

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone financial statements of Adarsh Charitable Trust ("the Trust"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Income and Expenditure Account and the 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, 2024, 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.

Emphasis of Matter

As stated in Note 9 to the financial statements, the Trust has adopted the accounting principles as per the Technical Guide on Accounting for Not-for-Profit Organisations and Accounting Standard 12 issued by ICAI in respect of all grants/donations received by it and variations in accounting treatment indicated as per the ICAI's Technical Guide on Accounting of CSR Funds by Third Parties have not been adopted by the management of the NPO for the reasons stated therein.

Our opinion is not modified to this extent.

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

Management of the Trust is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows 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.

The management is 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.

As part of an audit in accordance with SAs, 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 the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 the Trust'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 the Trust to cease to continue as a going concern.



G. JOSEPH & ASSOCIATES
Chartered Accountants

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 our audit.

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



UMESH L.BHAT

Partner

M.No.211364

Place : Cochin – 20

Date : 01/07/2024

UDIN : 24211364BJZWMA2338



ADARSH CHARITABLE TRUST


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


BALANCE SHEET AS AT 31.03.2024

Particulars	Sch. No.	As at 31.03.2024	As at 31.03.2023
SOURCES OF FUNDS			
1. Corpus Fund	1	1,67,22,943	1,67,22,943
2. Specific Purpose Grant \ Subsidy \ Sponsorship	2	2,68,95,561	2,23,77,811
3. Reserves and Surplus		(88,61,130)	(69,68,909)
		<u>3,47,57,374</u>	<u>3,21,31,845</u>
4. Non-current liabilities			
a. Long-term borrowings	3	-	6,81,076
		<u>-</u>	<u>6,81,076</u>
5. Current liabilities			
a. Trade payables	4	68,751	2,00,653
b. Other current liabilities		3,58,821	3,02,735
c. Short-term provisions		15,90,663	2,96,802
		<u>20,18,234</u>	<u>8,00,191</u>
		<u>3,67,75,608</u>	<u>3,36,13,112</u>
APPLICATIONS OF FUNDS			
1. Non-Current Assets			
a. Fixed Assets	5		
Gross Block		2,87,71,120	2,35,67,345
Less : Depreciation		37,53,873	24,10,508
Net Block		<u>2,50,17,247</u>	<u>2,11,56,837</u>
b. Capital Work in Progress	6	-	10,71,404
2. Current Assets, Loans & Advances			
a. Inventories	7	1,07,805	1,97,990
b. Receivables		15,30,045	15,95,993
c. Cash and Bank balances		96,45,756	92,39,229
d. Loans and Advances		4,74,755	3,51,660
		<u>1,17,58,361</u>	<u>1,13,84,872</u>
		<u>3,67,75,608</u>	<u>3,36,13,113</u>
3. Notes on Accounts	16		

As Per Our Report of Even Date Attached
FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No.006310S)


V SATHYANARAYANAN
CHAIRMAN


C V IGNATIUS
TREASURER


UMESH LBHAT
PARTNER
M.No:211364

PLACE : COCHIN
Date : 01/07/2024



ADARSH CHARITABLE TRUST

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

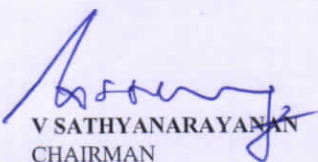
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2024


Particulars	Sch. No.	For the year ended 31.03.2024	For the year ended 31.03.2023
INCOME			
General Donations/Contributions			
-Donation From Give India Foundation		7,29,305	5,48,200
-General Donations from others		56,40,442	31,93,263
-Foreign Donation/Contributions		10,68,051	53,24,699
Other Income			
-Interest Received On Bank Deposits		3,53,557	5,70,419
		77,91,355	96,36,581
EXPENDITURE			
Excess of Expenditure over Income - <i>Adarsh Charitable Trust (ACT) Rehabilitation Centre</i>	8	37,25,849	92,13,496
Excess of Expenditure over Income - <i>Child Development Evaluation Intervention And Research Centre (CDEIRC)</i>	9	6,66,836	3,73,628
Excess of Expenditure over Income - <i>Home Based Rehabilitation (HBR) Centre</i>	10	18,134	5,04,568
Excess of Expenditure over Income - <i>Risk Baby Unit</i>	11	2,12,512	1,81,301
Excess of Expenditure over Income - <i>Adarsh Centre for Empowerment (ACE) Rehabilitation Centre</i>	12	24,59,620	15,19,493
Excess of Expenditure over Income - <i>Adarsh Centre for Empowerment (ACE) - Vocational unit</i>	13	12,35,018	19,65,775
Excess of Expenditure over Income - <i>Transportation</i>	14	13,65,608	10,87,885
		96,83,576	1,48,46,147
Net Surplus/(Deficit) for the Year		(18,92,221)	(52,09,566)
Surplus/(Deficit) Brought forward from earlier years		(69,68,909)	(17,59,343)
Balance of Surplus/(Deficit) transferred to Balance Sheet		(88,61,130)	(69,68,909)

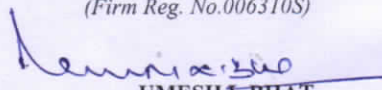
Notes on Accounts

16.

As Per Our Report of Even Date Attached
FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No.006310S)


V SATHYANARAYANAN
CHAIRMAN


C VIGNATIUS
TREASURER


UMESH L. BHAT
PARTNER
M.No:211364

PLACE : COCHIN

Date : 01/07/2024



ADARSH CHARITABLE TRUST
X/584B, PUTHIYA ROAD, KUREEKAD-682 305
SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2024	As at 31.03.2023
Schedule - 1		
Corpus Fund		
At the beginning of the year	1,67,22,943	1,67,22,943
Add: Received during the year	-	-
At the end of the year	<u>1,67,22,943</u>	<u>1,67,22,943</u>
Schedule - 2		
Specific Purpose Grant \ Subsidy \ Sponsorship		
A. Sponsorship/Subsidy/Grant		
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
Non recurring Grant from Govt. of Kerala for Sheltered Workshop	7,17,150	7,17,150
Sponsorship for Echo Check machine	2,50,000	2,50,000
Sponsorship for EDUSAT	37,000	37,000
Sponsorship for Equipments	23,17,879	23,17,879
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 Smart Board	10,00,000	10,00,000
Sponsorship for School Van	20,36,050	20,36,050
Sponsorship for Autism Department	4,00,000	4,00,000
	<u>2,23,77,811</u>	<u>2,23,77,811</u>
B. Corporate Social Responsibility (CSR) Donations for capital assets		
Cochin Shipyard Ltd	48,68,233	-
Johnson Control Pvt.Ltd	8,00,000	-
	<u>56,68,233</u>	<u>-</u>
Less : Deferred Income recognised (Refer Note no.1.k & 9)	11,50,483	-
(B)	<u>45,17,750</u>	<u>-</u>
Total (A) + (B)	<u>2,68,95,561</u>	<u>2,23,77,811</u>
Schedule - 3		
Long-term borrowings		
Loan from Banks against Fixed Deposits :		
- From HDFC Limited	-	6,81,076
	<u>-</u>	<u>6,81,076</u>



Current liabilities**A. Trade payables**Adarsh Centre for Empowerment (ACE)

Creditors for capital expenditure	-	57,084
Creditors for Expenses	68,751	1,43,569
	<u>68,751</u>	<u>2,00,653</u>

B. Other current liabilitiesStatutory Dues Payable

Employee State Insurance Payable	34,180	36,160
Provident Fund Payable	1,76,768	1,99,577
Tax Deducted at Source payable	96,891	3,448
<u>Adarsh Centre for Empowerment (ACE)</u>		
GST Payable	16,731	-
Fee Received in Advance	34,250	63,050
<u>Adarsh Centre for Empowerment (ACE)</u>		
Advances Received	-	500
	<u>3,58,821</u>	<u>3,02,735</u>

C. Short-term provisions

Expenses Payable	13,223	13,802
Uniform Expense Payable	-	2,83,000
Honorarium Payable	13,36,338	-
Retention Money Payable	2,38,102	-
Electricity Charges Payable	3,000	-
	<u>15,90,663</u>	<u>2,96,802</u>

Schedule - 6

Capital Work in Progress

Fire System	-	5,69,982
Sensory Room	-	5,01,422
	-	<u>10,71,404</u>

Schedule - 7

CURRENT ASSETS, LOANS & ADVANCES**A. Current Assets**Inventories (As taken, valued and certified by the management)

- Raw Materials	1,01,552	1,93,664
- Finished Goods	6,254	4,326
	<u>1,07,805</u>	<u>1,97,990</u>

Receivables

Adarsh Centre for Empowerment	-	-
HBR Income Receivable	9,86,921	8,41,619
Risk Baby Unit Charges Receivable	8,000	15,000
Student Fee Receivable	69,500	2,41,611
Interest Accrued on Fixed Deposit	26,873	-
CSR Receivable	3,68,233	-
<u>Adarsh Centre for Empowerment (ACE)</u>		
Sundry Debtors	70,518	4,97,763
	<u>15,30,045</u>	<u>15,95,993</u>

Cash and bank balances

Balance with Scheduled Banks		
- in Current Accounts	51,73,620	14,58,313
- in Fixed Deposit Accounts	44,14,654	74,84,385
Cash in Hand	7,707	3,635
<u>Adarsh Centre for Empowerment (ACE)</u>		
Balance with Scheduled Banks		
- in Current Accounts	30,226	2,76,830
Cash in Hand	19,549	16,067
	<u>96,45,756</u>	<u>92,39,229</u>



Schedule - 5

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2023-24

Items	WDV as on 01.04.2023	Additions during		Deletions / Subsidy / Sponsorship	Total	Rate		Depreciation for the year			WDV as on 31.03.2024
		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	75,78,064	1,05,894	1		76,83,959	10.0%	5.0%	7,68,396	0	7,68,396	69,15,563
Furniture & Fittings	6,01,581	2,02,866	8,000		8,12,447	10.0%	5.0%	80,445	400	80,845	7,31,602
Electrical Equipments & Fittings	81,065	33,999	13,350		1,28,414	10.0%	5.0%	11,506	668	12,174	1,16,240
Office Equipments	33,163	-	-		33,163	15.0%	7.5%	4,974	-	4,974	28,188
Vehicles	1,66,892	-	-		1,66,892	15.0%	7.5%	25,034	-	25,034	1,41,858
Medical/Therapy Equipments	13,19,430	-	-		13,19,430	15.0%	7.5%	1,97,915	-	1,97,915	11,21,516
Computer & Accessories	3,91,651	-	-		3,91,651	40.0%	20.0%	1,56,661	-	1,56,661	2,34,991
Smart Board and accessories	-	-	8,00,000		8,00,000	40.0%	20.0%	-	1,60,000	1,60,000	6,40,000
Generator	28,410	-	-		28,410	15.0%	7.5%	4,261	-	4,261	24,148
Plant & Machinery	6,18,474	6,86,410	7,75,495		20,80,379	15.0%	7.5%	1,95,733	3,71,431	5,67,164	15,13,216
(A)	1,37,78,764	10,29,169	15,96,846	-	1,64,04,779			14,44,924	5,32,499	19,77,423	1,44,27,356
Adarsh Centre for Empowerment											
Building	51,75,334	32,802	-		52,08,136	10.0%	5.0%	5,20,814	-	5,20,814	46,87,322
Solar Installation	-	-	49,52,415		49,52,415	40.0%	20.0%	-	9,90,483	9,90,483	39,61,932
Furniture & Fittings	1,91,820	-	-		1,91,820	10.0%	5.0%	19,182	-	19,182	1,72,638
Electrical Equipments & Fittings	11,58,396	3,051	-		11,61,447	10.0%	5.0%	1,16,145	-	1,16,145	10,45,302
Office Equipments	1,76,892	-	-		1,76,892	15.0%	7.5%	26,534	-	26,534	1,50,358
Computer & Accessories	7,794	-	-		7,794	40.0%	20.0%	3,118	-	3,118	4,676
Plant & Machinery	6,67,838	-	-		6,67,838	15.0%	7.5%	1,00,176	-	1,00,176	5,67,662
(B)	73,78,073	35,853	49,52,415	-	1,23,66,340			7,85,967	9,90,483	17,76,450	1,05,89,890
TOTAL	2,11,56,837	10,65,022	65,49,261	-	2,87,71,120			22,30,891	15,22,982	37,53,873	2,50,17,247



B. Loans and Advances

Security Deposits	58,560	73,540
Tax Deducted at Source	79,672	51,592
Advance for Expenses	1,14,679	40,948
Prepaid Expenses	43,203	31,690
Adarsh Centre for Empowerment (ACE)		
Balance with Statutory Authorities	501	30,621
Security Deposits	1,36,610	95,068
Other Advance	41,530	28,200
	<u>4,74,755</u>	<u>3,51,660</u>
Total (A+B)	1,01,20,511	95,90,889

Schedule-8**Adarsh Charitable Trust (ACT) Rehabilitation Centre Expenses**

Salaries and Allowances	98,49,989	75,27,955
Contribution to Employees State Insurance	1,55,154	1,47,751
Contribution to Employee Provident Fund	5,13,741	3,29,793
Allowance to Staff	2,01,048	48,826
Celebration Expenses	3,89,960	1,78,975
Cleaning & Maintenance	43,886	62,817
Honorarium	13,36,338	-
Medical Expenses	1,38,650	1,38,680
Milk Expense	22,001	29,643
Miscellaneous Expenses	2,27,030	36,245
National Institute of Open Schooling (NIOS) Expenses	2,840	18,774
Noon Food Expenses	1,76,646	1,83,548
Printing & Stationary	46,236	32,411
Repair & Maintenance	3,41,689	11,52,469
School Expenses	2,93,163	11,09,842
Special Food Expense	1,19,046	1,01,815
Therapy Expenses	13,589	8,141
Training Expenses	20,318	12,150
Travelling Expense	9,200	7,455
Uniform Expenses	49,497	1,11,912
Vocation Unit Expenses	10,000	61,645
Administrative Expenses (Schedule 15)	19,50,790	37,29,890
Fee discount given	58,761	-
Depreciation	19,77,423	15,31,883
	<u>1,79,46,996</u>	<u>1,65,62,619</u>
Less : Income from ACT Rehabilitation Centre		
Tuition Fee	20,78,351	11,61,500
Grant from Department of Education, Govt of Kerala	70,62,860	19,42,000
Uniform Income	23,538	77,456
Miscellaneous Income	6,91,983	1,90,567
Sponsorship/Donations received	42,04,415	39,77,600
Deferred Income - CSR (Refer Note no.16.1k & 16.9)	1,60,000	-
Excess of Expenditure over Income (Net)	37,25,849	92,13,496

Schedule -9**Child Development Evaluation Intervention and Research Centre****Expenses (CDEIRC)**

Salary - Learning Disorders wing	11,13,068	5,60,384
Contribution to Employee Provident Fund	83,296	37,714
Contribution to Employees State Insurance	24,346	15,922
Rent	3,30,000	1,92,211
Miscellaneous Expenses	28,512	48,975
Repairs And Maintenance	-	24,950
	<u>15,79,222</u>	<u>8,80,156</u>
Less : Income from CDEIRC		
Training fee	9,12,386	5,06,528
Excess of Expenditure over Income (Net)	6,66,836	3,73,628



Schedule -10

Home Based Rehabilitation (HBR) Expenses

Salary & Wages	23,94,871	28,84,157
Contribution to Employees State Insurance	51,370	49,775
Contribution to Employee Provident Fund	1,25,229	1,67,703
Home Based Expenses	59,779	50,559
Fuel Charges	4,15,500	2,96,956
Miscellaneous Expenses	7,814	-
Tax & Insurance	17,348	-
Repairs & Mainenance	57,451	-
Rent for Vehicle	2,97,009	1,46,177
	34,26,371	35,95,327
<i>Less : Income from HBR</i>		
Support from BPCL for Home Based Rehabilitation Programme	34,08,237	30,90,759
Excess of Expenditure over Income (Net)	18,134	5,04,568

Schedule -11

Risk Baby Unit (RBU)

Salary & Wages	2,99,376	2,72,336
Contribution to Employees State Insurance	-	3,210
Contribution to Employee Provident Fund	26,136	22,755
	3,25,512	2,98,301
<i>Less : Income from RBU</i>		
Income from Hospitals	1,13,000	1,17,000
Excess of Expenditure over Income (Net)	2,12,512	1,81,301

Schedule -12

Adarsh Centre for Empowerment (ACE) Rehabilitation Centre

Salary & Allowance	38,54,438	23,71,455
Contribution to Employee Provident Fund	2,29,192	2,70,831
Contribution to Employee State Insurance	73,508	67,398
Electricity Charges	19,814	34,282
Other Expenses	3,23,516	1,12,596
Depreciation	17,76,450	8,78,626
	62,76,918	37,35,188
<i>Less: Income from ACE Rehabilitation Centre</i>		
Training Fee	13,33,500	10,12,500
Special Food Income	39,500	41,000
Vocational Income	31,915	20,390
Grant received from Department of Social Justice-Athijeevanam (Refer Note 16.11)	12,50,900	10,74,805
Sponsorship/Donations received	1,71,000	67,000
Deferred Income - CSR (Refer Note no.16.1k & 16.9)	9,90,483	-
Excess of Expenditure over income (Net)	24,59,620	15,19,493



Schedule -13

Adarsh Centre for Empowerment (ACE) -Vocational unit

Purchase of Materials	29,33,955	46,51,373
Wages & Salaries	28,19,032	35,39,724
Staff Welfare Expense	42,086	15,233
Contribution to Employee Provident Fund	44,889	79,606
Contribution to Employee State Insurance	14,050	30,656
Advertisement Expenses	21,926	-
Bank Charges	2,221	7,753
Business Promotion Expenses	23,541	-
Cleaning & Housekeeping Charges	61,141	43,823
Interest, Late Fee & Penalties	7,842	4,678
Electricity Charges	2,54,422	2,09,845
Fuel Charges	6,05,885	96,483
Office Expenses	-	77,800
Inspection & Registration Charges	47,549	-
Postage & Courier	960	9,480
Printing & Stationary	38,774	1,01,023
Professional & Consultancy Charges	15,000	24,000
Miscellaneous Expenses	59,854	1,85,617
Packing Charges	4,020	-
Rates & Taxes	21,822	1,04,513
Rent	10,131	11
Repairs & Maintenance	1,42,793	3,14,729
Transportation	7,295	3,84,293
Communication Expenses	16,580	12,617
Loading & Unloading Charge	5,205	2,618
Accounts Written Off	1,69,686	-
Change in Inventories	90,185	(1,97,990)
	74,60,845	96,97,885
Less: Income from ACE Vocational unit		
Sales of products	61,86,627	77,32,109
Other Income	39,201	-
Excess of Expenditure over income (Net)	12,35,018	19,65,775

Schedule -14

Transportation Expenses

Allowances to Drivers	34,688	7,700
Fuel Expenses	77,850	3,11,800
Other Expenses	2,887	19,685
Repairs & Maintenance	-	1,09,577
Salary - Bus in charge	4,09,612	4,33,652
Salary - Drivers	-	88,865
Tax & Insurance	-	19,620
Van Hire Charges	44,32,672	35,20,911
	49,57,708	45,11,810
Less : Income from transportation		
Vehicle fee collection	35,92,100	34,23,925
Excess of Expenditure over income (Net)	13,65,608	10,87,885



Schedule -15

Administrative Expense

Salary & Allowances - Administration	11,64,268	29,44,621
Contribution to Provident Fund - Administration	1,00,722	1,26,076
Contribution to Employees state Insurance - Administration	18,132	41,683
Canteen Expense	1,26,140	1,07,055
Conveyance Charges	22,473	48,770
Souvenir Expense	-	50,000
Insurance	7,811	7,811
Medical Expense	54,717	13,915
Audit Fee	11,800	11,800
Office Expenses	1,55,332	67,643
Miscellaneous Expenses	11,245	6,047
Postage & Courier	2,414	2,695
Printing & Stationary	35,255	95,811
Rates & Taxes	4,672	-
Camp Expense	2,235	540
Telephone Charges	18,368	16,879
Web Designing & Maintenance Charges	1,445	1,386
Interest and Bank Charges	2,13,761	1,87,158
	19,50,790	37,29,890



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

16 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule -18

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 are prepared under historical cost convention and on the accrual method of accounting following the principles of 'Fund Based Accounting' as per the Technical Guide on Accounting for Not-for-Profit Organisations issued by Institute of Chartered Accountants (ICAI) of India unless otherwise stated. Accordingly, though not mandatory, the principles provided in the Accounting Standards issued by ICAI to the extent applicable and relevant are also generally followed.

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.

k) Grants/Donations

Grants and Donations received by the NPO from government and non-government sources are accounted as follows in accordance with the directives of the Technical Guide on Accounting for Not-for-Profit Organisations issued by Institute of Chartered Accountants (ICAI) of India:

i). Grants / Donations received or receivable for construction or acquisition of a specific fixed asset are accounted for as below:

- a.* Grants / Donations received to acquire a non-depreciable asset are recognised separately as a 'Restricted Fund' in the Balance Sheet. When the asset is acquired, the concerned restricted fund is transferred to the 'General Fund' in the Balance Sheet. However, if such grants / donations related to a non-depreciable asset require the fulfilment of certain obligations, the said grants / donations are treated as deferred income and recognised as income over the same period over which the cost of meeting such obligations is charged to income
- b.* Grants / Donations related to a depreciable fixed asset are treated as deferred income and recognised in the Income and Expenditure account by allocating it over the useful life of the asset in the proportion in which depreciation on the asset concerned is charged.

ii). Grants / Donations in the form of non-monetary assets received at a concessional rate are accounted for on the basis of their acquisition cost to the NPO. In case the non-monetary grants / donations are received free of cost, the same are recognised at a nominal value of Re. 1.

iii). For Grants / Donations received for the purpose of meeting revenue expenditure of the NPO, the amounts to the extent utilised during the period and the relevant expense are disclosed separately in the Income and Expenditure account.

iv). Grants / Donations of the nature of promoters' contributions are recognised separately as a part of the General Fund in the Balance Sheet.

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 donations are amounts received with specific directions from the donors that the contributions by them should form part of the Corpus of the Trust

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	11,800
	<u>11,800</u>	<u>11,800</u>



7 The Trust is managing vocational rehabilitation activities, for beneficiaries above the age of 18, at Adarsh Centre for Empowerment which is a centre set up to empower them to be self-reliant, independent and socially relevant as an activity which is integral of or incidental to, the attainment of its objectives. Seperate books of accounts are maintained for such activities and its financial results are disclosed in Schedule 12.

8 During the year the Trust has received Corporate Social Responsibility(CSR) contributions from the following companies

a. Cochin Shipyard Ltd	48,68,233
b. Johnson Control Pvt.Ltd	8,00,000

The CSR contribution received from Cochin Shipyard Ltd, has been utilised for installation of Solar system and the CSR contribution received from Johnson Control Pvt Ltd has been utilised for installation of Smart Board system for class rooms.

9 As stated in Note 1.k of the Significant Accounting Policies, all grants/donations received are accounted based on the directives laid down in the said technical guide as stated therein (which is also as per the principles enunciated in the Accounting Standard (AS) 12, Accounting for Government Grants). Accordingly grants / donations received to acquire a non-depreciable asset are recognised separately in the Balance Sheet, while grants / donations related to a depreciable fixed asset are treated as deferred income and recognised in the Income and Expenditure account by allocating it over the useful life of the asset in the proportion in which depreciation on the asset concerned is charged. Grants / Donations in the form of non-monetary assets received free of cost are recognised at a nominal value of Re. 1.

It is however noted that the illustrative scheme of entries proposed in the Technical Guide on Accounting of CSR Funds by Third Parties issued by ICAI gives an impression that all contributions received in the form of CSR, should be credited to the Income and Expenditure Account irrespective of its end utilisation for capital or revenue purposes, while only revenue expenditure shall be recognised in the Income and Expenditure Account and fixed assets acquired out of such contributions are to be carried in the Balance Sheet of the NPO.

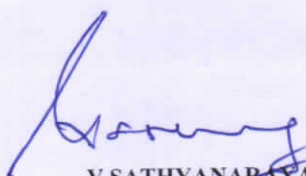
In the opinion of the management, the aforesaid accounting treatment indicated as per the Technical Guide on Accounting of CSR Funds by Third Parties is not in consonance with the detailed accounting principles enunciated in the Technical Guide on Accounting for Not-for-Profit Organisations and Accounting Standard 12 issued by ICAI for recognising grants/donations received by an NPO and have hence not been adopted as it will not result in a true and fair presentation of the financial position of the organisation.

10 During the year, the Trust has received 1/4 undivided share in 1.62 Ares of landed property comprised in Re-Sy.No.499/5-2-10 in Re-Survey Block No.23 of Mulanthuruthy Village in Kanayannur Taluk of Ernakulam District, together with the Apartment No.C3 bearing Door No.9/213-N having a super built up area of 55.74 Square Meters in Grace Land Foundation-a retirement home, through the WILL executed by a philanthropist, after his demise (may his departed soul rest in peace). Steps are being taken to get the title to the said property mutated in land records in the name of Adarsh Charitable Trust. The asset received has been accounted in books at a nominal value of Re.1/-

11 The Grant received from Department of Social Justice-Athijeevanam, during the year aggregating to Rs.12,50,900 includes the grant related to the financial year 2022-2023 amounting to Rs.7,04,200 and related to the financial year 2023-2024 amounting to Rs.5,46,700

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

As per our report of even date attached

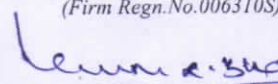


V SATHYANARAYANAN
CHAIRMAN



C V IGNATIUS
TREASURER

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



UMESH L BHAT

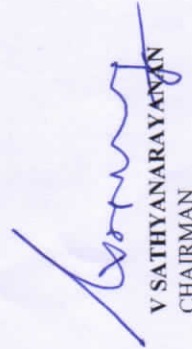
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Date : 01/07/2024



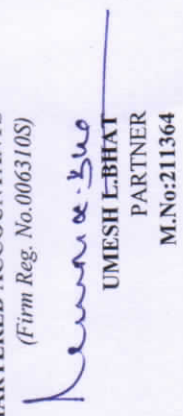
Adarsh Charitable Trust
X/584B, PUTHIYA ROAD, KUREEKAD-682 305
Receipts and Payments for the Year 2023-24

Receipts	Amount	Payments	Amount
Opening Balance		Payments during the year	
- Cash Balance	19,702	- Vehicle related payments	51,11,636
- Bank Balance - Current A/c	17,35,142	- Administrative Expenses	5,56,740
Receipts during the year		- CDEIRC Expenses	2,76,012
- Fee Received	69,56,400	- GST Paid	1,56,061
- CDEIRC Income (Fee)	9,12,386	- Rehabilitation expenses	18,55,217
- Donation from Give Foundation	7,29,305	- HBR Expense	6,13,391
- Foreign Contributions	10,68,052	- Investment in Fixed Deposits	6,12,541
- General Donations	1,53,45,907	- Repayment of Loan and Interest on Loan	24,20,369
- HBR Income (Donation)	33,78,935	- Employee Benefit Payments	2,34,80,362
- Receipts from Rehabilitation Centre	15,13,184	- Revenue Expenditure of ACE	61,69,246
- Receipts from ACE	86,03,008	- Capital Expenditure of ACE	26,562
- Interest Received	1,59,773	- Capital Expenditure of Adarsh	61,84,225
- Vocational Income	84,015	- Honorarium paid to Staff	1,37,706
- Miscellaneous Receipts	2,28,936	- Miscellaneous Expenses	74562
- Maturity proceeds of Fixed Deposit	38,21,102	- Vocational Expenses	2,82,298
- Grant from Kerala Government	70,62,860	- ACE Rehab Expenditure	1,05,673
- Loan taken on Fixed Deposit	15,50,000	- Canteen Expenses	
- Canteen Income	1,24,995	Closing Balance	
	5,32,93,703	- Cash Balance	27,256
		- Bank Balance - Current A/c	52,03,846
			5,32,93,703


V SATHYANARAYAN
 CHAIRMAN

PLACE : COCHIN
 Date : 01/07/2024

As Per Our Report of Even Date Attached
FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
 (Firm Reg. No.006310S)


UMESH LBHAT
 PARTNER
 M.No:211364

