

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, 2018 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, 2018 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, 2018;
- ii) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

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

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

Place : Cochin – 20
Date : 05/05/2018

ADARSH CHARITABLE TRUST

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

BALANCE SHEET AS AT 31.03.2018

Particulars	Sch. No.	As at 31.03.2018	As at 31.03.2017
<u>SOURCES OF FUNDS</u>			
1. Corpus Fund	1	15,802,943	15,502,943
2. Specific Purpose Grant \ Subsidy \ Sponsorship	2	19,514,101	18,796,951
3. Secured Loans	3	1,824,191	1,050,000
4. Excess of Income over expenditure		5,765,028	-
		42,906,263	35,349,894
<u>APPLICATIONS OF FUNDS</u>			
<u>1. Non-Current Assets</u>			
<u>a. Fixed Assets</u>			
Gross Block	4	18,644,095	19,744,350
Less : Depreciation		1,703,141	1,624,748
Net Block		16,940,954	18,119,602
<u>b. Non-Current Investment</u>			
	5	15,291,438	-
<u>2. Current Assets, Loans & Advances</u>			
<u>a. Receivables</u>			
	6	128,050	4,016,209
<u>b. Cash and Bank balances</u>			
		10,187,731	9,171,083
<u>c. Loans and Advances</u>			
		1,023,793	220,083
		11,339,574	13,407,375
<u>3. Less: Current Liabilities & Provisions</u>			
<u>Current Liabilities</u>			
	7	665,704	678,768
Net Current Assets		10,673,870	12,728,607
4. Excess of Expenditure Over Income		-	4,501,685
		42,906,262	35,349,894
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 : 05/05/2018

ADARSH CHARITABLE TRUST

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2018

Particulars	Sch. No.	For the year ended	
		31.03.2018	31.03.2017
INCOME			
Recovery of Fees:			
-Training Fees	8	2,859,660	2,960,121
-Vehicle Fee		2,286,510	2,103,720
General Donations/Contributions			
-Donation From Give India Foundation		648,057	605,479
-General Donation from M/s. Sarojini Trilok Nath Trust, Delhi		15,000,000	-
-General Donations from others		2,878,062	4,685,791
-Foreign Donation/Contributions		1,165,593	652,599
-Towards Community Based Rehabilitation	9	2,197,027	1,890,900
Government Grant/Aid:			
-From Kerala Government		2,779,030	3,497,132
Other Income			
-Interest Received On Bank Deposits		625,675	694,397
-Vocational Income	10	264,371	250,844
-Miscellaneous		1,884,687	1,181,646
		32,588,672	18,522,629
EXPENDITURE			
Rehabilitation Centre Expenses	11	11,434,489	9,856,700
Child Development Evaluation Intervention And Research Centre (CDEIRC) Expenses	12	844,049	852,046
Community Based Rehabilitation Expenses	13	2,271,481	2,163,610
Vehicle Expenses	14	4,102,724	4,049,844
Repairs & Maintanance	15	66,429	136,864
Administrative Expenses	16	1,777,696	1,406,313
Interest and Bank Charges		121,950	33,005
Depreciation	4	1,703,141	1,624,748
		22,321,959	20,123,129
Net Surplus/(Deficit) for the Year		10,266,712	(1,600,501)
Surplus/(Deficit) Brought forward from earlier years		(4,501,685)	(2,901,184)
Balance of Surplus/(Deficit) transferred to Balance Sheet		5,765,028	(4,501,685)

Notes on Accounts

17

As Per Our Report of Even Date Attached

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CHARTERED ACCOUNTANTS
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Sd/-
K P PADMAKUMAR
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M.No:211364

PLACE : COCHIN
Date : 05/05/2018

Adarsh Charitable Trust
X/584B, PUTHIYA ROAD, KUREEKAD-682 305
Receipts and Payments for the Year 2017-18

Receipts	Amount	Payments	Amount
Opening Balance			
- Cash Balance	12,283	- Vehicle related payments	3,679,206
- Bank Balance - Current A/c	846,218	- Administrative Expenses	676,826
		- CDEIRC Expenses	280,072
Receipts during the year		- Rehabilitation expenses	1,889,066
- Fee Received	4,377,100	- Employee benefits	13,509,386
- General Donations	16,507,314	- Investment in Fixed Deposits	2,200,000
- Foreign Contributions	661,513	- Capital Expenditure	193,843
- Towards corpus fund	300,000	- Repayment of loan against Fixed Deposit	1,350,000
- Loan taken on Fixed Deposit	3,806,005	- Advance given	1,595,375
- Grant from Kerala Government	6,276,162	- Other Deposits	76,841
- Interest Received	42,252	- HBR Expense	433,934
- Canteen Income	103,852	- Investment in mutual funds	15,291,438
- Vocational Income	9,365		
- CDEIRC Income	728,416		
- Rehabilitation Income	3,260,667		
- HBR Income	2,616,674		
- Advances received	57,500		
- Miscellaneous Receipts	2,413,046		
- Maturity proceeds of Fixed Deposit	2,567,928		
		Closing Balance	
		- Cash Balance	6,845
		- Bank Balance - Current A/c	3,403,462
	44,586,294		44,586,294

For Adarsh Charitable Trust

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 : 05/05/2018

ADARSH CHARITABLE TRUST

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2018	As at 31.03.2017
Schedule - 1		
CORPUS FUND		
At the beginning of the year	15,502,943	14,002,943
Add: Received during the year	300,000	1,500,000
At the end of the year	15,802,943	15,502,943
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	-
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	18,796,951
Schedule - 3		
<u>Secured loan</u>		
Loan from HDFC Bank Limited against Fixed Deposits	1,824,191	1,050,000
	1,824,191	1,050,000
Schedule - 6		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>A. Current Assets</u>		
<u>Receivables</u>		
CDEIRC Consultation Fees Receivable	53,000	28,100
Government Grant Receivable	-	3,497,132
HBR Income Receivable	-	422,147
Risk Baby Unit Charges Receivable	21,000	9,500
Student Fee Receivable	54,050	49,965
Vocation Unit Income Receivable	-	9,365
	128,050	4,016,209

Cash and bank balances

Balance with Scheduled Banks		
- in Current Accounts	3,403,462	846,218
- in Fixed Deposit Accounts (Refer Note below)	6,777,424	8,312,582
Cash in Hand	6,845	12,283
	10,187,731	9,171,083

Note:

Fixed deposit amounts to Rs.2341589 held as security for loan taken from banks.

B. Loans and Advances

Security Deposits	83,260	83,260
Tax Deducted at Source	46,158	14,835
Advance for Equipments	800,000	-
Prepaid Expenses	80,875	121,988
Medical Loan to staff	13,500	-
	1,023,793	220,083
Total (A+B)	11,211,524	9,391,166

CURRENT LIABILITIES & PROVISIONS

Schedule -7

Current Liabilities**Sundry Creditors**

-For Capital Expenditure	-	-
-For Expenses	320,866	315,377
Expenses Payable	89,982	85,680

Statutory Dues payable

Employee State Insurance Payable	62,033	48,883
Provident Fund Payable	112,963	104,363
Tax Deducted at Source payable	3,250	5,083

Other Liabilities

Retention Money Payable	-	76,841
Fee Received in Advance	76,610	42,541
	665,704	678,768

Schedule -8

TRAINING FEES RECEIVED

Fees from Autism Wing	467,100	575,700
Fees from Cerebral Palsy Wing	1,143,300	918,280
Fees from CDEIRC Consultation	753,316	782,800
Fees from Down Syndrome Wing	164,144	183,144
Fees from Multiple Disorders Wing	290,550	464,672
Fees from Outstation Students	-	5,700
Fee Home Based Rehabilitation(HBR)	9,000	8,625
Others	32,250	21,200
	2,859,660	2,960,121

Schedule -9

DONATION TOWARDS COMMUNITY BASED REHABILITATION

Support from BPCL for Home Based Rehabilitation Programme	2,056,027	1,796,900
Risk Baby Unit Income	141,000	94,000
	2,197,027	1,890,900

Schedule -10

VOCATIONAL INCOME

Revenue from Chappathi Unit	112,941	129,030
Revenue from Other Vocational units	151,430	121,814
	264,371	250,844

Schedule -11**REHABILITATION CENTRE EXPENSES**

Allowance to Staff	149,150	134,950
Celebration Expenses	112,258	142,520
Chapathi Unit Expenses	201,720	187,983
Cleaning & Maintenance	31,299	28,269
Electricity & Water Charges	25,926	28,765
Contribution to Employees State Insurance	352,006	273,415
Medical Expenses	84,933	75,411
Milk for Children	63,128	63,080
Miscellaneous Expenses	15,875	66,882
National Institute Open Schooling Expenses	14,787	9,304
Noon Food Expenses	251,359	238,640
Contribution to Provident Fund	506,438	431,564
Postage & Courier	600	885
Printing & Stationary	42,138	52,750
Repair & Maintenance	173,099	182,173
Salary-Autism wing	1,088,349	872,808
Salary-Cerebral Palsy wing	6,286,956	5,221,095
Salary-Down Syndrome wing	284,597	300,068
Salary-Multiple Disability wing	1,013,471	742,246
School Expenses	266,821	226,096
Seminar Expenses	14,449	95,076
Sensory Unit Expenses	-	47,534
Special Food expenses	235,241	214,234
Stitching Unit Expenses	-	7,140
Therapy Expenses	22,355	12,471
Training Expenses	8,360	11,950
Travelling Expense	2,530	21,090
Uniform Expenses	5,381	63,842
Vocation Unit Expenses	176,914	96,822
Water Charges	4,349	7,637
	11,434,489	9,856,700

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

Electricity Charges	785	165
Contribution to Employees State Insurance	14,760	19,671
Miscellaneous Expenses	30,342	12,574
Contribution to Provident Fund	23,436	23,871
Printing & Stationery	4,195	10,550
Rent	252,890	227,000
Repairs And Maintanance	2,300	1,850
Salary - Learning Disorders wing	496,901	534,994
Telephone & Internet Charges	15,677	15,648
Water & Electricity Charges	2,763	5,723
	844,049	852,046

Schedule -13

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

Contribution to Employees State Insurance	53,478	58,491
Home Based Therapy Expenses	426,470	375,934
Contribution to Provident Fund	91,610	88,874
Salary & Wages	1,699,923	1,640,311
	2,271,481	2,163,610

Schedule -14

VEHICLE EXPENSES

Allowances to Drivers	52,400	30,500
Fuel Charges	495,376	548,145
Other Expenses	9,299	23,250
Repairs & Maintenance	12,620	147,341
Salary - Bus in charge	328,744	318,228
Salary - Drivers	150,870	205,368
Tax & Insurance	75,206	88,488
Van Hire Charges	2,978,209	2,688,524
	4,102,724	4,049,844

Schedule -15

REPAIRS & MAINTANANCE

Annual Maintenance Charges	41,069	57,556
Generator Expenses	18,060	19,951
Repairs and Maintenance	7,300	59,357
	66,429	136,864

Schedule -16

ADMINISTRATIVE EXPENSES

Auditors Remuneration	11,800	11,500
Miscellaneous Expenses	720	400
Canteen Expense	143,841	144,638
Conveyance Charges	49,254	39,199
Contribution to Employees state Insurance	50,415	39,612
Greeting Card Expenses	100,375	64,375
Insurance Charges	-	307
Internet Charges	11,616	12,959
Medical Expenses	15,108	25,935
Office Expenses	73,102	4,320
Contribution to Provident Fund	77,459	71,312
Postage & Courier	4,669	4,602
Printing & Stationary	79,384	103,915
Salary & Allowances - Administration	1,145,482	867,377
Telephone Charges	9,351	7,237
Web Designing & Maintenance Charges	5,120	8,625
	1,777,696	1,406,313

Schedule - 4

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2017 - 18

Items	WDV as on 01.04.2017	Additions during		Deletions /Subsidy /Sponsorship	Total	Rate		Depreciation for the year			WDV as on 31.03.2018
		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	12,246,908	-	-	-	12,246,908	10.0%	5.0%	1,224,691	-	1,224,691	11,022,218
Furniture & Fittings	831,852	130,650	2,960	-	965,462	10.0%	5.0%	96,250	148	96,398	869,064
Electrical Equipments & Fittings	152,538	-	-	-	152,538	10.0%	5.0%	15,254	-	15,254	137,284
Office Equipments	62,555	-	-	-	62,555	15.0%	7.5%	9,383	-	9,383	53,172
Vehicles	105,470	374,956	-	374,956	105,470	15.0%	7.5%	15,820	-	15,820	89,649
Medical Equipments	1,396,184	259,622	-	-	1,655,806	15.0%	7.5%	248,371	-	248,371	1,407,435
Computer & Accessories	47,463	30,000	-	-	77,463	40.0%	20.0%	30,985	-	30,985	46,478
Generator	75,328	-	-	-	75,328	15.0%	7.5%	11,299	-	11,299	64,029
Plant & Machinery	241,270	95,391	5,870	-	342,531	15.0%	7.5%	50,499	440	50,939	291,592
TOTAL	18,119,602	890,619	8,830	374,956	18,644,095			1,702,553	588	1,703,141	16,940,954

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 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	11,800	11,500
	<u>11,800</u>	<u>11,500</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 : 05/05/2018