

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Lotus Petal Charitable Foundation

Report on the Audit of the Financial Statements

Lotus Petal Charitable Foundation

Opinion

Statutory Audit for the year ended

31 March 2020

We have audited the financial statements of Lotus Petal Charitable Foundation (the Trust) for the year ended 31 March 2020, which forms part of the financial statements for the year then ended, and have issued this report thereon, in accordance with the auditing standards applicable to financial statements.

In our opinion and to the best of our information and knowledge given to us, the accounts have been prepared giving a true and fair view of the financial position of the Trust as at 31 March 2020, and of its income over expenditure for the year then ended in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI).

Notes for Updated

We conducted our audit in accordance with the Standards on Auditing (SA) issued by ICAI. Our responsibilities under those SAs 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 on the financial statements.

Management's and Board of Trustees' Responsibility for the Financial Statements

The Trust's Management and Board of Trustees are responsible for the preparation of these financial statements that give a true and fair view of the financial position and income over expenditure of the Trust at accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI. This responsibility also includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and consistency of the accounting records related to the preparation and presentation of the financial statements that give a true and fair view and the fair presentation of transactions, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Trustees were responsible for assessing the Trust's solvency and going concern capability, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Trust or to cease operations or has no realistic alternative but to do so.

The Board of Trustees is also responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Whether caused by 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 by

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Lotus Petal Charitable Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lotus Petal Charitable Foundation ("the Trust"), which comprise the balance sheet as at 31 March 2020 and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 March 2020, and of its excess of income over expenditure for the year then ended in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India ('ICAI').

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those SAs 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 the 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 on the financial statements.

Management's and Board of Trustees' Responsibility for the Financial Statements

The Trust's Management and Board of Trustees are responsible for the preparation of these financial statements that give a true and fair view of the financial position and excess of income over expenditure of the Trust in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI. This responsibility also includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, the Management and Board of Trustees are 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 the Board of Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is also 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 auditors' 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 whether the Trust has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Trustees.
- Conclude on the appropriateness of the Management and Board of Trustees 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 auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 093320

UDIN: 20093320AAAACV7008

Place: Gurugram

Date: 27 October 2020

Lotus Petal Charitable Foundation**Balance Sheet as at 31 March 2020**

(all amounts are in Indian Rupees unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
SOURCES OF FUNDS			
	Schedule No.		
Corpus fund	3	-	-
General fund	4	28,890,551	15,661,060
Restricted fund	5	6,872,028	2,967,379
Asset fund	6	130,363,618	127,698,500
		<u>166,126,197</u>	<u>146,326,939</u>
APPLICATION OF FUNDS			
Property, plant and equipment			
Gross block	7	132,677,862	129,381,575
Less: Accumulated depreciation/amortization		(2,314,244)	(1,683,075)
Net block		130,363,618	127,698,500
Capital work-in-progress	7	9,313,073	246,645
Current assets, loans and advances			
Cash and cash equivalents	8	38,879,193	20,337,152
Loans and advances	9	3,390,401	1,387,299
Other receivables		-	621
Inventories		109,214	431,472
Other current assets	10	245,571	250,000
		<u>42,624,379</u>	<u>22,406,544</u>
Less: Current liabilities and provisions			
Current liabilities	11	4,910,746	2,688,291
Provisions	12	1,951,054	1,089,814
		<u>6,861,800</u>	<u>3,778,105</u>
Net current assets		<u>35,762,579</u>	<u>18,628,439</u>
		<u>166,126,197</u>	<u>146,326,939</u>
Significant accounting policies	2		

The schedules referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/W-100024


Sandeep Batra

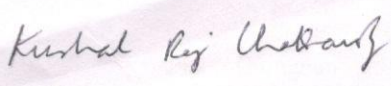
Partner

Membership No.: 093320

Place: Gurugram

Date: 27 October 2020

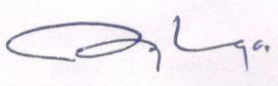
For and on behalf of

Lotus Petal Charitable Foundation
Kushal Raj Chakravorty

Managing Trustee

Place: Gurugram

Date: 27 October 2020


Arghya Sen

Trustee

Place: Gurugram

Date: 27 October 2020

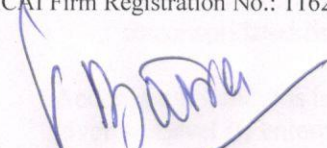
Lotus Petal Charitable Foundation
Income and Expenditure Account for the year ended 31 March 2020
(all amounts are in Indian Rupees unless otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Grants and donations:			
- Restricted income		44,268,649	23,168,612
- Unrestricted income		29,569,041	21,384,130
Annual fees from students		1,303,950	-
Other income	13	1,100,729	589,995
		<u>76,242,369</u>	<u>45,142,737</u>
Expenditure			
Program implementation expenditure	14	57,014,230	38,312,196
Fund raising events and activities	15	1,727,220	1,733,885
Administrative and other costs	16	4,271,428	3,353,950
Depreciation and amortization	7	989,789	868,249
		<u>64,002,667</u>	<u>44,268,280</u>
Excess of income over expenditure		12,239,702	874,457
Add: Transfer from asset fund		989,789	868,249
Transferred to general fund		<u>13,229,491</u>	<u>1,742,706</u>
Significant accounting policies	2		

The schedules referred to above form an integral part of the financial statements

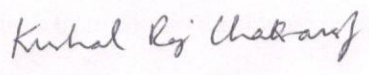
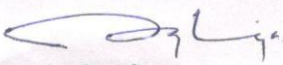
As per our report of even date attached

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024


Sandeep Batra
Partner
Membership No.: 093320

Place: Gurugram
Date: 27 October 2020

For and on behalf of
Lotus Petal Charitable Foundation

 
Kushal Raj Chakravorty **Arghya Sen**
Managing Trustee Trustee

Place: Gurugram
Date: 27 October 2020

Place: Gurugram
Date: 27 October 2020

Lotus Petal Charitable Foundation
Significant Accounting Policies and Notes for the year ended 31 March 2020

1. Background

Lotus Petal Foundation is focused on providing free education and nutrition to children living in the urban slums of India. Besides education, Lotus Petal Foundation provide free primary and secondary healthcare to our children and their families.

Lotus Petal Charitable Foundation ("the Trust") is registered under the Indian Public Trust Act, 1882 vide registration certificate no. 23604 dated 18 November, 2011. The Trust has been granted an exemption under section 12A of the Income Tax Act, 1961, vide letter no. A.A/fari/TK/12A.2012-13/66/87 dated 15 March 2013. The exemption has been granted with effect from 1 April 2012. The Trust is registered under the Foreign Contribution (Regulation) Act, 2010 to accept specified foreign contributions and has been granted the registration vide letter no. NO.II/21022/77 (0004)/2015-FCRA II dated 19 May 2015 with registration no. 172270086. The certificate of Registration is valid for a period of five years from the date of registration. Subsequent to the year end, it was further renewed w.e.f 18-May-20 vide renewal number 0300006162019 dated 29-Jun-20.

2. Significant accounting policies

a) Basis of preparation

The financial statements of the Trust have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the generally accepted accounting principles ("GAAP"). The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

The Trust is a Level III enterprise in according with the "Applicability of Accounting Standards" issued by ICAI in November 2003. Accordingly, it is not required to comply with the following.

Accounting Standards (AS) not applicable to Level III enterprise in their entirety:

- AS 3, Cash Flow Statements;
- AS 17, Segment Reporting;
- AS 18, Related Party Disclosures;
- AS 21, Consolidated Financial Statements;
- AS 23, Accounting for Investments in Associates in Consolidated Financial Statements;
- AS 24, Discontinuing Operations; and
- AS 27, Financial Reporting of Interests in Joint Ventures (to the extent of requirements relating to consolidated financial statement).

Accounting Standards in respect of which relaxations from certain disclosure requirements have been given to Level III enterprises:

- AS 19, Leases – Paragraphs 22(c), (e) and (f); 25(a), (b) and (e); 37(a), (f) and (g); and 46(b), (d) and (e), of AS 19 are not applicable to level III enterprises;
- AS 20, Earning Per Share – Diluted earnings per share and information required by paragraph 48 of AS 20 are not required to be disclosed;
- AS 25, Interim Financial Reporting
- AS 29, Provisions Contingent Liabilities and Contingent Assets.

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



Kushal Raj Chakravarty
Lotus Petal Charitable Foundation

when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

c) Property, plant and equipment and depreciation

Property, plant and equipment 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 property, plant and equipment 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 income over expenditure during the year, being general purpose in nature is carried forward for use in the future periods.

e) Restricted funds

The Trust also receives funds which are restricted in nature from foreign and local 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) Fees from students

Fees from students are charged as per the approved fees structure. This fees structure is approved by the Governing Committee of the Trust. The academic year of the Trust coincides with the accounting year.

Primary components of revenue are as under:

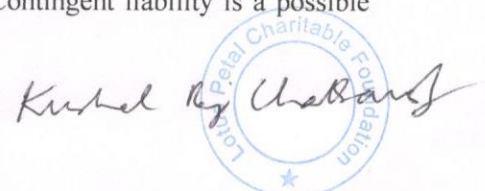
- Tuition fee is received on annual basis and are recognized in the academic year to which they pertain on an accrual basis.
- The National Institute of Open Schooling (NIOS) registration charges (non-refundable) collected at the time of registration in NIOS for class X and class XII students are recognised as income when received.

g) Interest Income

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

h) 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.

i) 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.

j) 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 Trust 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' obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

The Trust recognises 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 the statement of income and expenditure.



Kushel Raj Chhabra

A circular blue ink stamp for Lotus Petal Charitable Foundation. The stamp features the foundation's name around the perimeter and a star at the bottom. A handwritten signature is written over the stamp.

Lotus Petal Charitable Foundation

Significant Accounting Policies and Notes for the year ended 31 March 2020

k) Leases

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

l) Donation in kind

Donation in kind is recorded at zero value in the books of the account of the trust.



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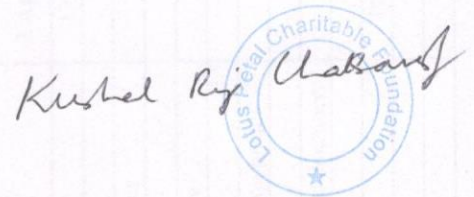
Kushal Raj Chakraborty

Schedules forming part of the financial statements
(all amounts are in Indian Rupees unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Schedule 3: Corpus fund		
Opening balance	-	142,420,539
Less: Transferred to restricted fund	-	1,755,384
Less: Transferred to general fund	-	13,918,354
Less: Transferred to asset fund	-	126,746,801
Received During the Year	-	-
Closing Balance	<u>-</u>	<u>-</u>
	As at 31 March 2020	As at 31 March 2019
Schedule 4: General fund		
Opening Balance	15,661,060	-
Add: Transfer from corpus fund	-	13,918,354
Add: Transfer from income expenditure account	13,229,491	1,742,706
Closing Balance	<u>28,890,551</u>	<u>15,661,060</u>
	As at 31 March 2020	As at 31 March 2019
Schedule 5: Restricted fund		
Opening Balance	2,967,379	-
Add: Transfer from corpus fund	-	1,755,384
Add: Grants received during the year	48,173,298	24,380,607
Less: Expenditure incurred during the year	(44,268,649)	(23,168,612)
Closing Balance	<u>6,872,028</u>	<u>2,967,379</u>
	As at 31 March 2020	As at 31 March 2019
Schedule 6: Asset fund		
Opening Balance	127,698,500	-
Add: Transferred from corpus fund	-	126,746,801
Add: Addition during the year	4,013,561	1,819,948
Less: Deletion during the year	(358,654)	-
	<u>131,353,407</u>	<u>128,566,749</u>
Less: Transferred to income and expenditure account	989,789	868,249
Closing Balance	<u>130,363,618</u>	<u>127,698,500</u>



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Lotus Petal Charitable Foundation
Schedules forming part of the financial statements
(all amounts are in Indian Rupees unless otherwise stated)

Schedule 7: Property, plant and equipment

Particulars	Gross block			Accumulated depreciation and amortization				Net block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Depreciation / amortization for the year	Disposals	As at 31 March 2020	As at 31 March 2019
Land	124,289,076	-	-	124,289,076	-	-	-	-	124,289,076
Computer	1,713,882	387,509	119,802	1,981,589	863,548	432,944	101,019	1,195,473	786,116
Furniture	2,698,109	26,727	588,847	2,135,989	673,441	171,481	252,229	592,693	1,543,296
Office equipment	144,300	3,016,263	-	3,160,563	19,448	277,492	-	296,940	2,863,623
Plant and machinery	536,208	583,062	8,625	1,110,645	126,638	107,872	5,372	229,138	881,507
Total	129,381,575	4,013,561	717,274	132,677,862	1,683,075	989,789	358,620	2,314,244	127,698,500
CWIP	246,645	9,066,428	-	9,313,073	-	-	-	-	246,645

Particulars	Gross block			Accumulated depreciation and amortization				Net block	
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	Depreciation / amortization for the year	Disposals	As at 31 March 2019	As at 31 March 2018
Land	124,289,076	-	-	124,289,076	-	-	-	-	124,289,076
Computer	425,698	1,288,184	-	1,713,882	306,988	556,560	-	863,548	850,334
Furniture	2,310,645	387,464	-	2,698,109	453,477	219,964	-	673,441	2,024,668
Office equipment	-	144,300	-	144,300	-	19,448	-	19,448	124,852
Plant and machinery	536,208	-	-	536,208	54,361	72,277	-	126,638	409,570
Total	127,561,627	1,819,948	-	129,381,575	814,826	868,249	-	1,683,075	127,698,500
CWIP	-	246,645	-	246,645	-	-	-	-	246,645



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Lotus Petal Charitable Foundation
Schedules forming part of the financial statements
(all amounts are in Indian Rupees unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Schedule 8: Cash and cash equivalents		
Cash in hand and imprest with staff	69,757	104,135
Cheques in hand	-	116,000
Balances with schedule banks :		
-in current account	19,342,329	1,813,397
-in fixed deposits	19,467,107	18,303,620
	<u>38,879,193</u>	<u>20,337,152</u>

	As at 31 March 2020	As at 31 March 2019
Schedule 9: Loans and advances		
(Unsecured and considered good unless otherwise stated)		
Capital advance	133,373	-
Security deposits	466,000	466,000
Staff advances	165,000	185,000
TDS receivable	154,141	71,749
Interest accrued on fixed deposits	350,505	119,063
Advance to vendors	1,180,453	53,355
Prepaid expenses	946,929	492,132
	<u>3,390,401</u>	<u>1,387,299</u>

	As at 31 March 2020	As at 31 March 2019
Schedule 10: Other current assets		
Gratuity Planned Asset	245,571	250,000
	<u>245,571</u>	<u>250,000</u>

	As at 31 March 2020	As at 31 March 2019
Schedule 11: Current liabilities		
Trade Payable		
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than to micro and small enterprises	2,337,968	590,084
Statutory dues	730,735	455,147
Audit fees payable	540,000	540,000
NIOS registration deposit	69,400	67,060
Employees Payable	8,643	-
Annual fees received in advance	1,224,000	1,036,000
	<u>4,910,746</u>	<u>2,688,291</u>

	As at 31 March 2020	As at 31 March 2019
Schedule 12: Provisions		
Provision for gratuity	1,951,054	1,089,814
	<u>1,951,054</u>	<u>1,089,814</u>

(Refer note vii of schedule 17)



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Kushal Raj Chakravarty

Lotus Petal Charitable Foundation
Schedules forming part of the financial statements
(all amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Schedule 13: Other income		
Interest income from fixed deposit*	1,008,958	548,162
Interest received on income tax refund	1,296	490
Miscellaneous Income	90,475	41,343
	1,100,729	589,995

*includes prior period interest amounting to INR Nil (previous year INR 15,721)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Schedule 14: Program implementation expenditure		
Salary expenses	23,641,290	18,129,149
Contribution to provident and other funds	1,333,558	1,075,482
Gratuity (Refer note vii of schedule 17)**	859,739	975,626
General health insurance	630,039	190,601
Rent (Refer note iv of schedule 17)	3,900,000	3,900,000
Outreach expenses	-	3,176,324
Meal expense	2,907,422	2,421,194
Renovation	4,857,619	1,909,828
Property, plant and equipment purchased	3,421,708	1,819,947
Smart class expense	762,354	819,776
Printing and stationery	1,095,486	664,376
Uniform expenses	773,071	544,710
MIS support	-	331,870
Annual day expenses	441,165	317,458
Counselling expense	420,904	306,054
Repair and maintenance	379,809	258,637
Electricity expenses	333,713	250,280
Assets under construction	9,066,428	246,645
NIOS registration and exam fees	218,810	235,045
House keeping expenses	252,765	171,567
Security expenses	219,272	150,183
Miscellaneous expenses	380,743	135,046
IT expenses	241,320	75,107
Transportation	239,901	68,628
Marathon expenses	63,600	55,450
Employee hiring expense	18,814	43,115
Professional and consultancy charges	176,571	-
Professional course expenses	304,028	-
Telephone expense	8,251	-
Medical expenses	65,850	40,100
	57,014,230	38,312,196

**includes prior period expenses amounting to INR Nil (previous year INR 518,919)



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Kushel Rij Chatterjee

Lotus Petal Charitable Foundation
Schedules forming part of the financial statements
(all amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Schedule 15: Fund raising events and activities		
Foreign travel expenses	267,507	859,676
Gratuity (Refer note vii of schedule 17)	23,754	-
Promotional expense	335,064	282,325
Event expense	254,340	229,509
IT expenses	193,209	176,195
MIS support	-	168,000
Payment gateway expense	16,241	18,180
Salary expenses	597,717	-
Contribution to provident and other funds	22,316	-
Property, plant and equipment purchased	12,331	-
General health insurance	4,741	-
	<u>1,727,220</u>	<u>1,733,885</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Schedule 16: Administrative and other costs		
Book keeping charges	755,900	640,800
Audit fees	659,974	590,000
Salary expenses*	564,240	285,796
Property, plant and equipment purchased	579,522	-
Contribution to provident and other funds	137,128	207,189
Gratuity (Refer note vii of schedule 17)	21,449	114,188
General health insurance	47,730	18,224
Repair and maintenance	328,239	462,265
Printing and stationery	87,578	267,867
Miscellaneous expenses	125,065	160,630
Transportation	125,015	158,245
Professional and consultancy charges	353,292	226,580
IT expenses	209,322	113,791
Electricity expenses	-	33,530
Training	-	29,500
Telephone expense	13,882	23,241
Bank charges	26,016	22,104
Renovation	176,924	-
Employee hiring expense	42,157	-
Uniform expenses	17,995	-
	<u>4,271,428</u>	<u>3,353,950</u>

*includes prior period interest amounting to INR Nil (previous year INR 10,000)



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Schedule 17: Notes to Accounts

I. Receipts in foreign currency

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from grant and donation	21,080,954	4,015,594

II. Expenditure in foreign currency

Nature of Expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
Exhibition charges	-	147,432
Software charges	125,898	196,739
Total	125,898	344,171

III. Payment to auditor's *:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	500,000	500,000

**exclusive of taxes and out of pocket expenses*

IV. The trust has taken a school building on operating lease basis. Lease payments charged during the year in the income and expenditure account is INR. 3,900,000 (previous year INR. 3,900,000).

V. The names of related parties of the Trust and their relationship, as required to be disclosed under Accounting Standard 18, are as follows:

a) Related party and nature of the related party relationship where control exists, irrespective of whether or not there have been transactions between the related parties:

Relationship	Name of the related parties
Key management personnel	Mr. Kushal Raj Chakravorty (Founder and Managing Trustee)
	Mr. Arghya Sen (Trustee)
	Dr. Nandita Chakraborty (Trustee)
	Mrs. Saloni Bhardwaj (Co-Founder & CTO)
	Mr. Manish Gupta (Governing body member)(w.e.f. September 9, 2019)
	Mr. Achal Kaneja (Governing body member)(w.e.f. September 9, 2019)
	Mr. Madhu Mehrotra (Governing body member)(w.e.f. September 9, 2019)



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- b) Related party and nature of the relationship with whom transactions have taken place during the year:

S No	Nature of transaction	Related party with whom transaction is made	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Managerial remuneration paid	Mrs. Saloni Bhardwaj	1,419,600	981,904

VI. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2020 are approx. INR 36,620,219 (previous year INR. Nil).

VII. Employee Benefits

Defined contribution plans

The defined contribution plan consists of the employee provident fund, employee state insurance and labor welfare fund. A sum of INR 1,493,002 (previous year INR 1,282,671) has been recognized in the Income and Expenditure Account.

Defined benefit plans

Gratuity is payable to all eligible employee, of the Society on resignation, retirement, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. The liability for gratuity, as determined by actuarial valuation as on 31 March 2020 is INR 1,951,054 (Previous year INR 1,089,814).

The expenditure for gratuity as determined by actuarial valuation for the year 2019-20 is INR 904,942 (Previous year INR 1,089,814).

The principal assumptions used in determining the gratuity obligation are as below:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.80%	7.66%
Annual salary escalation rate	10.00%	10.00%
Retirement Age (Years)	58	58
Mortality rate inclusive of provision for disability	IALM (2012 - 14)	IALM (2006 - 08)
Withdrawal Rate (%)		
Ages		
Up to 30 Years	5.00	5.00
From 31 to 44 years	3.00	3.00
Above 44 years	2.00	2.00



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Kushal G. Chhabra



VIII. 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.

IX. 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.

X. In February 2019, Supreme Court of India in its judgment clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. There are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, the Trust has deducted and paid provident fund contribution as per this judgment only from March 2019.

XI. 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 during the year extracted from management's internal reporting system are provided in the table below:

For the year ended 31 March 2020:

Particulars	Aarogya	Dhunela	Jeevika	Pratishthan	Sahyog	Vidyananda	Grand Total
Salary expenses	1,807,411	1,366,878	70,980	9,328,862	2,620,667	8,446,493	23,641,291
Assets under construction		9,066,428					9,066,428
Renovation				945,024	3,280,371	632,223	4,857,618
Rent	748,800			1,653,600		1,497,600	3,900,000
Fixed assets purchases		45,000		1,730,656		1,646,053	3,421,709
Meal expense	2,907,422						2,907,422
Contribution to provident and other funds	167,457	28,670	1,109	473,926	88,578	573,820	1,333,560
Printing and stationery		861	50	653,593	6,622	434,360	1,095,486
Gratuity	73,466	45,689	2,282	306,278	87,037	344,986	859,738
Uniform expenses				367,074	4,568	401,429	773,071
Smart class expense			370,885	222,177	21,712	147,580	762,354
General health insurance	110,159	18,027	623	210,416	44,362	246,452	630,039



Kushal Raj Chaudhary

Lotus Petal Charitable Foundation

Schedules forming part of the accounts

(all amounts are in Indian Rupees unless otherwise stated)

Particulars	Aarogya	Dhunela	Jeevika	Pratishthan	Sahyog	Vidyananda	Grand Total
Annual day expenses				224,334		216,832	441,166
Counselling expense				218,067		202,837	420,904
Miscellaneous expenses	14,199	834		151,635	109,490	104,585	380,743
Repair and maintenance	37,416			253,743		88,651	379,810
Electricity expenses	66,743			133,485		133,485	333,713
Professional course expenses				304,028			304,028
House keeping expenses	134,407				118,358		252,765
IT expenses				128,225		113,095	241,320
Transportation		89,635		61,252	83,562	5,453	239,902
Security expenses				105,668		113,604	219,272
NIOS registration and exam fees				218,810			218,810
Professional and consultancy charges	14,917			29,833		131,821	176,571
Medical expenses	14,250			21,800		29,800	65,850
Marathon expenses				63,600			63,600
Employee hiring expense						18,814	18,814
Telephone expense				7,367		883	8,250
Grand Total	6,096,647	10,662,022	445,929	17,813,453	6,465,327	15,530,857	57,014,230

For the year ended 31 March 2019:

Particulars	Aarogya	Counselling - Pratishthan	Dhunela	Outreach	Pratishthan	Sahyog - Lohatki	Vidyananda	Grand Total
Salary expenses	1,593,955	618,204	-	-	9,583,369	-	6,333,620	18,129,149
Contribution to provident and other funds	94,559	36,673	-	-	568,518	-	375,732	1,075,482
Gratuity	85,779	33,269	-	-	515,732	-	340,846	975,626
General health insurance	16,758	6,499	-	-	100,755	-	66,588	190,601



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Lotus Petal Charitable Foundation

Schedules forming part of the accounts

(all amounts are in Indian Rupees unless otherwise stated)

Particulars	Aarogya	Counselling - Pratihthan	Dhunela	Outreach	Pratihthan	Sahyog - Lohatki	Vidyananda	Grand Total
Rent	624,000				1,716,000		1,560,000	3,900,000
Outreach Expenses				3,176,324				3,176,324
Meal Expense	2,421,194							2,421,194
Renovation	265,720					1,644,108		1,909,828
Smart Class Expense					675,272		144,504	819,776
Printing and Stationery		315,201			19,103	15,258	314,814	664,376
Uniform Expenses	20,318				263,068		261,324	544,710
MIS Support	66,200				133,270		132,400	331,870
Counselling Expense		306,054						306,054
Annual Day Expenses					164,629		152,829	317,458
Repair and Maintenance	44,076	57,237			63,026		94,298	258,637
Electricity Expenses	38,701				111,615		99,964	250,280
NIOS Registration and Exam Fees					235,045			235,045
IT Expenses					37,553		37,553	75,106
House Keeping Expenses	96,618					74,948		171,566
Security Expenses					75,044		75,140	150,184
Miscellaneous Expenses	33,230				12,736	80,824	8,256	135,046
Transportation	-	-	-	-	-	68,628	-	68,628
Marathon Expenses					55,450			55,450
Employee Hiring Expense		7,500			16,075		19,540	43,115
Medical Expenses					20,050		20,050	40,100
Fixed Asset Purchased		42,801			780,954		996,192	1,819,947
CWIP	-	-	246,645	-	-	-	-	246,645
Total	5,401,108	1,423,439	246,645	3,176,324	15,147,264	1,883,766	11,033,650	38,312,196



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Kushal Raj Chhabra



Lotus Petal Charitable Foundation

Schedules forming part of the accounts

(all amounts are in Indian Rupees unless otherwise stated)

- XII.** During the current year, Lotus Petal Charitable Foundation did not apply 85% of income received during the year. Hence, the Trust is exercising an option to accumulate unapplied income under section 11(2) of the Income Tax Act, 1961 (the Act) which shall be utilized over next five financial years. The Trust is currently in the process of exercising the above option (Form 10 is yet to be filed with the tax authorities). The amount proposed to be accumulated during the year under section 11(2) is Rs. 5,500,000. Accordingly, no provision of income tax has been made in the financial statements.
- XIII.** Previous year figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/W-100024

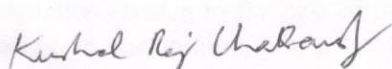

Sandeep Batra

Partner

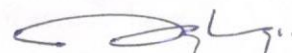
Membership No.: 093320

For and on behalf of

Lotus Petal Charitable Foundation



Kushal Raj
Managing Trustee



Arghya Sen
Trustee

Place: Gurugram

Date: 27 October 2020

Place: Gurugram

Date: 27 October 2020

Place: Gurugram

Date: 27 October 2020

B S R & Associates LLP

Chartered Accountants

B S R & Associates LLP
Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

FORM NO. No 10B

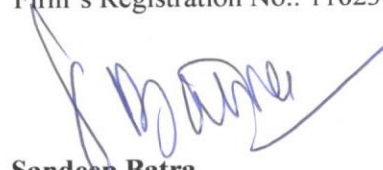
[See rule 17B]

Audit report under section 12A (b) of the Income-tax Act, 1961, in the case of charitable or religious trusts or institutions

1. We have examined the Balance Sheet of **Lotus Petal Charitable Foundation** ('the Trust') as at 31 March 2020 and the Income and Expenditure account for the year ended on that date which are in agreement with the books of account maintained by the said Trust.
2. We have obtained all the information and explanations which to the best of our knowledge, and belief, were necessary for the purposes of the audit. In our opinion, proper books of account have been kept by the Trust so far as appears from our examination of the books.
3. In our opinion and to the best of our information, and according to explanations given to us, the said accounts, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the balance sheet, of the state of affairs of the Trust as at 31 March 2020; and
 - (ii) in the case of the income and expenditure account, of the excess of income over expenditure of the Trust for the year ending on 31 March 2020.

The prescribed particulars are annexed hereto.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 093320
UDIN: 20093320AAAACV7008

Place: Gurugram
Date: 27 October 2020

ANNEXURE

STATEMENT OF PARTICULARS

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES

- | | |
|---|----------------|
| 1. Amount of income of the previous year applied to charitable or religious purposes in India during that year. [net of amount utilised from the reserves set apart in previous years u/s 11(2)] | Rs. 63,012,878 |
| 2. Whether the Trust/institution has exercised the option under clause (2) of the Explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year. | NIL |
| 3. Amount of income accumulated or set apart finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under Trust wholly in part only for such purposes. | Rs 11,634,140 |
| 4. Amount of income eligible for exemption under section 11(1)(c) (Give details) | NIL |
| 5. Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) | Rs 5,500,000 |
| 6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof.
FD 50300230249358 with HDFC Bank for Rs 6,639,429 | Yes |
| 7. Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B) ? If so, the details thereof. | No |
| 8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year: | |
| (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or | No |
| (b) has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or | No |
| (c) has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof. | No |

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

1. Whether any part of the income or property of the *Trust / institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)? If so, give details of the amount, rate of interest charged and the nature of security, if any. No
2. Whether any land, building or other property of the *Trust / institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any. No
3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details. During the current year INR 1,419,600 managerial remuneration paid to Co-Founder and CTO as salary
4. Whether the services of the *Trust / institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any. No
5. Whether any share, security or other property was purchased by or on behalf of the *Trust / institution during the previous year from any such person? If so, give details thereof together with the consideration paid. No
6. Whether any share, security or other property was sold by or on behalf of the *Trust / institution during the previous year to any such person? If so, give details thereof together with the consideration received. No
7. Whether any income or property of the *Trust / institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted. No
8. Whether the income or property of the *Trust / institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details. No



III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST

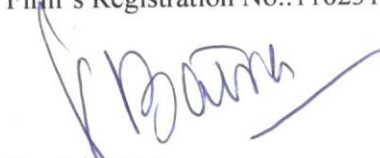
Sl. No.	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the Investment	Income from the investment	Whether the amount in col. 4 exceeded 5 percent of the capital of the concern during the previous year say, Yes/ No
1	2	3	4	5	6
Nil, no such investments held at any time during the previous year.					

This is the Annexure which is referred to in our Audit Report of even date. Part-II and Part-III of the Annexure has been prepared by the Managing Trustee of the Trust who has certified to us that no part of the income or property has been applied for the benefit of persons referred to in Section 13(3) of the Income Tax Act, 1961, which has been relied upon by us in accordance with Circular No. 143[F.No.180/74/73-IT (A-I)] dated 20.8.1974 issued by Central Board of Direct Taxes (CBDT).

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/ W-100024



Sandeep Batra

Partner

Membership No.: 093320

UDIN: 20093320AAAACV7008

Place: Gurugram

Date: 27 October 2020