

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 ("the Trust"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Income and Expenditure and Receipts and Payments Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at March 31, 2019, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 Trust'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 the Trust or to cease operations, or has no realistic alternative but to do so

Those charged with governance are responsible for overseeing the Trust's financial reporting process

Auditor's Responsibilities 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 SAs 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.

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.

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

Sd/-
UMESH L.BHAT
Partner
M.No.211364

Place : Cochin – 20
Date : 15.05.2019

ADARSH CHARITABLE TRUST

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

BALANCE SHEET AS AT 31.03.2019

Particulars	Sch. No.	As at 31.03.2019	As at 31.03.2018
<u>SOURCES OF FUNDS</u>			
1. Corpus Fund	1	15,802,943	15,802,943
2. Specific Purpose Grant \ Subsidy \ Sponsorship	2	19,514,101	19,514,101
3. Secured Loans	3	2,800,000	1,824,191
4. Excess of Income over expenditure		228,900	5,765,028
		38,345,944	42,906,263
<u>APPLICATIONS OF FUNDS</u>			
<u>1. Non-Current Assets</u>			
<u>a. Fixed Assets</u>			
Gross Block	4	19,299,815	18,644,095
Less : Depreciation		1,772,882	1,703,141
Net Block		17,526,933	16,940,954
<u>b. Non-Current Investment</u>			
	5	-	15,291,438
<u>2. Current Assets, Loans & Advances</u>			
<u>a. Receivables</u>			
	6	1,021,084	128,050
<u>b. Cash and Bank balances</u>			
		20,361,372	10,187,731
<u>c. Loans and Advances</u>			
		174,100	1,023,793
		21,556,556	11,339,574
<u>3. Less: Current Liabilities & Provisions</u>			
<u>Current Liabilities</u>			
	7	737,545	665,704
Net Current Assets		20,819,011	10,673,870
4. Excess of Expenditure Over Income		-	-
		38,345,944	42,906,262
5. Notes on Accounts	17		

As Per Our Report of Even Date Attached

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

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
N SATHEESH KUMAR
TREASURER

Sd/-
UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN
Date : 15.05.2019

ADARSH CHARITABLE TRUST

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	Sch. No.	For the year ended	
		31.03.2019	31.03.2018
INCOME			
Recovery of Fees:			
-Training Fees	8	2,880,700	2,859,660
-Vehicle Fee		2,638,775	2,286,510
General Donations/Contributions			
-Donation From Give India Foundation		543,183	648,057
-General Donation from M/s. Sarojini Trilok Nath Trust, Delhi		-	15,000,000
-General Donations from others		3,818,130	2,878,062
-Foreign Donation/Contributions		744,886	1,165,593
-Towards Community Based Rehabilitation	9	3,584,101	2,197,027
Government Grant/Aid:			
-From Kerala Government		3,053,879	2,779,030
Other Income			
-Interest Received On Bank Deposits		1,139,809	625,675
-Vocational Income	10	375,750	264,371
-Miscellaneous		1,565,568	1,884,687
		20,344,782	32,588,672
EXPENDITURE			
Rehabilitation Centre Expenses	11	12,507,193	11,434,489
Child Development Evaluation Intervention And Research Centre (CDEIRC) Expenses	12	1,073,448	844,049
Community Based Rehabilitation Expenses	13	3,459,419	2,271,481
Vehicle Expenses	14	4,816,921	4,102,724
Repairs & Maintanance	15	152,874	66,429
Administrative Expenses	16	2,012,622	1,777,696
Interest and Bank Charges		85,550	121,950
Depreciation	4	1,772,882	1,703,141
		25,880,909	22,321,959
Net Surplus/(Deficit) for the Year		(5,536,128)	10,266,712
Surplus/(Deficit) Brought forward from earlier years		5,765,028	(4,501,685)
Balance of Surplus/(Deficit) transferred to Balance Sheet		228,900	5,765,028

Notes on Accounts

17

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm Reg. No.006310S)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
N SATHEESH KUMAR
TREASURER

Sd/-
UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN
Date : 15.05.2019

ADARSH CHARITABLE TRUST

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2019	As at 31.03.2018
Schedule - 1		
CORPUS FUND		
At the beginning of the year	15,802,943	15,502,943
Add: Received during the year	-	300,000
At the end of the year	15,802,943	15,802,943
Schedule - 2		
<u>Specific Purpose Grant \ Subsidy \ Sponsorship</u>		
Donation for Building	13,695,488	13,695,488
Donation for Swimming Pool	477,559	477,559
Non recurring Grant from Govt. of Kerala	1,000,000	1,000,000
Non recurring Grant from Govt. of Kerala for Sheltered Workshop	717,150	717,150
Sponsorship for Echo Check machine	250,000	250,000
Sponsorship for EDUSAT	37,000	37,000
Sponsorship for Equipments	854,169	854,169
Sponsorship for Kitex Bag Unit	190,500	190,500
Sponsorship for Medical Expenses	6,185	6,185
Sponsorship for Paper Bag Unit	250,000	250,000
Sponsorship for School Van	2,036,050	2,036,050
	19,514,101	19,514,101
Schedule - 3		
<u>Secured loan</u>		
Loan from Banks against Fixed Deposits :		
- From HDFC Bank Limited	2,000,000	774,191
- From Federal Bank Limited	800,000	1,050,000
	2,800,000	1,824,191
Schedule -5		
<u>Non-Current Investment</u>		
State Bank of India Mutual Fund	-	15,291,438
	-	15,291,438
Schedule -6		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>A. Current Assets</u>		
<u>Receivables</u>		
CDEIRC Consultation Fees Receivable	-	53,000
HBR Income Receivable	911,094	-
Medicial Income Receivable	5,000	-
Risk Baby Unit Charges Receivable	8,500	21,000
Student Fee Receivable	33,500	54,050
Income tax refund receivable	62,990	-
	1,021,084	128,050

Schedule - 4

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2018 - 19

Items	WDV as on 01.04.2018	Additions during		Deletions /Subsidy /Sponsorship	Total	Rate		Depreciation for the year			WDV as on 31.03.2019
		1 st Half	2 nd Half			1 st Half	2 nd Half	1 st Half	2 nd Half	Total	
Land & Land Development	2,960,034	-	-	-	2,960,034	0.0%	0.0%	-	-	-	2,960,034
Building	11,022,218	1,811,300	-	-	12,833,518	10.0%	5.0%	1,283,352	-	1,283,352	11,550,166
Furniture & Fittings	869,064	4,500	65,000	-	938,564	10.0%	5.0%	87,356	3,250	90,606	847,958
Electrical Equipments & Fittings	137,284	-	-	-	137,284	10.0%	5.0%	13,728	-	13,728	123,556
Office Equipments	53,172	-	19,820	-	72,992	15.0%	7.5%	7,976	1,487	9,462	63,529
Vehicles	89,649	830,830	-	444,347	476,132	15.0%	7.5%	71,420	-	71,420	404,712
Medical Equipments	1,407,435	-	-	-	1,407,435	15.0%	7.5%	211,115	-	211,115	1,196,320
Computer & Accessories	46,478	48,600	-	-	95,078	40.0%	20.0%	38,031	-	38,031	57,047
Generator	64,029	-	-	-	64,029	15.0%	7.5%	9,604	-	9,604	54,424
Plant & Machinery	291,592	1,158	22,000	-	314,750	15.0%	7.5%	43,912	1,650	45,562	269,187
TOTAL	16,940,954	2,696,388	106,820	444,347	19,299,815			1,766,495	6,387	1,772,882	17,526,933

Cash and bank balances

Balance with Scheduled Banks		
- in Current Accounts	198,785	3,403,462
- in Fixed Deposit Accounts (Refer Note below)	20,137,642	6,777,424
Cash in Hand	24,946	6,845
	<u>20,361,372</u>	<u>10,187,731</u>

Note:

Fixed deposit amounts to Rs.18,558,532 held as security for loan taken from banks.

B. Loans and Advances

Security Deposits	58,260	83,260
Tax Deducted at Source	34,317	46,158
Advance for Equipments	-	800,000
Prepaid Expenses	73,523	80,875
Medical Loan to staff	8,000	13,500
	<u>174,100</u>	<u>1,023,793</u>
Total (A+B)	<u>20,535,472</u>	<u>11,211,524</u>

CURRENT LIABILITIES & PROVISIONS

Schedule -7

Current Liabilities**Sundry Creditors**

-For Expenses	414,930	320,866
Expenses Payable	90,873	89,982

Statutory Dues payable

Employee State Insurance Payable	65,480	62,033
Provident Fund Payable	120,864	112,963
Tax Deducted at Source payable	4,188	3,250

Other Liabilities

Fee Received in Advance	41,210	76,610
	<u>737,545</u>	<u>665,704</u>

Schedule -8

TRAINING FEES RECEIVED

Fees from Autism Wing	488,800	467,100
Fees from Cerebral Palsy Wing	1,062,750	1,143,300
Fees from CDEIRC Consultation	741,000	753,316
Fees from Down Syndrome Wing	111,900	164,144
Fees from Multiple Disorders Wing	452,250	290,550
Fee Home Based Rehabilitation(HBR)	7,000	9,000
Others	17,000	32,250
	<u>2,880,700</u>	<u>2,859,660</u>

Schedule -9

DONATION TOWARDS COMMUNITY BASED REHABILITATION

Support from BPCL for Home Based Rehabilitation Programme	3,451,601	1,796,900
Risk Baby Unit Income	132,500	94,000
	<u>3,584,101</u>	<u>1,890,900</u>

Schedule -10

VOCATIONAL INCOME

Revenue from Chappathi Unit	116,475	129,030
Revenue from Other Vocational units	259,275	121,814
	<u>375,750</u>	<u>250,844</u>

Schedule -11**REHABILITATION CENTRE EXPENSES**

Allowance to Staff	146,400	149,150
Celebration Expenses	60,245	112,258
Chapathi Unit Expenses	124,517	201,720
Cleaning & Maintenance	23,550	31,299
Disaster Allowance	138,000	-
Electricity & Water Charges	27,589	25,926
Contribution to Employees State Insurance	416,174	352,006
Medical Expenses	113,111	84,933
Milk for Children	61,278	63,128
Miscellaneous Expenses	33,618	15,875
National Institute Open Schooling Expenses	8,502	14,787
Noon Food Expenses	441,261	251,359
Contribution to Provident Fund	526,351	506,438
Postage & Courier	310	600
Printing & Stationary	23,686	42,138
Repair & Maintenance	134,587	173,099
Salary-Autism wing	1,155,229	1,088,349
Salary-Cerebral Palsy wing	6,628,497	6,286,956
Salary-Down Syndrome wing	400,446	284,597
Salary-Multiple Disability wing	1,246,126	1,013,471
School Expenses	299,856	266,821
Seminar Expenses	-	14,449
Special Food expenses	235,427	235,241
Therapy Expenses	19,145	22,355
Training Expenses	5,700	8,360
Travelling Expense	4,932	2,530
Uniform Expenses	11,857	5,381
Vocation Unit Expenses	215,799	176,914
Water Charges	5,000	4,349
	12,507,193	11,434,489

Schedule -12**CHILD DEVELOPMENT EVALUATION INTERVENTION AND RESEARCH CENTRE EXPENSES**

Electricity Charges	256	785
Contribution to Employees State Insurance	18,222	14,760
Miscellaneous Expenses	17,186	30,342
Contribution to Provident Fund	26,237	23,436
Printing & Stationery	6,550	4,195
Rent	277,900	252,890
Repairs And Maintanance	-	2,300
Salary - Learning Disorders wing	710,999	496,901
Telephone & Internet Charges	15,477	15,677
Water & Electricity Charges	621	2,763
	1,073,448	844,049

Schedule -13**COMMUNITY BASED REHABILITATION (CBR) CENTRE
EXPENSES**

Contribution to Employees State Insurance	66,349	53,478
Home Based Therapy Expenses	538,611	426,470
Contribution to Provident Fund	117,815	91,610
Salary & Wages	2,736,644	1,699,923
	3,459,419	2,271,481

Schedule -14**VEHICLE EXPENSES**

Allowances to Drivers	53,720	52,400
Fuel Charges	258,019	495,376
Other Expenses	35,103	9,299
Repairs & Maintenance	45,822	12,620
Salary - Bus in charge	389,479	328,744
Salary - Drivers	175,960	150,870
Tax & Insurance	19,273	75,206
Van Hire Charges	3,839,545	2,978,209
	4,816,921	4,102,724

Schedule -15**REPAIRS & MAINTANANCE**

Annual Maintenance Charges	72,046	41,069
Generator Expenses	50,328	18,060
Repairs and Maintanance	30,500	7,300
	152,874	66,429

Schedule -16**ADMINISTRATIVE EXPENSES**

Auditors Remuneration	11,800	11,800
Miscellaneous Expenses	56,790	720
Canteen Expense	148,552	143,841
Conveyance Charges	31,848	49,254
Contribution to Employees state Insurance	61,948	50,415
Greeting Card Expenses	61,244	100,375
Internet Charges	14,050	11,616
Medical Expenses	-	15,108
Office Expenses	121,931	73,102
Contribution to Provident Fund	85,056	77,459
Postage & Courier	3,632	4,669
Printing & Stationary	113,966	79,384
Salary & Allowances - Administration	1,293,668	1,145,482
Telephone Charges	7,065	9,351
Web Designing & Maintenance Charges	1,072	5,120
	2,012,622	1,777,696

Adarsh Charitable Trust
X/584B, PUTHIYA ROAD, KUREEKAD-682 305
Receipts and Payments for the Year 2018-19

Receipts	Amount	Payments	Amount
Opening Balance			
- Cash Balance	6,845	- Vehicle related payments	4,996,112
- Bank Balance - Current A/c	3,403,462	- Administrative Expenses	830,781
		- CDEIRC Expenses	322,122
Receipts during the year		- Rehabilitation expenses	1,857,655
- Fee Received	4,807,653	- Employee benefits	16,136,019
- General Donations	2,097,244	- Investment in Fixed Deposits	15,717,150
- Foreign Contributions	87,227	- Capital Expenditure	109,268
- Towards corpus fund	-	- Repayment of loan against Fixed Deposit	1,988,387
- Loan taken on Fixed Deposit	4,000,000	- Advances given	2,213,300
- Grant from Kerala Government	3,053,879	- HBR Expense	150,241
- Interest Received	49,870		
- Canteen Income	90,626		
- Vocational Income	375,750		
- CDEIRC Income	794,000		
- Rehabilitation Income	2,679,128		
- HBR Income	2,917,107		
- Advances received	49,500		
- Miscellaneous Receipts	1,219,712		
- Maturity proceeds of Fixed Deposit	2,205,106		
- Maturity proceeds of Mutual Fund	15,657,877		
- Refund of Advances given	1,004,780		
- Proceeds from Sale of vehicle	45,000	Closing Balance	
		- Cash Balance	24,946
		- Bank Balance - Current A/c	198,785
	44,544,766		44,544,766

For Adarsh Charitable Trust

Sd/-
K P PADMAKUMAR
CHAIRMAN

PLACE : COCHIN
Date : 15.05.2019

Sd/-
N SATHEESH KUMAR
TREASURER

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

Sd/-
UMESH L BHAT
Partner
M.No.211364

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

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule -17

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 accoutns 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	11,800	11,800
	<u>11,800</u>	<u>11,800</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)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
N SATHEESH KUMAR
TREASURER

Sd/-
UMESH L BHAT
Partner
M.No.211346

Place :Cochin
Date : 15.05.2019