting year ending on 31<sup>st</sup> March, 2020

The prescribed particulars are annexed hereto.

**Dated: 7<sup>th</sup> September, 2020**  
**Place: New Delhi**



**For SCV & Co. LLP**  
**Chartered Accountants**  
**Firm Reg.No.000235N/N500089**

*Abhinav Khosla*  
**(Abhinav Khosla)**  
**Partner**  
**M. No. 087010**  
**UDIN: 20087010AAAAC9341**

**Other Offices**

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**Annexure to Form 10B**  
**STATEMENT OF PARTICULARS**

**I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES**  
**DURING THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

- |       |   |  |
|-------|---|--|
| i)    | Amount of income of the previous year applied to charitable or religious purposes in India during that year.  | ₹ 34,86,45,226   |
| ii)   | Whether the Trust/institution has exercised the option under clause (2) of the Explanation to section 11(1)?<br>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   |
| iii)  | Amount of income accumulated or set apart/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15% of the income derived from property held under trust wholly/in part only for such purposes.             | ₹ 4,52,85,764  |
| iv)   | Amount of income eligible for exemption under Section 11(1)(c).<br>(Give details)   | NIL  |
| v)    | Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2).   | ₹ 5,17,14,587  |
| vi)   | 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.  | Yes<br><br>The amount accumulated for specified purpose is invested in scheduled bank. |
| vii)  | 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.             | Not Applicable   |
| viii) | Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year:-   |  |
|       | (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, 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 utilized for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof                       | No   |



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 annexure as such person)? 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 together 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 any other manner? If so, give details.  | No |



**II. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN  
CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3)  
HAVE A SUBSTANTIAL INTEREST**

Sr. No.	Name & Address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment	Income from the investment	Where the amount in Col.4 exceeded 5% of the capital of the concern during the previous year - say, Yes/No

**Dated: 7<sup>th</sup> September, 2020**  
**Place: New Delhi**





**For SCV & Co. LLP**  
**Chartered Accountants**  
**Firm Reg.No.000235N/N500089**

*Abhinav Khosla*  
**(Abhinav Khosla)**  
**Partner**  
**M. No. 087010**  
**UDIN: 20087010AAACT9341**

# S M Sehgal Foundation

Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003

## BALANCE SHEET AS AT 31st March, 2020

LIABILITIES	Schedule	AMOUNT (Rs.)	ASSETS	Schedule	AMOUNT (Rs.)
<b>Corpus</b>			<b>Fixed Assets</b>		
Balance as per last Balance Sheet		1,000	Property, Plant and Equipment	1	23,86,07,427
			CWIP		5,00,20,327
<b>General Fund</b>			Investments (Bank Fixed Deposits)		2,75,47,319
Balance as per last Balance sheet		45,91,49,787			
Less: Income Tax Payable AY 2017-18		2,13,807			
Add: Surplus as per Income & Expenditure Account		7,13,71,700	Gratuity Fund	2	86,97,593
Income Tax Payable AY 2014-15			<b>Current Assets</b>		
Income Tax Payable AY 2017-18					
<b>Current Liabilities</b>			Receivables		7,73,705
Security deposit payable			Cash and Bank Balance		21,64,86,748
Account Payable			Loans and Advances	3	1,17,81,414
Other Liabilities	5		Other Current Assets	4	3,04,34,945
<b>Total</b>			<b>Total</b>		<b>58,43,49,478</b>
Significant Accounting Policies and Notes as per Schedule 8					
For SCV & Co. LLP			For S M Sehgal Foundation		
Chartered Accountants					
Firm Reg. No. 000235N/N500089					
					
Abhinav Khosla			Anjali Makhlja		
Partner			Chief Operating Officer		
M.No. 087010			Ganesan Balachander		
			Trustee		
Date : 07.09.2020					
Place : Gurgaon					

## S M Sehgal Foundation

Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003

### INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st March, 2020

EXPENDITURE	Schedule	AMOUNT (Rs.)	INCOME	Schedule	AMOUNT (Rs.)
To Program Direct Expenses	6	30,27,95,276	Grants		36,91,42,425
To Program Indirect Expenses	7	5,06,31,422	Donation		19,12,116
			Community Contribution		36,28,071
			Rental Income		5,43,98,623
			Income from Other Services		23,38,537
			Other Income		1,53,798
To Depreciation	1	2,03,00,568			
			<b>Interest:</b>		
			Fixed Deposit		62,17,294
			Saving account		68,24,372
			Less: Refundable Interest to DST		1,84,052
To Surplus Carried Over to Balance Sheet		7,13,71,700	Gratuity Funds		6,67,782
<b>Total</b>		<b>44,50,98,966</b>	<b>Total</b>		<b>44,50,98,966</b>

Significant Accounting Policies and Notes as per Schedule-8

As per our report of even date Form No. 10B Attached

For SCV & Co. LLP

For S M Sehgal Foundation

Chartered Accountants

Firm Reg. No. 000235N/N500089



Date : 07.09.2020

Place : Gurgaon

Abhinav Khosla

Partner

M.No. 087010

Adil Makhija

Chief Operating Officer

Ganesan Balachander

Trustee





## S M SEHGAL FOUNDATION

Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003

## FIXED ASSETS SCHEDULE AS AT 31.03.2020

## Schedule - 1

PARTICULARS	W.D.V AS ON 1.4.2019	A D D I T I O N		Book Value of Assets Sold	GRAND TOTAL	RATE OF DEPN.	DEPRECIATION FOR THE YEAR	Figures in Rs.	
		Exceeding 6 Months	Not Exceeding 6 Months					CLOSING BALANCE	AS ON 31.03.20
<b>Tangible Assets</b>									
Land	9,68,35,059				9,68,35,059	0%		9,68,35,059	
Building (Office)	8,90,52,320	91,000			8,91,43,320	10%	89,14,332	8,02,28,988	
Building (Ghagas)	21,26,163				21,26,163	10%	2,12,616	19,13,547	
Building (Ghagas-Dhaincha Proj)	86,098				86,098	10%	8,610	77,488	
Building(Ravalkol)	5,07,132				5,07,132	10%	50,713	4,56,419	
Computer	28,38,257	11,83,556	-	56,352	39,65,461	40%	15,86,184	23,79,277	
Furnitur & Fixture	1,52,58,743	1,37,913	1,34,319	1,00,469	1,54,30,506	10%	15,36,335	1,38,94,171	
Camera	3,33,321	74,113	-	-	4,07,434	15%	61,115	3,46,319	
Office Equipment	76,34,811	3,16,613	58,136	38,163	79,71,397	15%	11,91,349	67,80,048	
Television	3,06,242	-	-	-	3,06,242	15%	45,936	2,60,306	
Vehicle	70,84,096	-	-	-	70,84,096	15%	10,62,614	60,21,482	
Washing Machine	39,367	-	23,499	6,524	56,342	15%	6,689	49,653	
Electrical Equipment & Fittings	83,36,767	-	-	-	83,36,767	15%	12,50,515	70,86,252	
Plant & Machinery	1,16,78,420	2,81,240	1,65,700	16,21,732	1,05,03,628	15%	15,63,117	89,40,511	
Projector	5,02,111	1,30,996	1,12,500	26,154	7,19,453	15%	99,480	6,19,973	
Refrigerator	55,186	-	-	-	55,186	15%	8,278	46,908	
Cooler	32,620	85,000	-	-	1,17,620	15%	17,643	99,977	
Air Conditioning & Fittings	86,12,621	-	-	-	86,12,621	15%	12,91,893	73,20,728	
Inverter	2,85,404	-	-	30,053	2,55,351	15%	38,303	2,17,048	
Photocopy	1,54,518	-	-	-	1,54,518	15%	23,178	1,31,340	
UPS	44,497	-	31,24,142	-	31,68,639	15%	2,40,985	29,27,654	
Printers	1,83,312	29,900	-	13,920	1,99,292	40%	79,717	1,19,575	
Fax	1,859				1,859	15%	279	1,580	
Dishwasher	92,346	-	-	-	92,346	15%	13,852	78,494	
Generator-Ghagas	30,897	-	-	-	30,897	15%	4,635	26,262	
Research Equipments	3,89,300	-	-	-	3,89,300	15%	58,395	3,30,905	
<b>Sub Total:</b>	<b>25,25,01,467</b>	<b>23,30,331</b>	<b>36,18,296</b>	<b>18,93,367</b>	<b>25,65,56,727</b>		<b>1,93,66,764</b>	<b>23,71,89,964</b>	
<b>Intangible Assets</b>									
Intangible Assets(Software)	20,25,110	2,92,640	33,517	-	23,51,267	40%	9,33,804	14,17,463	
<b>Sub Total:</b>	<b>20,25,110</b>	<b>2,92,640</b>	<b>33,517</b>	<b>-</b>	<b>23,51,267</b>		<b>9,33,804</b>	<b>14,17,463</b>	
<b>Total</b>	<b>25,45,26,577</b>	<b>26,22,971</b>	<b>36,51,813</b>	<b>18,93,367</b>	<b>25,89,07,994</b>		<b>2,03,00,568</b>	<b>23,86,07,427</b>	





**S M SEHGAL FOUNDATION**

**Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003**

**Gratuity Fund SCHEDULE AS AT 31.03.2020**

**Schedule 2**

Gratuity Fund	1,96,50,000
Less: Gratuity (Deferred Payment to LIC)	1,09,52,407
<b>Total</b>	<b>86,97,593</b>

**S M SEHGAL FOUNDATION**

**Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003**

**Loans and Advances SCHEDULE AS AT 31.03.2020**

**Schedule 3**

a) Advances with Employees	51,173
b) Imprest Advances	44,000
c) Sundry Advances	28,96,776
d) Capital Advance	85,98,927
e) Staff Loans	1,90,538
<b>Total</b>	<b>1,17,81,414</b>

**S M SEHGAL FOUNDATION**

**Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003**

**Other Current Assets SCHEDULE AS AT 31.03.2020**

**Schedule 4**

a) Security Deposits	4,77,049
b) Interest Accrued But not Received	3,92,947
c) TDS Receivable	2,69,61,939
d) Prepaid Expenses	5,33,010
e) Prepaid Taxes	20,70,000
<b>Total</b>	<b>3,04,34,945</b>

**S M SEHGAL FOUNDATION**

**Registered Office : Plot No. 34, Sector-44, Institutional Area, Gurgaon-122003**

**Other Liabilities SCHEDULE AS AT 31.03.2020**

**Schedule 5**

a) Retention Money	15,98,385
b) Capital Expenses Payable	43,24,031
c) Expenses Payable	12,61,659
d) Interest on grant refundable (DST)	1,84,052
e) Duties & Taxes	3,80,657
<b>Total</b>	<b>77,48,784</b>



## S M SEHGAL FOUNDATION

PROGRAMME DIRECT EXPENSES FOR THE YEAR 2019-20

### SCHEDULE-6

S.NO	PARTICULARS	AMOUNT(RS)
1	COMMUNICATIONS	14,59,074
2	CONFERENCE EXPENSES	10,35,127
3	CONVEYANCE EXENSES	56,89,141
4	INFRASTRUCTURE & VILLAGE DEV. EXP.	15,23,08,376
5	LEGAL & PROFESSIONAL	57,85,161
6	OFFICE RENT	22,98,966
7	PERSONNEL EXPENSES	13,02,06,491
8	SUBSCRIPTION	4,00,934
9	TRAINING & MEETINGS	24,95,645
10	TRAVELLING PROJECT STAFF	11,16,361
	<b>TOTAL</b>	<b>30,27,95,276</b>



## S M SEHGAL FOUNDATION

PROGRAMME INDIRECT EXPENSES FOR THE YEAR 2019-20

### SCHEDULE-7

S.NO	PARTICULARS	AMOUNT(RS)
1	AUDIT FEE (STATUTORY)	3,76,680
2	AUDIT FEE (INTERNAL)	1,41,600
3	AUDIT EXPENSES	12,218
4	BANK CHARGES	75,234
5	BOOK & PERIODICAL	1,59,214
6	COMMUNICATIONS	8,23,077
7	CONVEYANCE EXPENSES	2,06,314
8	LEGAL & PROFESSIONAL	22,35,532
9	FREIGHT & CARTAGE	1,31,159
10	FUNDRAISING EXPENSES	7,55,862
11	GRATUITY FUND MGMT CHARGES	50,895
12	GUEST HOUSE EXPENSES	1,64,312
13	TRUSTEE MEETING & SEMINAR	2,78,614
14	MEMBERSHIP & SUBSCRIPTION	44,800
15	OFFICE EXPENSES	20,51,471
16	PERSONNEL EXPENSES	2,41,24,063
17	PRINTING & STATIONERY	29,41,264
18	RATES & TAXES	3,94,111
19	REPAIR & MAINTENANCE-BUILDING, PLANT & MACHINERY	1,19,25,124
20	TRAVELLING GENERAL	3,12,555
21	VEHICLE RUNNING & MAINT. EXP	17,77,483
22	SUNDRY BALANCES WRITTEN OFF	47,584
	<b>OTHER INDIRECT EXPENSES</b>	-
23	PROPERTY TAX	2,55,500
24	FIXED ASSETS WRITTEN OFF	13,46,756
	<b>TOTAL</b>	<b>5,06,31,422</b>



## **S M Sehgal Foundation**

### **SCHEDULE-8 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

#### **A) ACCOUNTING POLICIES**

##### **1. Basis of Preparation**

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles and standards issued by the Institute of Chartered Accountants of India.

##### **2. Use of Estimates**

The preparation of financial statements is in conformity with the generally accepted accounting principles which require the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results if they differ from those estimates are recognized in the current and future accounting periods.

##### **3. Revenue Recognition**

###### **Donation / Grants**

General Donations / Grants received during the year are recognized as income.

###### **Others**

- (i) Interest income is accounted for on time proportionate basis at the applicable rate of interest.





#### **4. Treatment for Branch and Head Office Accounting**

The trust has maintained separate books of accounts for Head office and project offices at various states i.e. Head Office at Gurgaon (Haryana) and Project office at Alwar (Rajasthan), Hyderabad (Telangana), Anantapur (A.P), Bihar and Karnataka.

The grant receipts are received and recognized at head office i.e. Gurgaon only and Expenditure directly related to particular branch / Head office are accounted for in the respective books of accounts and Administrative Expenses. other than specifically related to particular branch are accounted for in head office books.

#### **5. FCRA and INDIAN Accounts**

The trust has further defined and maintained separately the books of accounts as per FCRA norms and accordingly Projects being run under FCRA revenue receipts are accounted for under FCRA books of accounts and Projects being run under Indian Revenue receipts are accounted for under Indian Books of Accounts and finally the consolidated financial statements are prepared along with FCRA and Indian financial statements.

#### **6. Property, Plant and Equipment**

Property, Plant and Equipments are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### **7. Depreciation**

Depreciation is provided at the rates and in the manner prescribed under Income Tax Rules, 1962.



## 8. Employee Benefits

### a) Gratuity

The Trust has the policy of making payment of Gratuity to its employees who fulfills the eligibility under Payment of Gratuity Act.

In the financial year 2018-19 the trust had created Gratuity Fund with Life Insurance Corporation based on the actuarial valuation by LIC. It was decided to transfer /pay off its liability in 5 years to Gratuity Fund Account to be maintained by LIC. Out of total provision estimated by LIC till financial year 2019-20, trust has paid two installments i.e. for Financial years 2018-19 and 2019-2020. However, the Gratuity, if any, to be payable to any employee shall be treated as an expense on the basis of actual payment.

### b) Provident Fund

The Trust makes contribution to the statutory provident fund account held with government in accordance with Employees' Provident Fund and Miscellaneous Provision Act, 1952. The plan is defined contribution plan and contribution paid is recognized as an expense.

## **B) Notes to Accounts:**

1. Contingent Liability: There is a contingent liability of Rs. 5,83,960/- towards property tax and fire tax for the period 2008-09 to 2018-19 as claimed by the Municipal Corporation of Gurgaon (MCG).
2. In accordance to Accounting Policy 8(a) - Gratuity Payments:
  - a) An amount of Rs.20,00,712/- paid as Gratuity to Employees retired during the year has been accounted for as expenditure for the year.



- b) An amount of Rs. 86,97,593/- (including interest accrued) transferred to LIC on account of Gratuity Fund is shown under Assets as Gratuity Fund.
3. In accordance with the Order of Commissioner (Appeals) Income Tax going in favor of the Trust against outstanding demand of Rs. 89,04,772 pertaining to A.Y 2013-14 is no longer payable, the Trust has transferred such liability to its General Fund Account.

**For SCV & Co. LLP**  
**Chartered Accountants**  
**FRN:000235N/N500089**



*Abhinav Khosla*  
**Abhinav Khosla**  
**(Partner)**  
**M.No.:087010**

**For S M Sehgal Foundation**



**Anjali Makhija**  
**(Chief Operating Officer)**

