

A T J & ASSOCIATES

CHARTERED ACCOUNTANTS

WZ-64A, 1st FLOOR, GURU NANAK NAGAR, OUTER RING ROAD, NEW DELHI-110018
TELEPHONE NO. 28334450, MOBILE NO.9810164614

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees

1. Opinion

We have audited the financial statements (of FCRA Related Transactions only) of Lotus Petal Charitable Foundation (the trust), which comprise the balance sheet at 31 March 2019, and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (of FCRA Related Transactions only) give a true and fair view of the financial position of the entity as at March 31, 2019, and of its excess of expenditure over income for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

2. Basis for 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

- Attention is invited to note (iii) of schedule 14 wherein the trust was incorrectly classifying the balance of grant fund and surplus as at year end under corpus fund. Trust has corrected this situation in the current year and has reclassified the balance of corpus fund under general, restricted and asset fund respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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



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5. Auditor's Responsibilities for the Audit of the Financial Statements (of FCRA Related Transactions only)

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 project 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 entity'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 entity'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 project 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 entity to cease to continue as a going concern.

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.

PLACE : GURUGRAM

DATED : 19th Dec 2019

FOR ATJ & ASSOCIATES
Chartered Accountants
Firm Registration No. 008648N



(AJAY MOHAN ARORA)
PARTNER

M. NO. 086645

UDIN:- 19086645AAAADR1045

Lotus Petal Charitable Foundation
Balance Sheet as at 31st March 2019
(Only FCRA Related Transactions)

Particulars	Schedule No.	As at 31st March 2019
I. SOURCES OF FUNDS		
a) Corpus fund	2	-
b) General fund	3	5,031,347
c) Restricted fund	4	2,735,702
d) Asset fund	5	125,482,703
		133,249,752
II. APPLICATION OF FUNDS		
a) Fixed Assets		
(i) Tangible Assets	6	125,482,703
b) Current assets, loans and advances		
(i) Cash and cash equivalents	7	7,603,306
(ii) Loans and advances	8	617,483
		8,220,789
c) Less: Current liabilities and provisions		
(i) Current liabilities	9	453,740
		453,740
Net current assets		7,767,049
		133,249,752
Significant accounting policies	1	-

*Schedules referred to above form an integral part of Financial Statements
As per our Report of even date.*

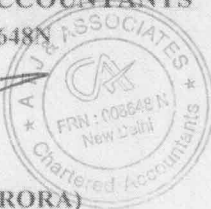
**FOR A T J & ASSOCIATES
CHARTERED ACCOUNTANTS**

Firm Reg. No.: 008648N

(AJAY MOHAN ARORA)
PARTNER

Membership No. : 086645

UDIN:- 19086645AAAADR1045



For and on behalf of
Lotus Petal Charitable Foundation

Kushal Raj Chakravorty
Kushal Raj Chakravorty
Managing Trustee
Place:- Gurugram
Dated:- 19th Dec 2019

Dr. Nandita Chakravorty
Dr. Nandita Chakravorty
Trustee

Lotus Petal Charitable Foundation
Income and Expenditure Account for the year ended 31st March 2019
(Only FCRA Related Transactions)

Particulars	Schedule No.	2018-19
Income		
Grants and donations	10	15,659,822
Other income	11	462,220
		16,122,042
Expenditure		
Program implementation expenditure	12	19,793,834
Administrative and other costs	13	634,457
Depreciation and amortization	6	162,997
		20,591,288
Excess of income over expenditure		(4,469,246)
Add: Transfer from asset fund account		162,997
Transferred to General fund		(4,306,249)
Significant accounting policies	1	

*Schedules referred to above form an integral part of Financial Statements
As per our Report of even date.*

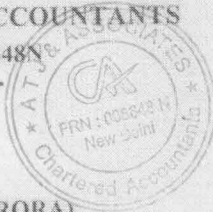
FOR A T J & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No.: 008648N

30
(AJAY MOHAN ARORA)
PARTNER

Membership No. : 086645

UDIN:- 19086645AAAADR1045



For and on behalf of
Lotus Petal Charitable Foundation

Kushal Raj Chakravorty

Kushal Raj Chakravorty
Managing Trustee
Place:- Gurugram
Dated:- 19th Dec 2019

Nandita Chakravorty

Dr. Nandita Chakravorty
Trustee

Lotus Petal Charitable Foundation
Receipts and Payments Statement for the year ended 31st March 2019
(Only FCRA Related Transactions)

Particulars	As at 31st March 2019
RECEIPTS	
Opening balance :-	
Cash and cash equivalents	10,540,136
Donations received (Foreign Contribution Only)	16,640,140
Other Income	462,220
Increase in Current Liabilities	414,913
	28,057,409
PAYMENTS	
Expenditure	
Program implementation expenditure	19,793,834
Administrative and other costs	634,457
Increase in loans and advances	25,812
Closing balance :-	
Cash and cash equivalents	7,603,306
	28,057,409
Significant accounting policies	1

*Schedules referred to above form an integral part of Financial Statements
As per our Report of even date.*

**FOR A T J & ASSOCIATES
CHARTERED ACCOUNTANTS**

Firm Reg. No.: 008648N

**(AJAY MOHAN ARORA)
PARTNER**

Membership No. : 086645

UDIN:- 19086645 AAAADR1045



For and on behalf of
Lotus Petal Charitable Foundation

Kushal Raj Chakravorty

Kushal Raj Chakravorty
Managing Trustee
Place:- Gurugram
Dated:- 19th Dec 2019

Nandita

Dr. Nandita Chakravorty
Trustee

Lotus Petal Charitable Foundation

Significant Accounting Policies and Notes for the year ended 31st March 2019

(Only FCRA Related Transactions)

SCHEDULE-1

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

c) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, duties, taxes and expenses incidental to the installation of assets.

Depreciation on fixed assets is provided on the basis of written down value method on the following rates as per Income Tax Act, 1961:

Particulars	Rates of Depreciation	
Office equipment	10%	
Furniture and fixtures	10%	
Computer	40%	
Computer Software	40%	
Plant and Machinery	15%	

The appropriateness of depreciation period and depreciation method is reviewed by the management in each financial year.

d) General funds

The Trust receives general funds which are unrestricted in nature from foreign and local sources. The excess of expenditure over income during the year, transferred to General Fund.

e) Restricted funds

The Trust also receives funds which are restricted in nature from foreign sources. Revenue from the restricted fund is recognized during the year in the Income and Expenditure Account to match the related expenditure. The balance amount is carried forward in the restricted fund for use in the future periods.

f) Interest Income

Interest on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.



Keshav Raj Chakravarty

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Lotus Petal Charitable Foundation

Significant Accounting Policies and Notes for the year ended 31st March 2019

(Only FCRA Related Transactions)

SCHEDULE-1

g) Provisions and contingent liability

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

h) Foreign exchange transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities are restated at the rate prevailing as at the date of Balance Sheet. The difference between the year-end rate and exchange rate as at the date of transaction, if any is recognized as expense or income in the Income and Expenditure Account.

i) Employees benefits

The Trust's obligations towards various employee benefits have been recognized as follows:

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, and leave-encashment are recognized in the Income and Expenditure Account in the period in which the employee renders the related services.

Long term employee benefits

Defined contribution plans: The Trust's provident fund scheme is a defined contribution plan where the contribution paid/ payable under the scheme is recognized as an expense in the period in which the employee renders the related service. The Trust's contributions are deposited with the Regional Provident Fund Commissioner and are charged to the Income and Expenditure Account.

Defined benefit plans: The Trust provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

These are funded by the Group and are managed by LIC.

The Trust's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Trusts's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.



Kushal Raj Chakravarty

Manoj

Lotus Petal Charitable Foundation

Significant Accounting Policies and Notes for the year ended 31st March 2019

(Only FCRA Related Transactions)

SCHEDULE-1

The Trust recognizes all actuarial gains and losses arising from defined benefit plans immediately in the statement of income and expenditure. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of income and expenditure.

j) Leases

Lease rental in respect of operating lease is charged to expense when due as per terms of the related agreement.



Kishor Raj Chakravarty

Manojkumar

Lotus Petal Charitable Foundation
Schedule forming Integral Part of Financial Statements
(Only FCRA Related Transactions)

Schedule 2: Corpus fund

Sr. No	Particulars	As at 31st March 2019
1	Opening balance	136,738,680
2	Less: Transferred to restricted fund	1,755,384
3	Less: Transferred to general fund	9,337,596
4	Less: Transferred to asset fund	125,645,700
	Total	-

Schedule 3: General fund

Sr. No	Particulars	As at 31st March 2019
1	Opening Balance	-
2	Add: Transfer from corpus fund	9,337,596
3	Add: Transfer from income expenditure account	(4,306,249)
	Total	5,031,347

Schedule 4: Restricted fund

Sr. No	Particulars	As at 31st March 2019
1	Opening Balance	-
2	Add: Transfer from corpus fund	1,755,384
3	Add: Grants received during the year	12,933,525
4	Less: Expenditure incurred during the year	(11,953,207)
	Total	2,735,702

Schedule 5: Asset fund account

Sr. No	Particulars	As at 31st March 2019
1	Opening Balance	-
2	Add: Transferred from corpus fund	125,645,700
3	Add: Addition during the year	-
4	Less: Deletion during the year	-
5	Less: Transferred to income and expenditure account	(162,997)
	Total	125,482,703

Kushal Raj Chakravarty *Auditor*



Lotus Petal Charitable Foundation
Schedules forming part of the accounts
(Only FCRA Related Transactions)

Schedule 6: Fixed Assets

Sr. No	Particulars	Dep. Rate	Gross Block			Depreciation			Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	WDV as on 31.03.2019
1	<u>Tangible Assets</u>									
1	Land		124,289,076	-	-	124,289,076			124,289,076	124,289,076
2	Computer	40%	192,242	-	-	192,242	178,787	5,382	8,073	13,455
3	Furnitures & Fixtures	10%	1,104,320	-	-	1,104,320	227,092	87,724	789,504	877,228
4	Plant & Machineries	15%	508,208	-	-	508,208	42,267	69,891	396,050	465,941
	Total		126,093,846	-	-	126,093,846	448,146	162,997	125,482,703	125,645,700



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Kuldeep Raj Chakraborty

Lotus Petal Charitable Foundation
Schedule forming Integral Part of Financial Statements
(Only FCRA Related Transactions)

Schedule 7: Cash and Cash Equivalents

Sr. No	Particulars	As at 31st March 2019
	Balances with schedule banks	
1	-in current account	1,759,685
2	-in fixed deposits	5,843,621
	Total	7,603,306

Schedule 8: Loans and Advances

Sr. No	Particulars	As at 31st March 2019
	(Unsecured and considered good unless otherwise stated)	
1	Security deposits	460,000
2	Staff advances	-
3	TDS receivable	59,389
4	Interest accrued on fixed deposits	93,614
5	Advance to vendors	4,480
	Total	617,483

Schedule 9: Current Liabilities

Sr. No	Particulars	As at 31st March 2019
1	Trade Payable	
a)	-Total outstanding dues to micro and small enterprises	-
b)	-Total outstanding dues of creditors other than to micro and small enterprises	270,466
2	TDS Payable	166,868
3	ESI Payable	16,406
	Total	453,740



Kushel Raj Chakraverty *Handwritten*

Lotus Petal Charitable Foundation
Schedule forming Integral Part of Financial Statements
(Only FCRA Related Transactions)

Schedule 10: Grants and donations

Sr. No	Particulars	2018-19
1	Restricted income	11,953,207
2	Unrestricted income	3,706,615
	Total	15,659,822

Schedule 11: Other Income

Sr. No	Particulars	2018-19
1	Interest income from term deposit	462,220
	Total	462,220

Schedule 12: Program implementation expenditure

Sr. No	Particulars	2018-19
1	Salary expenses	10,618,385
2	Contribution to provident and other funds	102,850
3	Rent	3,250,000
4	Meal expense	2,417,632
5	Renovation	1,644,108
6	Smart class expense	609,584
7	Printing and stationery	121,321
8	Uniform expenses	77,009
9	MIS support	37,800
10	Annual day expenses	29,400
11	Counselling expense	3,025
12	Repair and maintenance	89,901
13	Electricity expenses	84,572
14	Assets under construction	201,079
15	NIOS registration and exam fees	225,112
16	House keeping expenses	64,969
17	Security expenses	12,835
18	Miscellaneous expenses	71,028
19	IT expenses	29,598
20	Transportation	63,526
21	Medical expenses	40,100
	Total	19,793,834

Schedule 13: Administrative and other costs

Sr. No	Particulars	2018-19
1	Book keeping charges	11,530
2	Salary and allowance	275,796
3	Contribution to provident and other funds	148,380
4	Repair and maintenance	75,870
5	Printing and stationery	93,753
6	Professional and consultancy charges	24,800
7	Bank charges	4,328
	Total	634,457



V. Lal Raj Chhabra

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Lotus Petal Charitable Foundation
Schedule forming Integral Part of Financial Statements
(Only FCRA Related Transactions)

Schedule 14: Notes to Accounts

I. Due to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the memorandum. Based on the information available with the management, there are no overdue outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Trust has not received any claim for interest from any supplier under the said Act.

II. Income Tax Provision

The Trust is exempt from income tax under Section 12 AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. Since, the Trust is exempt from income tax, no deferred tax (asset or liability) is recognized in respect of timing difference.

III. The Trust in the previous year was not accounting the general, restricted and corpus funds separately in their books of accounts which is not in accordance with the 'Technical Guide on Accounting for Not-for-Organization' issued by the ICAI. During the year, the Trust has corrected this situation and has reclassified the previous year figures.

IV. Lotus Petal is focused on providing quality education and nutrition to children residing in the urban slums of Gurgaon through means of various programs. The program wise summary of utilization of funds of foreign contribution only during the year extracted from management's internal reporting system are provided in the table below:

For the year ended 31 March 2019:-

Particulars	Aarogya	Counselling - Pratishtan	Dhanela	Outreach	Pratishtan	Sahyog - Lohatki	Vidyananda	Grand Total
Salary expenses	1,098,343	176,709	-	-	6,261,140	-	3,082,193	10,618,385
Contribution to provident and other funds	-	-	-	-	102,850	-	-	102,850
Rent	526,674	-	-	-	1,361,663	-	1,361,663	3,250,000
Meal Expense	2,417,632	-	-	-	-	-	-	2,417,632
Renovation	-	-	-	-	-	1,644,108	-	1,644,108
Smart Class Expense	-	-	-	-	609,584	-	-	609,584
Printing and Stationery	-	-	-	-	-	-	121,321	121,321
Uniform Expenses	-	-	-	-	77,009	-	-	77,009
MIS Support	-	-	-	-	37,800	-	-	37,800
Counselling Expense	-	3,025	-	-	-	-	-	3,025
Annual Day Expenses	-	-	-	-	29,400	-	-	29,400
Repair and Maintenance	-	-	-	-	63,026	-	26,875	89,901
Electricity Expenses	22,738	-	-	-	32,829	-	29,005	84,572
NIOS Registration and Exam Fees	-	-	-	-	225,112	-	-	225,112
IT Expenses	-	-	-	-	4,852	-	24,746	29,598
House Keeping Expenses	1,500	-	-	-	-	63,469	-	64,969
Security Expenses	-	-	-	-	12,835	-	-	12,835
Miscellaneous Expenses	-	-	-	-	-	71,028	-	71,028
Transportation	-	-	-	-	-	63,526	-	63,526
Medical Expenses	-	-	-	-	20,050	-	20,050	40,100
CWIP	-	-	201,079	-	-	-	-	201,079
Total	4,066,887	179,734	201,079	-	8,838,150	1,842,131	4,665,853	19,793,834

V. The Trust is a Level III entity- Small and Medium Sized Enterprise (SME) as defined in the Applicability of Accounting Standards to Non- corporate Entities. Accordingly, the Trust has complied with the Accounting Standards as applicable to a Level III entity.

Schedules referred to above form an integral part of Financial Statements

As per our Report of even date.

FOR A T J & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No.: 008648N

(AJAY MOHAN ARORA)
PARTNER

Membership No.: 086645

UDIN:- 19086645AAAADRPUS

For and on behalf of
Lotus Petal Charitable Foundation

Kushal Raj Chakravorty

Kushal Raj Chakravorty
Managing Trustee
Place:- Gurugram
Dated:- 19th Dec 2019

Dr. Nandita Chakravorty

Dr. Nandita Chakravorty
Trustee