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**Fifth Assembly of International Solar Alliance**  
**18 October 2022**  
**New Delhi, Republic of India**

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**18 September 2022**

*Agenda Item 10*

## **Audited Financial Statement of the ISA**

### **Summary**

The Working document provides the audited financial statement of the ISA for CY 2021

## Audited Financial Statement of the ISA

The independent auditor's report to the Fifth Assembly of the ISA, and the audited financial statement of the ISA for CY 2021 is provided in this document.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ASSEMBLY OF INTERNATIONAL SOLAR ALLIANCE

#### Report on the Audit of Financial Statements

##### Opinion

We have audited the accompanying financial statements of **International Solar Alliance** ("ISA"), which comprise the Statement of Financial Position as at December 31, 2021 and the Statement of Financial Performance, the Statement of Changes in Net Assets/ Equity, the Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended as well as 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 a true and fair view in conformity with the International Public Sector Accounting Standards ("IPSAS"), of the financial position of ISA as at December 31, 2021, its financial performance, its changes in net assets and its cash flows for the year ended December 31, 2021.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the International Standards on Auditing. Our responsibilities under those Standards are further described in the "Auditor's Responsibility for the Audit of the Financial Statements" section of our report. We are independent of ISA, in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### Management's Responsibility for the Financial Statements

ISA's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, net assets and cash flows of ISA in accordance with the IPSAS.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of ISA 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 controls, that were operating effectively for ensuring the 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, management is responsible for assessing the ISA'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 management either intends to liquidate ISA or to cease operations, or has no realistic alternative but to do so.

Deloitte Haskins & Sells LLP  
Chartered Accountants  
LLP Identification No. AAB-8737

Those charged with governance are responsible for overseeing the financial reporting process of ISA.

### **Auditor's Responsibility 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 auditor's 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 the International Standards on Auditing 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 the International Standards on Auditing, 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, but not for the purpose of expressing an opinion on the effectiveness of ISA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 ISA'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 auditor's report. However, future events or conditions may cause ISA 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



**Deloitte  
Haskins & Sells LLP**

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 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.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W -100018)



Pramod B. Shukla  
Partner

(Membership No. 104337)  
UDIN: 22104337AMSAJR1906

Place: Gurugram  
Date: July 12, 2022

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INTERNATIONAL SOLAR ALLIANCE

## I. Statement of financial position as at December 31, 2021



(Amount in USD)

| Particulars  | Note No. | As at<br>December 31, 2021 | As at<br>December 31, 2020 |
|--|----------|----------------------------|----------------------------|
| <b>Assets</b>  |          |                            |                            |
| <b>Current assets</b>                                    |          |                            |                            |
| Cash and cash equivalents                                | 3        | 29,38,313                  | 11,14,414                  |
| Bank balances other than cash and cash equivalents above | 4        | 19,13,926                  | 28,12,639                  |
| Prepayments  | 5        | 2,88,984                   | 4,07,707                   |
| Other current financial assets                           | 6a       | 1,85,693                   | 3,40,949                   |
| <b>Total current assets</b>                              |          | <b>53,26,916</b>           | <b>46,75,709</b>           |
| <b>Non-current assets</b>                                |          |                            |                            |
| Property, plant and equipment                            | 7        | 44,726                     | 19,193                     |
| Intangible assets under development                      |          | 38,853                     | 9,887                      |
| Other non current financial assets                       | 6b       | 4,24,24,968                | 3,80,07,303                |
| <b>Total non-current assets</b>                          |          | <b>4,25,08,547</b>         | <b>3,80,36,383</b>         |
| <b>Total assets</b>                                      |          | <b>4,78,35,463</b>         | <b>4,27,12,092</b>         |
| <b>Liabilities</b>                                       |          |                            |                            |
| <b>Current liabilities</b>                               |          |                            |                            |
| Accounts payable and accrued liabilities                 | 8        | 8,62,443                   | 5,31,238                   |
| <b>Total current liabilities</b>                         |          | <b>8,62,443</b>            | <b>5,31,238</b>            |
| <b>Non-current liabilities</b>                           |          |                            |                            |
| Long-term provisions                                     | 9        | 8,341                      | 38,392                     |
| <b>Total non-current liabilities</b>                     |          | <b>8,341</b>               | <b>38,392</b>              |
| <b>Total liabilities</b>                                 |          | <b>8,70,784</b>            | <b>5,69,630</b>            |
| <b>Net assets/equity</b>                                 |          |                            |                            |
| Corpus fund  | 10       | 4,20,02,733                | 3,69,13,642                |
| General fund   | 11       | 34,48,395                  | 60,20,388                  |
| Award fund   | 12       | 16,52,092                  | 15,55,590                  |
| Specific fund  | 13       | 31,40,852                  | 1,18,192                   |
| Foreign currency translation reserve                     |          | (32,79,393)                | (24,65,350)                |
| <b>Total net assets/equity</b>                           |          | <b>4,69,64,679</b>         | <b>4,21,42,462</b>         |
| <b>Total liabilities and net assets/equity</b>           |          | <b>4,78,35,463</b>         | <b>4,27,12,092</b>         |

See accompanying notes forming part of the financial statements

1 to 24

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Pramod B. Shukla**  
PartnerPlace: Gurugram  
Date : July 12, 2022For and on behalf of  
**INTERNATIONAL SOLAR ALLIANCE**

**Ajay Mathur**  
Director GeneralPlace: Gurugram  
Date : July 12, 2022

**Jagjeet Sareen**  
Assistant Director GeneralPlace: Gurugram  
Date: July 12, 2022

**INTERNATIONAL SOLAR ALLIANCE****II. Statement of financial performance for the year ended December 31, 2021****(Amount in USD)**

| Particulars   | Note No | For the year ended<br>December 31, 2021 | For the year ended<br>December 31, 2020 |
|---|---------|---|---|
| <b>Revenue</b>  |         |   |   |
| Contribution received                                 |         | 1,104                                   | 20,28,929                               |
| Other income  | 14      | 2,55,865                                | 3,03,494                                |
| <b>Total revenue</b>                                  |         | <b>2,56,969</b>                         | <b>23,32,423</b>                        |
| <b>Expenses</b>                                       |         |   |   |
| Fellowship and training                               |         | 2,54,419                                | 4,12,830                                |
| Conference and workshop expenses                      |         | 3,78,389                                | 1,81,668                                |
| Consultants, external experts and other project costs |         | 9,37,728                                | 3,40,375                                |
| Staff cost  | 15      | 5,67,348                                | 5,82,827                                |
| Office general expenses                               | 16      | 7,42,412                                | 3,65,018                                |
| Depreciation  | 7       | 2,252                                   | 1,645                                   |
| <b>Total expense</b>                                  |         | <b>28,82,548</b>                        | <b>18,84,363</b>                        |
| <b>Surplus / (Deficit) for the year</b>               |         | <b>(26,25,579)</b>                      | <b>4,48,060</b>                         |

See accompanying notes forming part of the financial statements


1 to 24

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Pramod B. Shukla**  
PartnerPlace: Gurugram  
Date : July 12, 2022

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For and on behalf of  
**INTERNATIONAL SOLAR ALLIANCE**

**Ajay Mathur**  
Director GeneralPlace: Gurugram  
Date : July 12, 2022

**Jagjeet Sareen**  
Assistant Director GeneralPlace: Gurugram  
Date: July 12, 2022



**INTERNATIONAL SOLAR ALLIANCE****III. Statement of Changes in Net Assets/ Equity for the year ended December 31, 2021**

| Particular  | Corpus Fund        | General Fund     | Award Fund       | Specific Fund    | Foreign currency translation reserve | (Amount in USD)<br>Net Assets / Equity |
|---|--------------------|------------------|------------------|------------------|--------------------------------------|--|
| <b>Balance as at January 01, 2020</b>                     |                    |                  |                  |                  |                                      |  |
| Contributions received                                    | 2,88,46,995        | 56,66,344        | 7,40,319         | -                | (15,81,507)                          | 3,36,72,151                            |
| Interest on funds   | 63,14,246          | -                | 6,76,277         | 1,18,192         | -                                    | 71,08,715                              |
| Surplus for the year                                      | 17,52,401          | -                | 1,63,340         | -                | -                                    | 19,15,741                              |
| Transfer to/(from) funds                                  | -                  | 4,48,060         | -                | -                | -                                    | 4,48,060                               |
| Award distribution and other costs                        | -                  | (94,016)         | 94,016           | -                | -                                    | -                                      |
| Foreign currency translation reserve                      | -                  | -                | (1,18,362)       | -                | -                                    | (1,18,362)                             |
| <b>Balance as at December 31, 2020</b>                    | <b>3,69,13,642</b> | <b>60,20,388</b> | <b>15,55,590</b> | <b>1,18,192</b>  | <b>(8,83,843)</b>                    | <b>4,21,42,462</b>                     |
| Contributions received                                    | -                  | -                | -                | -                | -                                    | -                                      |
| Interest on funds   | 30,68,996          | -                | -                | 30,67,126        | -                                    | 61,36,122                              |
| Deficit for the year                                      | 20,20,095          | -                | 1,51,444         | 7,799            | -                                    | 21,79,338                              |
| Transfer to/(from) funds                                  | -                  | (26,25,579)      | -                | -                | -                                    | (26,25,579)                            |
| Award distribution and other costs (Net)                  | -                  | 53,586           | (53,586)         | -                | -                                    | -                                      |
| Utilization of fund (net of foreign exchange fluctuation) | -                  | -                | (1,356)          | -                | -                                    | (1,356)                                |
| Foreign currency translation reserve                      | -                  | -                | -                | (52,265)         | -                                    | (52,265)                               |
| <b>Balance as at December 31, 2021</b>                    | <b>4,20,02,733</b> | <b>34,48,395</b> | <b>16,52,092</b> | <b>31,40,852</b> | <b>(8,14,043)</b>                    | <b>4,69,64,679</b>                     |

See accompanying notes forming part of the financial statements

1 to 24

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Pramod B. Shukla**  
PartnerPlace: Gurugram  
Date : July 12, 2022For and on behalf of  
**INTERNATIONAL SOLAR ALLIANCE**

**Ajay Mathur**  
Director GeneralPlace: Gurugram  
Date : July 12, 2022

**Jagjeet Sareen**  
Assistant Director GeneralPlace: Gurugram  
Date: July 12, 2022



**INTERNATIONAL SOLAR ALLIANCE****IV. Cash Flow Statement for the year ended December 31, 2021**

(Amount in USD)

| Particulars  | For the year ended<br>December 31, 2021 | For the year ended<br>December 31, 2020 |
|--|---|---|
| <b>Cash flows from operating activities</b>                                    |   |   |
| Surplus/ (deficit) for the year  | (26,25,579)                             | 4,48,060                                |
| <i>Adjustments to reconcile surplus for the year to net cash flows:</i>        |   |   |
| Depreciation during the year   | 2,252                                   | 1,645                                   |
| Interest income  | (2,42,698)                              | (3,03,494)                              |
| Foreign currency translation reserve adjustments (net)                         | (8,14,043)                              | (8,83,843)                              |
|  | <b>(36,80,068)</b>                      | <b>(7,37,632)</b>                       |
| <b>Changes in assets</b>   |   |   |
| (Increase)/ Decrease in prepayments  | 1,18,723                                | (1,88,930)                              |
| (Increase)/ Decrease in other financial assets                                 | 1,02,435                                | (20,594)                                |
| <b>Changes in liabilities</b>  |   |   |
| Increase/ (Decrease) in payables and accruals                                  | 3,55,618                                | 1,16,627                                |
| Increase/ (Decrease) in long-term provisions                                   | (30,051)                                | 9,591                                   |
| <b>Total changes in working capital</b>  | <b>5,46,725</b>                         | <b>(83,306)</b>                         |
| <b>Cash flows from operating activities</b>                                    | <b>(31,33,343)</b>                      | <b>(8,20,938)</b>                       |
| <b>Cash flows from investing activities</b>                                    |   |   |
| Payment for property, plant and equipment (including Capital Work In Progress) | (27,785)                                | -                                       |
| Payment for Intangible assets under development                                | (28,966)                                | (9,270)                                 |
| Changes in bank balances other than cash and cash equivalents (net)            | 8,98,713                                | 3,02,00,256                             |
| Investment in fixed deposits (net)   | (23,07,559)                             | (3,76,46,691)                           |
| Interest received (including interest on Corpus Fund and Award Fund)           | 3,64,751                                | 21,78,490                               |
| <b>Cash flows used in investing activities</b>                                 | <b>(11,00,846)</b>                      | <b>(52,77,215)</b>                      |
| <b>Cash flows from financing activities</b>                                    |   |   |
| Corpus fund received   | 30,68,996                               | 63,14,246                               |
| Specific fund received   | 30,67,126                               | 1,18,192                                |
| Award fund received  | -                                       | 6,76,277                                |
| Award fund utilised  | (25,769)                                | (94,016)                                |
| Specific fund utilised   | (52,265)                                | -                                       |
| <b>Cash flows from financing activities</b>                                    | <b>60,58,088</b>                        | <b>70,14,699</b>                        |
| Net increase in cash and cash equivalents                                      | 18,23,899                               | 9,16,546                                |
| Cash and cash equivalents as on beginning of the year (Refer Note 3 )          | 11,14,414                               | 1,97,868                                |
| <b>Cash &amp; cash equivalents at the closing of the year (Refer Note 3)</b>   | <b>29,38,313</b>                        | <b>11,14,414</b>                        |

**Cash and cash equivalents balance consists of below:**

|  |                  |                  |
|--|------------------|------------------|
| Foreign currency in hand (USD)                                   | 5,847            | 9,150            |
| <b>Balances with banks</b>                                       |                  |                  |
| - In saving accounts^  | 2,672            | 18,219           |
| - In auto sweep deposit account^^                                | 1,25,826         | 2,12,081         |
| - In foreign currency account#                                   | 27,91,183        | 1,20,537         |
| Fixed deposits with bank (original maturity less than 3 months)* | 12,785           | 7,54,427         |
| <b>Total</b>   | <b>29,38,313</b> | <b>11,14,414</b> |

^ Includes USD 1,935 (Previous year USD 13,149) towards Corpus Fund.

^^ Includes USD 20,133 (Previous year Nil) towards Specific Fund.

# Includes USD 2,790,314 (Previous year USD 118,192) towards Specific Fund.

\* Includes fixed deposits of USD 12,785 (Previous year USD Nil) towards Corpus Fund and USD Nil (Previous year USD 754,427) towards Award Fund.

See accompanying notes forming part of the financial statements

1 to 24

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

Pramod B. Shukla  
PartnerPlace: Mumbai  
Date : July 12, 2022

For and on behalf of  
**INTERNATIONAL SOLAR ALLIANCE**

Ajay Mathur  
Director GeneralPlace: Gurugram  
Date : July 12, 2022

Jagjeet Sareen  
Assistant Director GeneralPlace: Gurugram  
Date: July 12, 2022

**INTERNATIONAL SOLAR ALLIANCE****V. Statement of Comparison of Budget and Actual Amounts for the year ended December 31, 2021**  
(Refer note 2.13 and 21)

| Description  | Budget Amount 2021 | Actual Amount 2021 | Difference - Budget and Actual | (Amount in USD)  |               |
|--|--------------------|--------------------|--------------------------------|------------------|---------------|
|  |                    |                    |                                | Implementation % |               |
| <b>Programme Cost</b>  |                    |                    |                                |                  |               |
| Affordable Finance at Scale Programme  | 3,39,986           | 1,64,576           | 1,75,410                       |                  | 48.41%        |
| Scaling Solar Applications for Agriculture Use Programme                               | 1,68,686           | 1,14,157           | 54,529                         |                  | 67.67%        |
| Scaling Solar Mini Grids Programme   | 1,79,163           | 1,19,394           | 59,769                         |                  | 66.64%        |
| Scaling Rooftop Solar Programme  | 2,14,061           | 1,14,782           | 99,279                         |                  | 53.62%        |
| Scaling E-mobility and Storage Programme   | 1,61,263           | 1,14,553           | 46,710                         |                  | 71.03%        |
| ISA Programme on Solar Parks   | 2,30,285           | 1,32,660           | 97,625                         |                  | 57.61%        |
| ISA Programme for solarizing heating and cooling systems                               | 2,30,286           | 1,19,095           | 1,11,191                       |                  | 51.72%        |
| Demonstration projects in ISA member countries (ISA CARES & Other Innovative projects) | 10,57,500          | 70,058             | 9,87,442                       |                  | 6.62%         |
| <b>Sub total (A)</b>   | <b>25,81,230</b>   | <b>9,49,275</b>    | <b>16,31,955</b>               |                  | <b>36.78%</b> |
| <b>Communications, Outreach and Strategic Engagement</b>                               |                    |                    |                                |                  |               |
| Capacity Building  | 12,78,000          | 2,87,043           | 9,90,957                       |                  | 22.46%        |
| Communication, Knowledge Management and Outreach                                       | 3,18,250           | 2,05,334           | 1,12,916                       |                  | 64.52%        |
| Strategic Engagement and Partnerships  | 5,88,000           | 75,828             | 5,12,172                       |                  | 12.90%        |
| <b>Sub total (B)</b>   | <b>21,84,250</b>   | <b>5,68,205</b>    | <b>16,16,045</b>               |                  | <b>26.01%</b> |
| <b>Management Support Cost</b>   |                    |                    |                                |                  |               |
| Management Support   | 28,65,389          | 14,16,963          | 14,48,426                      |                  | 49.45%        |
| <b>Sub total (C)</b>   | <b>28,65,389</b>   | <b>14,16,963</b>   | <b>14,48,426</b>               |                  | <b>49.45%</b> |
| <b>Total [(A) + (B) + (C)]</b>   | <b>76,30,869</b>   | <b>29,34,443</b>   | <b>46,96,426</b>               |                  | <b>38.45%</b> |

|   |                  |
|---|------------------|
| <b>Timing differences</b>   |                  |
| i) Management Support Expenses for other periods                    | 3,862            |
| <b>Other differences</b>  |                  |
| i) Depreciation   | 2,252            |
| ii) Tangible assets capitalized                                     | (28,472)         |
| iii) Intangible asset under development                             | (29,537)         |
| <b>Total differences</b>  | <b>(51,895)</b>  |
| <b>Total expenses as per the Statement of Financial Performance</b> | <b>28,82,548</b> |

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner
Place: Gurugram  
Date : July 12, 2022For and on behalf of  
**INTERNATIONAL SOLAR ALLIANCE**

**Ajay Mamur**  
Director General
Place: Gurugram  
Date : July 12, 2022

**Jagjeet Sareen**  
Assistant Director General
Place: Gurugram  
Date: July 12, 2022

## 1. Reporting Entity

International Solar Alliance (ISA) is the first Treaty-based, Inter- Governmental International organisation head quartered in India and registered under Article 102 of the Charter of the United Nations.

ISA is an alliance of 106 solar resource rich countries lying fully or partially between the Tropics of Cancer and Capricorn. The ISA was conceptualised on November 30, 2015 in Paris to undertake efforts required to reduce the cost of finance and cost of technology, mobilize more than USD 1,000 billion of investments needed by 2030 for massive deployment of Solar Energy, and pave the way for technologies adapted to the further needs.

ISA is working towards better harmonizing and aggregating the demand for inter alia solar finance, technologies, innovation or capacity building across member countries and thereby help in providing strong lever to lower costs, increase quality, and bring reliable and affordable solar energy within the reach of all.

The Headquarters (Host Country) agreement with Government of India was signed on March 26, 2018 and a notification dated June 05, 2018 was notified by Ministry of External Affairs ("MEA"), Government of India declaring applicability of the United Nation (Privileges and Immunities) Act, 1947 w.e.f June 05, 2018 to ISA, its representatives and officers.

### 2.01 (a) Statement of Compliance

ISA has prepared these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Financial Regulations and Rules of ISA.

#### (b) Basis of preparation and presentation

These financial statements are prepared on an accrual basis of accounting in accordance with IPSAS and the Financial Regulations and Rules of ISA.

The financial statements have been prepared using the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Accounting policies have been consistently applied throughout the reporting year.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, ISA takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IPSAS 13, and measurements that have some similarities to fair value but are not fair value, such as value in use in IPSAS 26.

#### (c) Operating cycle

Based on the nature of activities of ISA and the normal time between acquisitions of assets and their realization in cash or cash equivalents, ISA has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

#### (d) Presentation in Foreign Currency

1. The functional currency of ISA is Indian Rupees (INR). However, ISA being an international treaty-based organisation, the financial statements are expressed in United States Dollar (USD).

Assets and liabilities in the Statement of financial position shall be translated at the closing rate at the date of Statement of financial position.



3. Revenue and expenses of Statement of financial performance is translated at average monthly exchange rates for the year; and
4. All resulting exchange differences are recognised as a separate component of net assets/ equity.
5. The rate for conversion of INR to USD for above purpose is as per the United Nations operational rates of exchange related to the month. The UN operational rates of exchange approximate market/ spot rates.

**(e) Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with IPSAS requires the ISA's Management to make judgements, estimates and assumptions in selection and application of accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses, and the accompanying disclosures.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known/ materialize.

**i) Revenue recognition**

As per Article 5 of Financial Regulations for the International Solar Alliance, contributions to the Corpus Fund and revenue earned thereon will be credited to the 'Corpus Fund' and will be spent only when the Host Country ceases to finance ISA's annual recurring expenditure. Till such year, the revenue generated on Corpus Fund investment shall be treated as part of Corpus Fund only. Therefore, interest income earned on General Fund is recognized as revenue income and interest income earned on Corpus Fund is credited to the Corpus Fund.

**ii) Selection of useful lives and the depreciation method of property, plant and equipment**

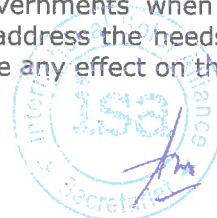
All items of property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes costs that are directly attributable to the acquisition of the asset. The threshold adopted by ISA for recognition of property, plant and equipment as an asset is USD 1,500 or more per unit.

Depreciation of property, plant and equipment is calculated using the straight-line basis over the estimated useful lives. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, that is, major components of property, plant and equipment.

**f) International Public Sector Accounting Standards (IPSAS) not yet effective**

The International Public Sector Accounting Standards Board (IPSASB) has published the following new and amended standards, which will be effective from 01 January 2023:

- **IPSAS 42 – Social Benefits:** This standard defines social benefits as cash transfers to individuals to mitigate the effect of social risks and address the needs of society as a whole and provides guidance for their accounting. This standard will have no impact on the financial statements of ISA.
- **IPSAS 41 – Financial Instruments and subsequent amendment:** This standard will replace the existing IPSAS 29 – Financial Instruments and sets out new requirements for recognition and measurement of financial instruments, including impairment and derecognition. ISA does not foresee a significant impact on the financial statements resulting from this standard.
- **IPSAS 19 – Provisions, Contingent Liabilities and Contingent Assets** was amended to provide requirements for Governments when committing to provide future collective and individual services to address the needs of Society as a whole. The amendments are not anticipated to have any effect on the financial statements.





## Significant Accounting Policies

### 2.02 i) Cash and Cash equivalents

Cash and cash equivalents in the Statement of financial position comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For purpose of Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### ii) Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net surplus/ (deficit) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of ISA are segregated based on the available information.

### 2.03 Financial assets classification

ISA classifies financial assets into the following categories: held to maturity; available for sale; loans and receivables; and fair value through surplus or deficit in the Statement of financial performance. The classification depends on the purpose for which the financial assets are acquired and is determined at initial recognition and re-evaluated at each reporting date. All financial assets are initially measured at fair value. ISA initially recognizes loans and receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date ISA becomes party to the contractual provisions of the instrument.

Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements.

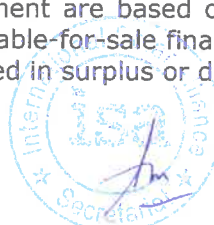
| IPSAS classification              | Type of ISA financial assets  |
|-----------------------------------|---|
| Held-to-maturity financial assets | Fixed deposits with bank  |
| Loans and receivables             | Cash and cash equivalents, advances (e.g., to staff & vendors) and GST input credit |

#### i) Held-to-maturity financial assets

Held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that ISA has the positive intention and ability to hold to maturity. They are initially recorded at fair value plus transaction costs and subsequently recognized at amortized cost calculated using the effective interest rate method.

#### ii) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that have been either designated in this category or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through surplus or deficit. They are initially recorded at fair value plus transaction costs that are directly attributable to the acquisition or issue of those assets and subsequently reported at fair value with any resultant fair value gains or losses recognized directly in net assets through the Statement of changes in net assets, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in net assets shall be recognized in surplus or deficit. Fair values used for subsequent measurement are based on quoted market prices from knowledgeable third parties. Interest on available-for-sale financial assets is calculated using the effective interest method and is recognized in surplus or deficit.



**iii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial assets.

Prepayments are issued where agreements with ISA and the executing entity/ supplier require up-front payment. Prepayments are recorded as a current asset until goods/ services associated with the prepayments are delivered and receipt by ISA of a valid invoice or certified expense reports as applicable, i.e., utilization certificate or certificate of expenditure forms. Once those invoices or certified expense reports are received, ISA recognizes expenses in its Statement of financial performance and the prepayment is reduced by a corresponding amount.

**iv) Programme expenses by executing entity and responsible party**

The executing entity is the entity that has management responsibility and accountability for project implementation and results. The executing entity may contract to implement and practically deliver outputs.

**v) Fair value through surplus or deficit**

Financial assets at fair value through surplus and deficits are so designated on initial recognition or are held for trading. They are initially recorded at fair value and any transaction costs are expensed. The assets are measured at fair value at each reporting date, and any resultant fair value gains or losses recognized through surplus and deficit. ISA currently neither has financial assets fair valued through surplus or deficit nor has any derivatives.

**2.04 Property, plant and equipment (PPE)**

All items of property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment loss. Historical cost includes costs that are directly attributable to the acquisition of the asset. Where an asset is acquired for Nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as an asset is USD 1,500 or more per unit.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to ISA and the cost of the item can be measured reliably.

Depreciation on assets has been provided on straight line basis at the estimated useful lives. The estimated useful life and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimates being accounted for on a prospective basis. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

**The estimated useful lives are as follows:**

| Asset Class          | Useful Life |
|----------------------|-------------|
| Office equipment     | 14 years    |
| Furniture & fixtures | 15 years    |
| Computer             | 8 years     |

Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation. An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in surplus or deficit in the Statement of financial performance.



## **2.05 Intangible assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible assets comprises its purchase price, including any taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/ completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the assets reliably, in which case such expenditure is added to the cost of the asset.

Intangible assets that are not ready for the intended use on the date of the Statement of financial position are disclosed as "Intangible assets under development".

## **2.06 Employee benefits**

ISA recognizes the following categories of employee benefits:

### **Short-term employee benefits**

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

### **Long-term employee benefits**

The liabilities for earned leaves are measured at the expected future payments to be made in respect of services provided by employees up to the end of the reporting year. This is currently determined on arithmetical basis and recognised in Statement of financial performance.

In accordance with Staff Regulation 7.1 and Staff Rule 4.10 under Article 7 of Social Security, ISA staff members on fixed-term appointment shall be paid an allowance, equivalent to 15.8% of net salary and post adjustment, where applicable, to enrol in an appropriate pension scheme. As ISA currently does not offer organization pension scheme, the onus and responsibility of enrolling in an appropriate pension scheme lies with the staff member who provides evidence of such enrolment within three months of his/ her appointment or three months of applicability of these rules, whichever is earlier.

## **2.07 Financial liabilities classification**

| <b>IPSAS classification</b>   | <b>Types of financial liabilities</b>    |
|-------------------------------|--|
| Current financial liabilities | Accounts payable and accrued liabilities |

### **i) Current financial liabilities**

Current financial liabilities are initially recognized at fair value, plus directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method. Financial liabilities entered into with a duration of less than 12 months are recognized at their carrying value.

Payables and accruals arising from the purchase of goods and services are recognized at invoice amounts, less payment discounts at the reporting date. Liabilities are estimated where invoices are not available at the reporting date.



### **ii) Fair value through surplus or deficit**





Financial liabilities are designated on initial recognition for fair value through surplus or deficit. Financial liabilities which are held for trading are also fairly valued through surplus or deficit. They are initially recorded at fair value and any transaction costs are expensed. The liabilities are measured at fair value at each reporting date and any resultant fair value gains, or losses are recognized through surplus or deficit. ISA currently neither has financial liabilities fairly valued through surplus or deficit nor has any derivatives.

## **2.08 Revenue recognition**

a) Voluntary contributions are non-exchange transactions which are recognized as revenue when contribution agreements become enforceable or in some instances when cash is received in accordance with the Financial Regulations for the International Solar Alliance. Revenue/ general contribution received from Ministry of New and Renewable Energy (MNRE); Government of India or other agencies are utilized for financing the activities of the organization. It is shown as income in the Statement of financial performance.

### **b) Other income**

- i) Interest on savings bank account is recorded on accrual basis which coincide with the interest credited by the bank to the savings bank account.
- ii) Interest income on fixed deposits is recorded on accrual basis and accounted on a time proportion basis. Interest earned on fixed deposits towards Corpus Fund, Award Fund and Specific Fund is directly credited to the respective Funds. Other interests are recognised in the Statement of financial performance.

## **2.09 a) Corpus Fund**

Grants received towards Corpus by ISA are reflected in the Statement of financial position under "Corpus Fund" with the corresponding reflection in the form of bank balances including fixed deposits or other investments. Income earned on Corpus Fund is capitalized under the Corpus Fund. As per the Financial Regulations, the basic purpose of Corpus Fund is to generate revenues for the budget of the ISA post utilisation of funds from General Grant.

### **b) Award Fund**

Grants received towards Award by ISA are reflected in the Statement of financial position under "Award Fund" with the corresponding reflection in the form of bank balances including fixed deposits or other investments. Interest income on Corpus of Award Fund created by donor kept at third party is accounted for on receipt basis. Income earned on Award Funds of ISA is capitalized under the Award Fund. The Award Fund is being utilised for the designated awards being awarded as per the decision of Award Committee.

### **c) Specific Fund**

Grants received towards specific programmes of ISA are reflected in the Statement of financial position under "Specific Fund" with the corresponding reflection in the form of bank balances including fixed deposits or other investments. Income earned on Specific Funds is capitalized under the Specific Fund. The Specific Fund is being utilised for the activities of specific programmes of ISA which have been agreed with the donors.

### **d) Tax Equalisation Fund**

Staff Assessment is an amount deducted from all staff members gross pay according to the UN Staff Regulations and Rules, regardless of their nationality. Staff assessment deductions are credited to the Tax Equalisation Fund, as and when determined, by appropriation from General Grants. (Refer Note 11.2)



## 2.10 Expenses recognition

Expenses are recognized when goods and/ or services are delivered and/ or rendered and accepted by ISA. Advances transferred to executing entities are recognized as expenses when goods are delivered or services rendered by the executing entities and confirmed by receipt by ISA of certificate of utilization or certificate of expenditure from executing entities, as applicable. Once these expense reports are received, ISA recognizes expenses in its Statement of financial performance.

## 2.11 Taxation

As per Section 10 of "Headquarter agreement between the Government of the Republic of India and the International Solar Alliance", ISA shall be exempted from all form of taxations in the Host Country i.e., India. In view of this, there are no items resulting in timing differences, which will result in deferred tax assets/ liabilities.

## 2.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when ISA has a present obligation (legal or constructive) as a result of past events, and it is probable that the ISA will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

## 2.13 Budget comparison

ISA's budget is prepared preliminary on accrual basis. Budgets are prepared only for General Fund and approved on an annual basis. There are no approved budgets for other funds. All funds are administered in accordance with the "Financial regulations for the International Solar Alliance".

As required under IPSAS 24 (Presentation of Budget Information in financial statements), the actual amounts as identified and correlated by ISA for the purpose of presentation on a comparable basis to the budget, as the financial statements and the budget are not prepared on a comparable basis. The budget is reconciled to the actual amounts presented in the financial statements, identifying separately any presentation and other differences. There may also be differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

Programme budget for year 2021 had been approved in the ISA's Third Assembly held on October 14, 2020 vide resolution no ISA/A.03/WD.18 (2020). The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the basis used to prepare the budget and financial statements differ, Note 21 reconciles the actual amounts presented in Statement V to the actual amounts presented in the Statement of Financial Performance (Statement II).



**INTERNATIONAL SOLAR ALLIANCE**  
**Notes to the financial statements**

(Amount in USD)

| <b>NOTE 3: Cash and cash equivalents</b>                         | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|--|---|---|
| Foreign currency in hand (USD)                                   | 5,847   | 9,150   |
| <b>Balances with banks</b>                                       |   |   |
| - In saving accounts^  | 2,672   | 18,219  |
| - In auto sweep deposit account^^                                | 1,25,826  | 2,12,081  |
| - In foreign currency account#                                   | 27,91,183                                       | 1,20,537  |
| Fixed deposits with bank (original maturity less than 3 months)* | 12,785  | 7,54,427  |
| <b>Total</b>   | <b>29,38,313</b>                                | <b>11,14,414</b>                                |

^ Includes USD 1,935 (Previous year USD 13,149) towards Corpus Fund.

^^ Includes USD 20,133 (Previous year Nil) towards Specific Fund.

# Includes USD 2,790,314 (Previous year USD 118,192) towards Specific Fund.

\* Includes fixed deposits of USD 12,785 (Previous year USD Nil) towards Corpus Fund and USD Nil (Previous year USD 754,427) towards Award Fund.

| <b>NOTE 4: Bank balances other than cash and cash equivalents above</b>                   | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| Fixed deposits with bank (original maturity more than 3 months but less than 12 months)** | 19,13,926                                       | 28,12,639                                       |
| <b>Total</b>  | <b>19,13,926</b>                                | <b>28,12,639</b>                                |

\*\* Includes fixed deposits of USD 669,607 (Previous year USD 647,203) towards Corpus Fund, USD 24,524 (Previous year USD 750,133) towards Award Fund and USD 293,055 (Previous year Nil) towards Specific Fund.

| <b>NOTE 5: Prepayments</b>                             | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|--|---|---|
| Advance to National Institute of Solar Energy (NISE)   | 2,41,552  | 3,23,766  |
| Advance to United Nations Development Programme (UNDP) | 41,042  | 49,794  |
| Advances to vendors                                    | 2,971   | 14,238  |
| Advance to consultants                                 | 1,958   | 4,100   |
| Prepaid expenses                                       | 1,461   | 15,809  |
| <b>Total</b>   | <b>2,88,984</b>                                 | <b>4,07,707</b>                                 |

| <b>NOTE 6a: Other current financial assets</b>                                   | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|--|---|---|
| Interest accrued on fixed deposits   |   |   |
| - Corpus Fund  | 20,349  | 19,990  |
| - General Fund   | 23,275  | 34,278  |
| - Award Fund   | 731   | 50,603  |
| - Specific Fund  | 7,695   | -   |
| Amount receivable from National Institute of Solar Energy (NISE) (against taxes) | -   | 1,19,713  |
| Goods and service tax input credit refund receivable                             | 1,33,524  | 1,16,070  |
| Others   | 119   | 295   |
| <b>Total</b>   | <b>1,85,693</b>                                 | <b>3,40,949</b>                                 |

| <b>Note 6b: Other Non-current Financial assets</b>                  | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| Fixed deposits with bank (original maturity more than 12 months )## | 3,99,54,250                                     | 3,76,46,691                                     |
| Interest accrued on fixed deposits                                  |   |   |
| - Award Fund  | 75,465  | -   |
| - Corpus Fund   | 22,74,684                                       | 3,23,507  |
| - General Fund  | 1,20,569  | 37,105  |
| <b>Total</b>  | <b>4,24,24,968</b>                              | <b>3,80,07,303</b>                              |

## Includes fixed deposits of USD 36,281,378 (Previous year USD 33,846,706) towards Corpus Fund and USD 1,497,763 (Previous year Nil) towards Award Fund.



**INTERNATIONAL SOLAR ALLIANCE****Notes to the financial statements****NOTE 7: Property, plant and equipment (PPE)****(Amount in USD)**

| Particulars  | Office Equipment | Furniture & Fixtures | Computers     | Total         |
|--|------------------|----------------------|---------------|---------------|
| <b>Gross Carrying Amount</b>                       |                  |                      |               |               |
| <b>As at January 01, 2020</b>                      | 20,530           | -                    | -             | 20,530        |
| Addition during the year                           | -                | 4,145                | -             | 4,145         |
| <b>As at December 31, 2020</b>                     | <b>20,530</b>    | <b>4,145</b>         | <b>-</b>      | <b>24,675</b> |
| Addition during the year                           | 4,160            | -                    | 24,312        | 28,472        |
| <b>As at December 31, 2021</b>                     | <b>24,690</b>    | <b>4,145</b>         | <b>24,312</b> | <b>53,147</b> |
| <b>Accumulated Depreciation</b>                    |                  |                      |               |               |
| <b>As at January 01, 2020</b>                      | 2,278            | -                    | -             | 2,278         |
| Depreciation during the year                       | 1,369            | 276                  | -             | 1,645         |
| <b>As at December 31, 2020</b>                     | <b>3,647</b>     | <b>276</b>           | <b>-</b>      | <b>3,923</b>  |
| Depreciation during the year                       | 1,422            | 277                  | 553           | 2,252         |
| <b>As at December 31, 2021</b>                     | <b>5,069</b>     | <b>553</b>           | <b>553</b>    | <b>6,175</b>  |
| Gross Carrying Amount as at December 31, 2020      | 20,530           | 4,145                | -             | 24,675        |
| Accumulated Depreciation as at December 31, 2020   | 3,647            | 276                  | -             | 3,923         |
| Adjustments (represents FCTR*)                     | (1,586)          | 27                   | -             | (1,559)       |
| <b>Net Carrying Amount as at December 31, 2020</b> | <b>15,297</b>    | <b>3,896</b>         | <b>-</b>      | <b>19,193</b> |
| Gross Carrying Amount as at December 31, 2021      | 24,690           | 4,145                | 24,312        | 53,147        |
| Accumulated Depreciation as at December 31, 2021   | 5,069            | 553                  | 553           | 6,175         |
| Adjustments (represents FCTR*)                     | (1,890)          | (38)                 | (318)         | (2,246)       |
| <b>Net Carrying Amount as at December 31, 2021</b> | <b>17,731</b>    | <b>3,554</b>         | <b>23,441</b> | <b>44,726</b> |

**Note:**

\* Foreign currency translation reserve (FCTR) arising on account of conversion of amounts initially recorded at historical value into presentational currency on reporting date.

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**INTERNATIONAL SOLAR ALLIANCE**  
Notes to the financial statements

(Amount in USD)

| <b>NOTE 8: Accounts payable and accrued liabilities*</b> | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|--|---|---|
| Payable to vendors                                       | 2,44,659  | 2,12,801  |
| Payable to staff and consultants                         | 19,243  | 3,848   |
| Payable to experts                                       | 6,263   | 21,820  |
| Accruals   | 5,92,278  | 2,92,769  |
| <b>Total</b>   | <b>8,62,443</b>                                 | <b>5,31,238</b>                                 |

\* Refer Note 2.07

| <b>NOTE 9: Long-term provisions</b> | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|-------------------------------------|---|---|
| Provision for compensated absences  | 8,341   | 38,392  |
| <b>Total</b>                        | <b>8,341</b>                                    | <b>38,392</b>                                   |

| <b>NOTE 10: Corpus Fund</b> | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|-----------------------------|---|---|
| Opening balance             | 3,69,13,642                                     | 2,88,46,995                                     |
| Contribution received       | 30,68,996                                       | 63,14,246                                       |
| Interest on Corpus Fund     | 20,20,095                                       | 17,52,401                                       |
| <b>Total</b>                | <b>4,20,02,733</b>                              | <b>3,69,13,642</b>                              |

NOTE 11: General Fund - This Note provides fund balance details for the General Fund

| <b>NOTE 11: General Fund</b>            | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| General Grants (Refer Note 11.1)        | 32,34,862                                       | 58,54,930                                       |
| Tax Equalisation Fund (Refer Note 11.2) | 2,13,533  | 1,65,458  |
| <b>Total</b>                            | <b>34,48,395</b>                                | <b>60,20,388</b>                                |

| <b>NOTE 11.1 : General Grants</b>                     | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| Opening balance                                       | 58,54,930                                       | 56,66,344                                       |
| Reversal Transfer to/ (from) funds of previous year** | -   | (94,016)  |
| Transfer to/(from) funds***                           | 53,586  | -   |
| Surplus/ (deficit) for the year                       | (26,25,579)                                     | 4,48,060  |
| Tax Equalisation appropriation (Refer Note 2.09(d))   | (48,075)  | (1,65,458)                                      |
| <b>Total</b>  | <b>32,34,862</b>                                | <b>58,54,930</b>                                |

\*\*Amount transferred to Award Fund for payment to Winners for ISA Solar Award and other routine expenses in year 2020.

\*\*\*Amount transferred to Award Fund for routine expenses.

| <b>NOTE 11.2 : Tax Equalisation Fund (Refer below Foot Note-1)</b> | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|--|---|---|
| Opening balance  | 1,65,458  | -   |
| Tax Equalisation appropriation                                     | 48,075  | 1,65,458  |
| <b>Total</b>   | <b>2,13,533</b>                                 | <b>1,65,458</b>                                 |

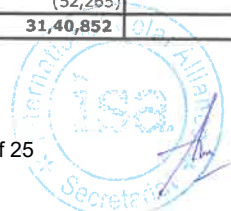
**Foot Note 1:**

All international staff assessment deductions from ISA staff will be credited into Tax Equalisation fund. The amount placed in this fund will be utilized in line with the provision of Circular dated August 05, 2020 with the approval of competent authority.

| <b>NOTE 12: Award Fund</b>                          | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| Opening balance                                     | 15,55,590                                       | 7,40,319  |
| Reversal Transfer to/ (from) funds of previous year | -   | 94,016  |
| Transfer to/(from) funds                            | (53,586)  | -   |
| Contribution received                               | -   | 6,76,277  |
| Interest on Award Fund#                             | 1,51,444  | 1,63,340  |
| Less: Award distribution and other costs (Net)      | (1,356)   | (1,18,362)                                      |
| <b>Total</b>  | <b>16,52,092</b>                                | <b>15,55,590</b>                                |

# Includes interest amounting USD 69,413 (Previous year USD 72,903) received on fixed deposits of USD 1,362,027 which is kept, as Corpus Fund for Kalpana Chawla Haryana Solar Award, at the disposal of Haryana Renewable Energy Development Agency (HAREDA). HAREDA is custodian of funds on behalf of ISA. Interest earned on deposit in Corpus Fund will be utilized for award distribution and administrative setup in the proportion 90:10.

| <b>NOTE 13: Specific Fund</b>         | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---------------------------------------|---|---|
| Opening balance                       | 1,18,192  | -   |
| Contribution received during the year | 30,67,126                                       | 1,18,192  |
| Interest on Specific Fund             | 7,799   | -   |
| Less: Utilization                     | (52,265)  | -   |
| <b>Total</b>                          | <b>31,40,852</b>                                | <b>1,18,192</b>                                 |





**INTERNATIONAL SOLAR ALLIANCE****Notes to the financial statements****(Amount in USD)**

| <b>Note 14: Other income</b>          | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---------------------------------------|---|---|
| Interest income on general fund with: |   |   |
| - Saving bank accounts                | 42  | 600   |
| - Auto sweep accounts                 | 4,719   | 4,461   |
| - Fixed deposits                      | 2,28,561  | 2,98,433  |
| Interest income - Others              | 9,376   | -   |
| Foreign exchange gain (net)           | 9,078   | -   |
| Miscellaneous income                  | 4,089   | -   |
| <b>Total</b>                          | <b>2,55,865</b>                                 | <b>3,03,494</b>                                 |

| <b>Note 15: Staff cost</b>            | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---------------------------------------|---|---|
| Salary (including for deputed staff)* | 2,92,280  | 3,71,353  |
| Other staff cost - consultants        | 2,75,068  | 2,11,474  |
| <b>Total</b>                          | <b>5,67,348</b>                                 | <b>5,82,827</b>                                 |

\*Includes payment towards pension fund of USD 33,912 [Previous year USD 104,284 (including for USD 75,975 for earlier years)] recognised during the year and provision for compensated absences of USD 11,873 (Previous year USD 10,403).

| <b>Note 16: Other general expenses</b>    | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|---|---|---|
| Advertisement Expenses                    | 23,927  | 16,941  |
| Travel and conveyance                     | 64,526  | 40,530  |
| Consultancy and professional fees         | 4,15,794  | 1,52,225  |
| Contractual administrative staff          | 46,765  | 43,839  |
| Low value assets charged off              | 1,001   | 15,465  |
| Printing and stationary                   | 37,217  | 28,726  |
| Meeting expenses                          | 10,880  | 5,766   |
| Security Expenses                         | 7,133   | -   |
| Guest house expenses                      | -   | 2,035   |
| Auditor's remuneration (Refer Note below) | 16,292  | 13,425  |
| Website maintenance                       | 23,632  | 10,653  |
| Office maintenance                        | 29,166  | 406   |
| ERP - License fees                        | 24,328  | 7,513   |
| Foreign exchange loss (net)               | -   | 1,129   |
| Miscellaneous                             | 41,751  | 26,365  |
| <b>Total</b>                              | <b>7,42,412</b>                                 | <b>3,65,018</b>                                 |

Note:

**Auditor's remuneration**

| <b>Particulars</b>     | <b>For the year ended<br/>December 31, 2021</b> | <b>For the year ended<br/>December 31, 2020</b> |
|------------------------|---|---|
| Audit fees             | 16,275  | 13,390  |
| Out of pocket Expenses | 17  | 35  |
| <b>Total</b>           | <b>16,292</b>                                   | <b>13,425</b>                                   |



## 17 Financial instruments and risk management

As per the current activities, ISA is not exposed to significant financial risk due to sufficient Corpus and General Fund.

**a) Credit risk:** The risk of financial loss to ISA may arise from the failure of an entity or counterparty to meet its financial obligations to ISA.

**b) Liquidity risk:** The risk that ISA might not have adequate funds to meet its obligations as they fall due.

**c) Market risk:** The risk that ISA might incur financial losses on its financial assets due to unfavourable movements in foreign currency exchange rates, interest rates and/ or prices of investment securities.

The following tables show the value of ISA financial assets and financial liabilities outstanding at year end based on the classification adopted by ISA.

### i) Financial assets as at reporting date

| Particulars                                       | (Amount in USD)            |                            |
|---|----------------------------|----------------------------|
|   | As at<br>December 31, 2021 | As at<br>December 31, 2020 |
| Bank balances including cash and cash equivalents | 44,806,489                 | 41,573,744                 |
| Other financial assets                            | 2,656,411                  | 701,561                    |
| <b>Total financial assets</b>                     | <b>47,462,900</b>          | <b>42,275,305</b>          |

### ii) Financial liabilities as at reporting date

| Particulars                              | (Amount in USD)            |                            |
|--|----------------------------|----------------------------|
|  | As at<br>December 31, 2021 | As at<br>December 31, 2020 |
| Accounts payable and accrued liabilities | 862,443                    | 531,238                    |
| <b>Total financial liabilities</b>       | <b>862,443</b>             | <b>531,238</b>             |

The carrying amount of above current financial assets and current financial liabilities measured at amortised cost are considered to be the same as their fair values due to their short-term nature.

There are no amounts recognised at fair value through surplus or deficit, and other comprehensive income.

## 18 Related Parties

### Key management personnel

Director General: Mr. Upendra Tripathy (up to March 14, 2021)  
Dr. Ajay Mathur (w.e.f. March 15, 2021)

The leadership structure of ISA consists of Director General who is responsible for the strategic direction and operational management of ISA and are entrusted with significant authority to execute the ISA mandate.





## Related party transactions

| (Amount in USD)                    |                      |                 |                  |
|------------------------------------|----------------------|-----------------|------------------|
| Particulars                        | Mr. Upendra Tripathy | Dr. Ajay Mathur | Total            |
| Remuneration#                      | 37,284               | 150,037         | 187,321          |
|                                    | (180,144)            | (-)             | (180,144)        |
| Pension Fund                       | 5,891                | 23,706          | 29,597           |
|                                    | (104,284)            | (-)             | (104,284)        |
| Provision for compensated absences | 2,641                | 5,548           | 8,189            |
|                                    | (10,403)             | (-)             | (10,403)         |
| Others                             | 2,247                | -               | 2,247            |
|                                    | (2,934)              | (-)             | (2,934)          |
| <b>Total</b>                       | <b>48,063</b>        | <b>179,291</b>  | <b>227,354</b>   |
|                                    | <b>(297,765)</b>     | <b>(-)</b>      | <b>(297,765)</b> |

\*Previous year amounts are in the bracket.

# Excludes staff assessment allowance, if any, which has been credited to the Tax Equalisation Fund through appropriation of General Grants.

**Balances as at year end** – Nil (As at December 31, 2020 - Nil)\*

\* excludes provision for compensated absences payable on leaving the service of the ISA

## 19. Capital Commitment

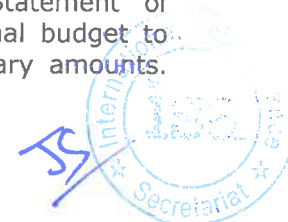
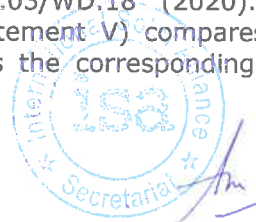
| (Amount in USD)  |                            |                            |
|--|----------------------------|----------------------------|
| Particulars  | As at<br>December 31, 2021 | As at<br>December 31, 2020 |
| Amount of contract remaining to be executed on account of intangible assets not provided for | 9,714                      | Nil                        |

## 20. In-kind contribution

- ISA receives in-kind contributions from the Government of the Republic of India ("GOI") of the right to use office space and other facilities in its operations. ISA has not received title to these properties. The facilities are provided to ISA without charge under the Headquarters Agreement between GOI and ISA.
- The Government of India provides hospitality and conference facilities for hosting Assembly, etc.
- ISA receives in-kind contribution in form of Fourteen (previous year: Twelve) senior management personnel seconded at ISA secretariat by various international organizations/ foreign governments.

Given the salary and other information confidential in nature, the ISA Secretariat is not able to adequately measure these in-kind contributions. However, since both the value of the donated right to use and other facilities provided by the GOI and service cost of personnel from donor organizations foreign governments; as well as revenue of in-kind contribution of an equivalent amount would have been accrued for in the Statement of financial performance, there is no impact on the surplus/ deficit for the year or on the Statement of financial position of ISA.

- Programme budget for year 2021 has been approved in the ISA's Third Assembly held on October 14, 2020 vide resolution no ISA/A.03/WD.18 (2020). The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts.



Further, the actual amounts have been identified and correlated by ISA for the purpose of presentation on a comparable basis to the budget for purpose of Statement V.

As required by IPSAS 24 (Presentation of Budget Information in Financial Statements), reconciliation is provided on a comparable basis between the actual amounts as presented in Statement V and the actual amounts in the financial statements identifying separately any basis, timing, entity and presentation differences.

The overall budget amount for General Fund has been utilised to the tune of 38.45%, this is mainly due to the reason that the implementation of ISA programmes, projects and activities were affected due to sudden COVID-19 outbreak.

Basis differences occur when the components of the approved budget are used for activities other than the implementation of technical programmes. Examples of this include other non-programme budget utilization and special arrangements.

Timing differences represent the inclusion in ISA's financial statements of budget expenses in other financial years.

There are no entity differences since, ISA's financial statements include one budget only. Presentation differences concern differences in the format and classification schemes in the Cash Flow Statement (Statement IV) and the Statement of Comparison of Budget and Actual Amounts (Statement V).

A reconciliation between the actual amounts on a comparable basis in Statement V and the actual amounts in Statement IV for year ended on December 31, 2021 is presented below:

| (Amount in USD)  |                    |                    |                 |                  |
|--|--------------------|--------------------|-----------------|------------------|
| Description  | Operating          | Investing          | Financing       | Total            |
| <b>Actual amount on a comparable basis (Statement V)</b>       | <b>2,934,443</b>   | -                  | -               | <b>2,934,443</b> |
| Basis differences  | -                  | (1,042,837)        | 6,058,088       | 5,015,251        |
| Timing differences   | 3,862              | -                  | -               | 3,862            |
| Presentation differences                                       | (6,071,648)        | (58,009)           | -               | (6,129,657)      |
| <b>Actual amount in the Cash Flow Statement (Statement IV)</b> | <b>(3,133,343)</b> | <b>(1,100,846)</b> | <b>6,058,08</b> | <b>1,823,899</b> |

## 22. Events after reporting date

The reporting date for these financial statements is December 31, 2021. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

## 23 Authorization to submit financial statements for audit

These financial statements are approved and certified by the Director General and Assistant Director General.



**24 Previous year's figures**

Previous year's figures have been regrouped/ reclassified, wherever necessary, to correspond with current year's classification/ disclosure.



**On Behalf of International Solar Alliance**

  
**Ajay Mathur**  
Director General



  
**Jagjeet Sareen**  
Assistant Director General



Place: Gurugram

Date: July 12, 2022

Place: Gurugram

Date: July 12, 2022