

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, 2016, 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, 2016 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, 2016;
- 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 : 10/05/2016

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

ADARSH CHARITABLE TRUST

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

BALANCE SHEET AS AT 31.03.2016

Particulars	Sch. No.	As at 31.03.2016	As at 31.03.2015
<u>SOURCES OF FUNDS</u>			
1. Corpus Fund	1	1,40,02,943	1,37,01,193
2. Specific Purpose Grant \ Subsidy \ Sponsorship	2	1,80,96,951	1,46,19,392
		3,20,99,894	2,83,20,585
<u>APPLICATIONS OF FUNDS</u>			
<u>1. Fixed Assets</u>			
1. Fixed Assets	3		
Gross Block		1,70,45,237	1,34,40,066
Less : Depreciation		13,02,096	11,21,980
Net Block		1,57,43,141	1,23,18,086
<u>2. Current Assets, Loans & Advances</u>			
2. Current Assets, Loans & Advances	4		
a. Inventories		5,382	11,386
b. Receivables		36,58,808	1,02,000
c. Cash and Bank balances		1,15,05,232	1,44,19,209
d. Loans and Advances		2,08,074	2,52,368
		1,53,77,496	1,47,84,963
<u>3. Less: Current Liabilities & Provisions</u>			
3. Less: Current Liabilities & Provisions	5		
Current Liabilities		19,21,927	3,81,947
Net Current Assets		1,34,55,569	1,44,03,016
<u>4. Income & Expenditure A/c -</u>			
4. Income & Expenditure A/c -			
Excess of Expenditure Over Income		29,01,184	15,99,483
		3,20,99,894	2,83,20,585
<u>5. Notes on Accounts</u>			
5. Notes on Accounts	14		

As Per Our Report of Even Date Attached

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

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
O M MAHADEVAN
TREASURER

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

PLACE : COCHIN
Date : 10/05/2016

ADARSH CHARITABLE TRUST

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2016

Particulars	Sch. No.	For the year ended	
		31.03.2016	31.03.2015
INCOME			
Recovery of Fees:			
-Training Fees	6	29,13,083	27,25,375
-Vehicle Fee		15,46,450	16,22,876
General Donations/Contributions			
-Donation From Give India Foundation		7,84,455	6,23,056
-General Donations		28,47,276	33,05,199
-Foreign Donation/Contributions		2,66,432	63,751
-Towards Community Based Rehabilitation		23,93,679	11,28,011
Government Grant/Aid:			
-From Kerala Government		35,88,044	40,37,034
Other Income			
-Interest Received On Bank Deposits		8,72,082	10,60,540
-Vocational Income		1,18,867	42,922
-Miscellaneous		6,02,244	7,99,744
		1,59,32,613	1,54,08,508
EXPENDITURE			
Rehabilitation Centre Expenses	7	78,92,051	74,05,277
Child Development Evaluation Intervention And Research Centre (CDEIRC) Expenses	8	9,00,351	8,74,677
Community Based Rehabilitation Expenses	9	22,41,340	16,72,993
Vehicle Expenses	10	36,35,478	33,13,357
Repairs & Maintanance	11	97,715	1,78,969
Administrative Expenses	12	11,44,899	12,76,537
Interest and Bank Charges		20,384	24,326
Depreciation	3	13,02,096	11,21,980
		1,72,34,314	1,58,68,116
Net Surplus/(Deficit) for the Year		(13,01,701)	(4,59,608)
Surplus/(Deficit) Brought forward from earlier years		(15,99,483)	(11,39,876)
Balance of Deficit transferred to Balance Sheet		(29,01,184)	(15,99,483)

Notes on Accounts 13

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm Reg. No.006310S)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
O M MAHADEVAN
TREASURER

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

PLACE : COCHIN
Date : 10/05/2016

ADARSH CHARITABLE TRUST

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2016	As at 31.03.2015
		Schedule - 1
CORPUS FUND		
At the beginning of the year	1,37,01,193	1,31,91,113
Add: Received during the year	3,01,750	5,10,080
At the end of the year	1,40,02,943	1,37,01,193
		Schedule - 2
<u>Specific Purpose Grant \ Subsidy \ Sponsorship</u>		
Sponsorship for EDUSAT	37,000	37,000
Non recurring Grant from Govt. of Kerala	10,00,000	10,00,000
Donation for Building	1,36,95,488	1,06,95,488
Donation for Swimming Pool	4,77,559	-
Sponsorship for Kitex Bag Unit	1,90,500	1,90,500
Sponsorship for Echo Check machine	2,50,000	2,50,000
Sponsorship for Paper Bag Unit	2,50,000	2,50,000
Sponsorship for School Van	20,36,050	20,36,050
Sponsorship for Equipments	1,54,169	1,54,169
Sponsorship for Medical Expenses	6,185	6,185
	1,80,96,951	1,46,19,392
		Schedule -4
<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	11,386
	5,382	11,386
<u>Receivables</u>		
Student Fee Receivable	41,025	88,000
CDEIRC Consultation Fees Receivable	23,050	-
HBR Income Receivable	4,44,620	-
Government Grant Receivable	31,18,544	-
Medicial Income Receivable	5,000	-
Noon Meal Income Receivable	18,569	-
Risk Baby Unit Charges Receivable	8,000	14,000
	36,58,808	1,02,000
<u>Cash and bank balances</u>		
Balance with Scheduled Banks		
- in Current Accounts	9,22,786	20,67,468
- in Fixed Deposit Accounts	1,05,74,767	1,23,41,587
Cash in Hand	7,679	10,155
	1,15,05,232	1,44,19,209
<u>B. Loans and Advances</u>		
Security Deposits	83,260	83,260
Tax Deducted at Source	23,504	65,806
Prepaid/Advance for Expenses	97,310	92,302
Medical Loan to staff	4,000	11,000
	2,08,074	2,52,368
Total (A+B)	1,17,13,306	1,46,71,577

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2015 - 16

Items	WDV as on 31.03.2015	Additions during		Deletions /Subsidy /Sponsorship	Total	Rate		Depreciation for the year			WDV as on 31.03.2016
		1 st Half	2 nd Half			1 st Half	2 nd Half	1 st Half	2 nd Half	Total	
Land & Land Development	29,60,034.00	-	-	-	29,60,034.00	0.0%	0.0%	-	-	-	29,60,034.00
Building	75,80,658.66	-	43,33,122.00	-	1,19,13,780.66	10.0%	5.0%	7,58,065.87	2,16,656.10	9,74,721.97	1,09,39,058.69
Furniture & Fittings	5,55,123.45	4,986.00	1,49,431.00	-	7,09,540.45	10.0%	5.0%	56,010.94	7,471.55	63,482.49	6,46,057.95
Electrical Equipments & Fittings	1,31,777.70	13,551.00	16,936.00	-	1,62,264.70	10.0%	5.0%	14,532.87	-	14,532.87	1,47,731.83
Office Equipments	86,581.04	-	-	-	86,581.04	15.0%	7.5%	12,987.16	-	12,987.16	73,593.89
Vehicles	1,45,978.65	-	-	-	1,45,978.65	15.0%	7.5%	21,896.80	-	21,896.80	1,24,081.85
Medical Equipments	3,36,605.14	2,10,935.00	48,943.00	1,00,000.00	4,96,483.14	15.0%	7.5%	67,131.02	3,670.73	70,801.75	4,25,681.39
Computer & Accessories	1,23,954.29	5,250.00	3,930.00	-	1,33,134.29	60.0%	30.0%	77,522.57	1,179.00	78,701.57	54,432.71
Generator	94,901.37	-	8,600.00	-	1,03,501.37	15.0%	7.5%	14,235.20	645.00	14,880.20	88,621.16
Plant & Machinery	3,02,471.22	31,467.00	-	-	3,33,938.22	15.0%	7.5%	50,090.73	-	50,090.73	2,83,847.49
TOTAL	1,23,18,085.51	2,66,189.00	45,60,962.00	1,00,000.00	1,70,45,236.51			10,72,473.16	2,29,622.38	13,02,095.54	1,57,43,140.97

CURRENT LIABILITIES & PROVISIONS

Schedule -5

Current Liabilities**Sundry Creditors**

-For Capital Expenditure	1,77,952	-
-For Expenses	2,30,023	-
Expenses Payable	3,08,423	2,56,494

Statutory Dues payable

Employee State Insurance Payable	39,844	35,650
Provident Fund Payable	87,014	74,623
TDS Payable	2,321	4,330
VAT Payable	1,18,635	-

Other Liabilities

Loan against Fixed Deposit with Federal Bank Limited	8,50,000	-
Retention Money Payable	93,093	-
Fee Received in Advance	14,622	10,850
	19,21,927	3,81,947

Schedule -6

TRAINING FEES RECEIVED

Fees from Autism Wing	4,71,500	3,96,250
Fees from Cerebral Palsy Wing	8,48,200	7,63,600
Fees from Home Based Rehabilitation Wing	-	1,000
Fees from CDEIRC Consultation	9,47,650	9,04,000
Fees from Down Syndrome Wing	1,29,050	80,000
Fees from Multiple Disorders Wing	3,88,828	4,80,750
Fees from Outstation Students	5,655	8,900
Others	1,22,200	90,875
	29,13,083	27,25,375

Schedule -7

REHABILITATION CENTRE EXPENSES

Electricity & Water Charges	19,710	17,768
Cleaning & Maintenance	54,341	24,876
Celebration Expenses	1,36,425	1,65,288
Medical Expenses	74,881	93,463
Milk for Children	65,623	59,507
National Institute Open Schooling Expenses	32,894	21,242
Noon Food Expenses	2,24,096	2,27,531
Special Food expenses	1,96,521	1,34,531
Stitching Unit Expenses	6,179	-
Parent Support Expenses	-	20,125
Salary-Autism wing	7,59,549	5,94,765
Salary-Cerebral Palsy wing	43,88,144	37,12,794
Salary-Down Syndrome wing	2,31,228	2,64,019
Salary-Multiple Disability wing	6,68,178	6,35,148
Allowance to Staff	64,550	1,800
PF Employers Contribution	3,09,867	2,94,305
ESI Employers Contribution	2,37,803	2,05,613
School Expenses	92,566	1,41,762
Postage & Courier	-	299
Printing & Stationary	43,068	32,106
Travelling Expense	16,048	2,415
Seminar Expenses	-	1,11,899
Repair & Maintenance	72,052	1,52,615
Therapy Expenses	7,793	23,558
Vocation Unit Expenses	97,464	53,724
Honorarium Paid	28,320	3,81,770
Training Expenses	38,152	21,364
Water Charges	4,855	-
Miscellaneous Expenses	21,744	10,990
	78,92,051	74,05,277

Schedule -8

**CHILD DEVELOPMENT EVALUATION INTERVENTION AND
RESEARCH CENTRE EXPENSES**

Printing & Stationery	2,300	4,063
Rent	2,36,250	2,69,550
Salary - Learning Disorders wing	5,85,820	5,27,789
PF Employers Contribution	19,478	11,760
ESI Employers Contribution	11,792	11,491
Repairs And Maintanance	9,329	11,618
Telephone & Internet Charges	18,915	19,303
Electricity Charges	2,377	706
Miscellaneous Expenses	12,626	18,397
Water & Electricity Charges	1,464	-
	9,00,351	8,74,677

Schedule -9

**COMMUNITY BASED REHABILITATION (CBR) CENTRE
EXPENSES**

Home Based Therapy Expenses	3,57,675	5,79,930
Salary	16,64,799	9,93,887
PF Employers Contribution	1,69,879	60,666
ESI Employers Contribution	48,987	38,510
	22,41,340	16,72,993

Schedule -10

VEHICLE EXPENSES

Fuel Charges	4,33,020	4,56,895
Van Hire Charges	25,41,216	22,43,578
Other Expenses	63,952	58,152
Repairs & Maintenance	1,10,030	1,31,742
Salary - Bus in charge	2,59,910	1,97,863
Salary - Drivers	1,62,700	1,47,900
Allowances to Drivers	15,018	22,290
Tax & Insurance	49,632	54,938
	36,35,478	33,13,357

Schedule -11

REPAIRS & MAINTANANCE

Repairs and Maintanance	12,640	1,14,076
Generator Expenses	24,755	26,015
Annual Maintenance Charges	60,320	38,878
	97,715	1,78,969

Schedule -12

ADMINISTRATIVE EXPENSES

Auditors Remuneration	11,450	11,236
Advertisement	-	14,553
Building Expenses	4,419	10,062
Canteen Expense	1,29,943	1,44,514
Greeting Card Expenses	-	730
Insurance Charges	1,248	1,555
Internet Charges	12,902	8,116
Conveyance Charges	46,809	25,032
Medical Expenses	19,475	-
Office Expenses	9,785	26,581
Printing & Stationary	68,233	43,211
Postage & Courier	3,738	7,410
Damages Paid to PF / ESI	62,562	18,479
Salary & Allowances - Administration	7,04,501	8,83,271
PF Employers Contribution	26,878	50,096
ESI Employers Contribution	35,318	21,753
Swimming Pool Expenses	1,350	-
Telephone Charges	5,538	9,269
Web Designing & Maintenance Charges	750	670
	11,44,899	12,76,537

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

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule -14

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	11,400	11,236
	<u>11,400</u>	<u>11,236</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/-
O M MAHADEVAN
TREASURER

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

Place :Cochin
Date : 10/05/2016