

INDEPENDENT AUDITOR'S REPORT

To
**The Members of
ADARSH CHARITABLE TRUST
X/584B, PUTHIYA ROAD, KUREEKAD,
COCHIN -682 305**

We have audited the accompanying financial statements of M/s. Adarsh Charitable Trust, which comprise the Balance Sheet as at March 31, 2017, and the Income and Expenditure statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with The Income Tax Act, 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of M/s Adarsh Charitable Trust for the year ended March 31, 2017 give a true and fair view:-

- i) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2017;
- ii) in the case of the Income and Expenditure Account, of the deficit for the year ended on that date.

For G.JOSEPH & ASSOCIATES
Chartered Accountants
(Firm Reg.No.006310S)

Place : Cochin – 20
Date :

UMESH L.BHAT
Partner
M.No.211364

ADARSH CHARITABLE TRUST

X/584B, PUTHIYA ROAD, KUREEKAD-682 305

BALANCE SHEET AS AT 31.03.2017

Particulars	Sch. No.	As at 31.03.2017	As at 31.03.2016
<u>SOURCES OF FUNDS</u>			
1. Corpus Fund	1	1,55,02,943	1,40,02,943
2. Specific Purpose Grant \ Subsidy \ Sponsorship	2	1,87,96,951	1,80,96,951
3. Secured Loans	3	10,50,000	8,50,000
		3,53,49,894	3,29,49,894
<u>APPLICATIONS OF FUNDS</u>			
<u>1. Fixed Assets</u>			
1. Fixed Assets	4		
Gross Block		1,97,44,350	1,70,45,237
Less : Depreciation		16,24,748	13,02,096
Net Block		1,81,19,602	1,57,43,141
<u>2. Current Assets, Loans & Advances</u>			
2. Current Assets, Loans & Advances	5		
a. Inventories		-	5,382
b. Receivables		40,16,209	36,58,808
c. Cash and Bank balances		91,71,083	1,15,05,232
d. Loans and Advances		2,20,083	2,08,074
		1,34,07,375	1,53,77,496
<u>3. Less: Current Liabilities & Provisions</u>			
3. Less: Current Liabilities & Provisions	6		
Current Liabilities		6,78,768	10,71,927
Net Current Assets		1,27,28,607	1,43,05,569
<u>4. Income & Expenditure A/c -</u>			
4. Income & Expenditure A/c -			
Excess of Expenditure Over Income		45,01,685	29,01,184
		3,53,49,894	3,29,49,894
<u>5. Notes on Accounts</u>			
5. Notes on Accounts	15		

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm Reg. No.006310S)

K P PADMAKUMAR
CHAIRMAN

O M MAHADEVAN
TREASURER

UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN

Date :

ADARSH CHARITABLE TRUST

X/584B, PUTHIYA ROAD, KUREEKAD-682 305

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2017

Particulars	Sch. No.	For the year ended	
		31.03.2017	31.03.2016
INCOME			
Recovery of Fees:			
-Training Fees	7	29,51,496	29,13,083
-Vehicle Fee		21,03,720	15,46,450
General Donations/Contributions			
-Donation From Give India Foundation		6,05,479	7,84,455
-General Donations		46,85,791	28,47,276
-Foreign Donation/Contributions		6,52,599	2,66,432
-Towards Community Based Rehabilitation		18,99,525	23,93,679
Government Grant/Aid:			
-From Kerala Government		34,97,132	35,88,044
Other Income			
-Interest Received On Bank Deposits		6,94,397	8,72,082
-Vocational Income	8	2,50,844	1,18,867
-Miscellaneous		11,81,646	6,02,244
		1,85,22,629	1,59,32,613
EXPENDITURE			
Rehabilitation Centre Expenses	9	98,56,700	78,92,051
Child Development Evaluation Intervention And Research Centre (CDEIRC) Expenses	10	8,52,046	9,00,351
Community Based Rehabilitation Expenses	11	21,63,610	22,41,340
Vehicle Expenses	12	40,49,844	36,35,478
Repairs & Maintanance	13	1,36,864	97,715
Administrative Expenses	14	14,06,313	11,44,899
Interest and Bank Charges		33,005	20,384
Depreciation	4	16,24,748	13,02,096
		2,01,23,129	1,72,34,314
Net Surplus/(Deficit) for the Year		(16,00,501)	(13,01,701)
Surplus/(Deficit) Brought forward from earlier years		(29,01,184)	(15,99,483)
Balance of Deficit transferred to Balance Sheet		(45,01,685)	(29,01,184)

Notes on Accounts 15

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No.006310S)

K P PADMAKUMAR
CHAIRMAN

O M MAHADEVAN
TREASURER

UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN

Date :

ADARSH CHARITABLE TRUST

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2017	As at 31.03.2016
		Schedule - 1
CORPUS FUND		
At the beginning of the year	1,40,02,943	1,37,01,193
Add: Received during the year	15,00,000	3,01,750
At the end of the year	1,55,02,943	1,40,02,943
		Schedule - 2
<u>Specific Purpose Grant \ Subsidy \ Sponsorship</u>		
Donation for Building	1,36,95,488	1,36,95,488
Donation for Swimming Pool	4,77,559	4,77,559
Non recurring Grant from Govt. of Kerala	10,00,000	10,00,000
Sponsorship for Echo Check machine	2,50,000	2,50,000
Sponsorship for EDUSAT	37,000	37,000
Sponsorship for Equipments	8,54,169	1,54,169
Sponsorship for Kitex Bag Unit	1,90,500	1,90,500
Sponsorship for Medical Expenses	6,185	6,185
Sponsorship for Paper Bag Unit	2,50,000	2,50,000
Sponsorship for School Van	20,36,050	20,36,050
	1,87,96,951	1,80,96,951
		Schedule - 3
<u>Secured loan</u>		
Loan against Fixed Deposit	10,50,000	8,50,000
	10,50,000	8,50,000
		Schedule - 5
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>A. Current Assets</u>		
<u>Inventories</u> (As taken, valued and certified by the management)		
Stores	-	5,382
	-	5,382
<u>Receivables</u>		
CDEIRC Consultation Fees Receivable	28,100	23,050
Government Grant Receivable	34,97,132	31,18,544
HBR Income Receivable	4,22,147	4,44,620
Medicial Income Receivable	-	5,000
Noon Meal Income Receivable	-	18,569
Risk Baby Unit Charges Receivable	9,500	8,000
Student Fee Receivable	49,965	41,025
Vocation Unit Income Receivable	9,365	-
	40,16,209	36,58,808
<u>Cash and bank balances</u>		
Balance with Scheduled Banks		
- in Current Accounts	8,46,218	9,22,786
- in Fixed Deposit Accounts (Refer Note below)	83,12,582	1,05,74,767
Cash in Hand	12,283	7,679
	91,71,083	1,15,05,232
<i>Note:</i>		
<i>Fixed deposit amounts to Rs.10,50,000 held as security for loan taken from banks.</i>		
<u>B. Loans and Advances</u>		
Security Deposits	83,260	83,260
Tax Deducted at Source	14,835	23,504
Prepaid/Advance for Expenses	1,21,988	97,310
Medical Loan to staff	-	4,000
	2,20,083	2,08,074
Total (A+B)	93,91,166	1,17,13,306

CURRENT LIABILITIES & PROVISIONS

Schedule -6

Current Liabilities**Sundry Creditors**

-For Capital Expenditure	-	1,77,952.00
-For Expenses	3,15,377	2,30,023.00
Expenses Payable	85,680	3,08,423

Statutory Dues payable

Employee State Insurance Payable	48,883	39,844
Provident Fund Payable	1,04,363	87,014
Tax Deducted at Source payable	5,083	2,321
VAT Payable	-	1,18,635

Other Liabilities

Retention Money Payable	76,841	93,093
Fee Received in Advance	42,541	14,622
	6,78,768	10,71,927

Schedule -7

TRAINING FEES RECEIVED

Fees from Autism Wing	5,75,700	4,71,500
Fees from Cerebral Palsy Wing	9,18,280	8,48,200
Fees from CDEIRC Consultation	7,82,800	9,47,650
Fees from Down Syndrome Wing	1,83,144	1,29,050
Fees from Multiple Disorders Wing	4,64,672	3,88,828
Fees from Outstation Students	5,700	5,655
Others	21,200	1,22,200
	29,51,496	29,13,083

Schedule -8

Vocational Income

Revenue from Chappathi Unit	1,29,030	-
Revenue from Other Vocational units	1,21,814	1,18,867
	2,50,844	1,18,867

Schedule -9

REHABILITATION CENTRE EXPENSES

Allowance to Staff	1,34,950	64,550
Celebration Expenses	1,42,520	1,36,425
Chapathi Unit Expenses	1,87,983	-
Cleaning & Maintenance	28,269	54,341
Electricity & Water Charges	28,765	19,710
ESI Employers Contribution	2,73,415	2,37,803
Honorarium Paid	-	28,320
Medical Expenses	75,411	74,881
Milk for Children	63,080	65,623
Miscellaneous Expenses	66,882	21,744
National Institute Open Schooling Expenses	9,304	32,894
Noon Food Expenses	2,38,640	2,24,096
PF Employers Contribution	4,31,564	3,09,867
Postage & Courier	885	-
Printing & Stationary	52,750	43,068
Repair & Maintenance	1,82,173	72,052
Salary-Autism wing	8,72,808	7,59,549
Salary-Cerebral Palsy wing	52,21,095	43,88,144
Salary-Down Syndrome wing	3,00,068	2,31,228
Salary-Multiple Disability wing	7,42,246	6,68,178
School Expenses	2,26,096	92,566
Seminar Expenses	95,076	-
Sensory Unit Expenses	47,534	-
Special Food expenses	2,14,234	1,96,521
Stitching Unit Expenses	7,140	6,179
Therapy Expenses	12,471	7,793
Training Expenses	11,950	38,152
Travelling Expense	21,090	16,048
Uniform Expenses	63,842	-
Vocation Unit Expenses	96,822	97,464
Water Charges	7,637	4,855
	98,56,700	78,92,051

Schedule -10

CHILD DEVELOPMENT EVALUATION INTERVENTION AND RESEARCH CENTRE EXPENSES

Electricity Charges	165	2,377
ESI Employers Contribution	19,671	11,792
Miscellaneous Expenses	12,574	12,626
PF Employers Contribution	23,871	19,478
Printing & Stationery	10,550	2,300
Rent	2,27,000	2,36,250
Repairs And Maintanance	1,850	9,329
Salary - Learning Disorders wing	5,34,994	5,85,820
Telephone & Internet Charges	15,648	18,915
Water & Electricity Charges	5,723	1,464
	8,52,046	9,00,351

Schedule -11

COMMUNITY BASED REHABILITATION (CBR) CENTRE EXPENSES

ESI Employers Contribution	58,491	48,987
Home Based Therapy Expenses	3,75,934	3,57,675
PF Employers Contribution	88,874	1,69,879
Salary	16,40,311	16,64,799
	21,63,610	22,41,340

Schedule -12

VEHICLE EXPENSES

Allowances to Drivers	30,500	15,018
Fuel Charges	5,48,145	4,33,020
Other Expenses	23,250	63,952
Repairs & Maintenance	1,47,341	1,10,030
Salary - Bus in charge	3,18,228	2,59,910
Salary - Drivers	2,05,368	1,62,700
Tax & Insurance	88,488	49,632
Van Hire Charges	26,88,524	25,41,216
	40,49,844	36,35,478

Schedule -13

REPAIRS & MAINTANANCE

Annual Maintenance Charges	57,556	60,320
Generator Expenses	19,951	24,755
Repairs and Maintanance	59,357	12,640
	1,36,864	97,715

Schedule -14

ADMINISTRATIVE EXPENSES

Auditors Remuneration	11,500	11,450
Building Expenses	400	4,419
Canteen Expense	1,44,638	1,29,943
Conveyance Charges	39,199	46,809
Damages Paid to PF / ESI	-	62,562
ESI Employers Contribution	39,612	35,318
Greeting Card Expenses	64,375	-
Insurance Charges	307	1,248
Internet Charges	12,959	12,902
Medical Expenses	25,935	19,475
Office Expenses	4,320	9,785
PF Employers Contribution	71,312	26,878
Postage & Courier	4,602	3,738
Printing & Stationery	1,03,915	68,233
Salary & Allowances - Administration	8,67,377	7,04,501
Swimming Pool Expenses	-	1,350
Telephone Charges	7,237	5,538
Web Designing & Maintenance Charges	8,625	750
	14,06,313	11,44,899

Schedule - 4

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2016 - 17

Items	WDV as on 01.04.2016	Additions during		Deletions /Subsidy /Sponsorship	Total	Rate		Depreciation for the year			WDV as on 31.03.2017
		1 st Half	2 nd Half			1 st Half	2 nd Half	1 st Half	2 nd Half	Total	
Land & Land Development	29,60,034	-	-	-	29,60,034	0.0%	0.0%	-	-	-	29,60,034
Building	1,09,39,059	5,03,390	20,51,268	-	1,34,93,717	10.0%	5.0%	11,44,245	1,02,563	12,46,808	1,22,46,908
Furniture & Fittings	6,46,058	8,000	2,56,000	-	9,10,058	10.0%	5.0%	65,406	12,800	78,206	8,31,852
Electrical Equipments & Fittings	1,47,732	-	20,610	-	1,68,342	10.0%	5.0%	14,773	1,031	15,804	1,52,538
Office Equipments	73,594	-	-	-	73,594	15.0%	7.5%	11,039	-	11,039	62,555
Vehicles	1,24,082	-	-	-	1,24,082	15.0%	7.5%	18,612	-	18,612	1,05,470
Medical Equipments	4,25,681	86,578	10,38,663	-	15,50,922	15.0%	7.5%	76,839	77,900	1,54,739	13,96,184
Computer & Accessories	54,433	-	36,700	-	91,133	60.0%	30.0%	32,660	11,010	43,670	47,463
Generator	88,621	-	-	-	88,621	15.0%	7.5%	13,293	-	13,293	75,328
Plant & Machinery	2,83,847	-	-	-	2,83,847	15.0%	7.5%	42,577	-	42,577	2,41,270
TOTAL	1,57,43,141	5,97,968	34,03,241	-	1,97,44,350			14,19,444	2,05,304	16,24,748	1,81,19,602

ADARSH CHARITABLE TRUST
X/584B, PUTHIYA ROAD, KUREEKAD-682 305

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule -15

1 Significant Accounting Policies

The significant Accounting Policies followed by the trust are as stated below:

Adarsh Charitable Trust (hereinafter referred to "the Trust") is functioning in the State of Kerala. The Trust is formed for helping the physically handicapped and mentally retarded persons, to rehabilitate patients with cerebral palsy and persons with other disabilities , to give medical assistance to those who are poor, to establish institutions etc for the above purposes and as also for promotion of human values, rights and liberties conducive to human resource development.

a)General

The Financial Statements have been prepared on the historical cost convention. These statements have been prepared in accordance with the generally accepted accounting principles and the applicable mandatory accounting standards. The preparation required adoption of estimates and assumptions that can affect the reported amounts of revenue and expenditure and the assets and liabilities as well as the disclosure of contingent liabilities. Differences between the actual results and estimates are recognised in the year in which they become known or materialises.

b)Fixed Assets

The Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses relating to the acquisition and installation of the concerned assets. The sponsorship /grant received against specific assets have been adjusted against the cost incurred for generating the respective asset.

c)Depreciation

Depreciation has been provided on Fixed Assets under Written Down Value method at the rates and in the manner prescribed under the Income Tax Act,1961.

d)Revenue Recognition

Income from training, grant/aid/scholarship and interest on deposits are recognised on accrual basis. Donations are recognised on receipt basis.

e) Employee Benefits

a. Contributions to Provident fund and Employee State Insurance are charged to Income and Expenditure Account.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

g) Income Tax

Income Tax and Deferred Tax Asset /Liability has not been recognised, due to the exemptions available under sections 11 and 12 of the Income Tax Act.

h) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Income and Expenditure account on a straight line basis.

i) Impairment of Assets

The Trust assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the income and expenditure account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the trust has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

2 In the opinion of the Trustees, the current assets, loans & advances will realise a value not less than the amounts stated in the Balance Sheet, if realised in the ordinary course of business.

3 The Corpus Fund includes fund assigned by the executive committee as corpus.

4 The balance with the banks in current accounts and fixed deposits were confirmed by the respective banks.

	Current Year	Previous Year
5 Contingent liabilities not provided for in the Accounts:	Nil	Nil

6 Auditors remuneration includes:-

For Audit	11,500	11,450
	<u>11,500</u>	<u>11,450</u>

7 Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

As per our report of even date attached

For G. Joseph & Associates
Chartered Accountants
(Firm Regn.No.006310S)

K P PADMAKUMAR
CHAIRMAN

O M MAHADEVAN
TREASURER

UMESH L BHAT
Partner
M.No.211346

Place :Cochin

Date :