

B S R & Associates LLP

**Lotus Petal Charitable Foundatio**

**Statutory audit for the year ended**

**31 March 2021**

# B S R & Associates LLP

Chartered Accountants

Building No.10,12th Floor, Tower-C,  
DLF Cyber City, Phase-II,  
Gurugram – 122 002, India

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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 2021 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 2021, and of its excess of expenditure over income 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.

Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



**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.

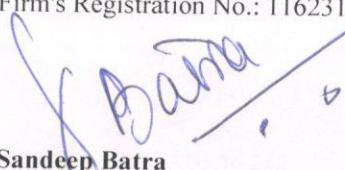
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**B S R & Associates LLP**

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: 21093320AAAADG1656

Place: Gurugram  
Date: 27 October 2021

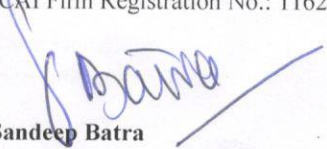
**Lotus Petal Charitable Foundation**  
**Balance Sheet as at 31 March 2021**  
(all amounts are in Indian Rupees)

	Schedule No.	As at 31 March 2021	As at 31 March 2020
<b>SOURCES OF FUNDS</b>			
Corpus fund	3	-	-
General fund	4	3,11,14,842	2,88,90,551
Restricted fund	5	1,37,63,847	68,72,028
Asset fund	6	13,43,42,820	13,03,63,618
		<u>17,92,21,509</u>	<u>16,61,26,197</u>
<b>APPLICATION OF FUNDS</b>			
<b>Property, plant and equipment</b>			
Gross block	7	13,95,76,252	13,26,77,862
Less: Accumulated depreciation/amortization		(52,33,431)	(23,14,244)
Net block		13,43,42,821	13,03,63,618
Capital work-in-progress	7	2,43,63,239	-
		<u>15,87,06,060</u>	<u>13,03,63,618</u>
<b>Current assets, loans and advances</b>			
Cash and cash equivalents	8	2,74,42,258	3,88,79,193
Loans and advances	9	27,16,723	33,90,401
Other receivables		-	-
Inventories		-	1,09,214
Other current assets	10	17,87,804	2,45,571
		3,19,46,785	4,26,24,379
<b>Less: Current liabilities and provisions</b>			
Current liabilities	11	80,75,032	49,10,746
Provisions	12	33,56,304	19,51,054
		1,14,31,336	68,61,800
Net current assets		<u>2,05,15,449</u>	<u>3,57,62,579</u>
		<u>17,92,21,509</u>	<u>16,61,26,197</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 2021

For and on behalf of  
**Lotus Petal Charitable Foundation**

  
**Kushal Raj Chakravorty**  
Managing Trustee

Place: Gurugram  
Date: 27 October 2021

  
**Dr Nandita Chakravorty**  
Trustee

Place: Gurugram  
Date: 27 October 2021



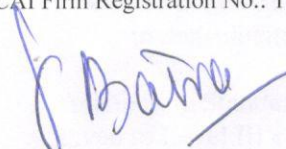
**Lotus Petal Charitable Foundation**  
**Income and Expenditure Account for the year ended 31 March 2021**  
(all amounts are in Indian Rupees)

		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Schedule No.</b>			
<b>Income</b>			
Grants and donations:			
- Restricted income		4,19,66,686	4,42,68,649
- Unrestricted income		2,31,30,332	2,95,69,041
Annual fees from students		13,38,100	13,03,950
Other income	13	15,22,410	11,00,729
		<u><b>6,79,57,528</b></u>	<u><b>7,62,42,369</b></u>
<b>Expenditure</b>			
Program implementation expenditure	14	6,76,08,481	5,70,14,230
Fund raising events and activities	15	52,16,681	17,27,220
Administrative and other costs	16	37,71,743	42,71,428
Depreciation and amortization	7	29,19,188	9,89,789
		<u><b>7,95,16,093</b></u>	<u><b>6,40,02,667</b></u>
Excess of expenditure over income		(1,15,58,565)	1,22,39,702
Add: Transfer from asset fund account		29,19,188	9,89,789
Transferred to general fund		<u><b>(86,39,377)</b></u>	<u><b>1,32,29,491</b></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 **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 116231W/W-100024



**Sandeep Batra**  
Partner  
Membership No.: 093320

Place: Gurugram  
Date: 27 October 2021

For and on behalf of  
**Lotus Petal Charitable Foundation**



**Kushal Raj Chakravorty**  
Managing Trustee

Place: Gurugram  
Date: 27 October 2021



**Dr Nandita Chakravorty**  
Trustee

Place: Gurugram  
Date: 27 October 2021



## 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. It was further renewed w.e.f 18 May 2020 vide renewal number 0300006162019 dated 29 June 2020.

## 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



Kushal bij Chakraborty





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) 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



*Keshav bij Chhabra*





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 unrecognized 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 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 recognized in the statement of income and expenditure.



Kushel Kij Chhabra



**Lotus Petal Charitable Foundation**

***Significant Accounting Policies and Notes for the year ended 31 March 2021***

**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 Chhabra





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

**Schedule 3: Corpus fund**

	As at 31 March 2021	As at 31 March 2020
Opening balance	-	-
Less: Transferred to restricted fund	-	-
Less: Transferred to general fund	-	-
Less: Transferred to asset fund	-	-
Received During the Year	-	-
Closing Balance	<u>-</u>	<u>-</u>

**Schedule 4: General fund**

	As at 31 March 2021	As at 31 March 2020
Opening Balance	2,88,90,551	1,56,61,060
Add: Transfer from income expenditure account	(86,39,377)	1,32,29,491
Add: Amount corrected in relation to expenditure on assets under construction in earlier years {refer note 17( XII)}	1,08,63,667	-
Closing Balance	<u>3,11,14,841</u>	<u>2,88,90,551</u>

**Schedule 5: Restricted fund**

	As at 31 March 2021	As at 31 March 2020
Opening Balance	68,72,028	29,67,379
Add: Transfer from corpus fund	-	-
Add: Grants received during the year	4,88,58,504	4,81,73,298
Less: Expenditure incurred during the year	(4,19,66,686)	(4,42,68,649)
Closing Balance	<u>1,37,63,846</u>	<u>68,72,028</u>

**Schedule 6: Asset fund account**

	As at 31 March 2021	As at 31 March 2020
Opening Balance	13,03,63,618	12,76,98,500
Add: Transferred from corpus fund	-	-
Add: Addition during the year	68,98,390	40,13,561
Less: Deletion during the year	-	(3,58,654)
Total	<u>13,72,62,008</u>	<u>13,13,53,407</u>
Less: Transferred to income and expenditure account	29,19,188	9,89,789
Closing Balance	<u>13,43,42,820</u>	<u>13,03,63,618</u>



*Kushal by Chakraborty*



Lotus Petal Charitable Foundation  
Schedules forming part of the accounts  
(all amounts are in Indian Rupees)

Schedule 7: Property, plant and equipment

Current Year : 2020-21

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Depreciation / amortization for the year	Disposals	As at 31 March 2021	As at 31 March 2020
Land	12,42,89,076	-	-	12,42,89,076	-	-	-	-	12,42,89,076
Computer	19,81,589	62,00,103	-	81,81,692	11,95,473	21,44,389	-	33,39,862	48,41,830
Furniture	21,35,989	5,21,692	-	26,57,681	5,92,693	1,99,782	-	7,92,475	18,65,207
Office equipment	31,60,563	33,400	-	31,93,963	2,96,940	4,32,049	-	7,28,989	24,64,974
Plant and machinery	11,10,645	1,43,195	-	12,53,840	2,29,138	1,42,968	-	3,72,106	8,81,734
<b>Total</b>	<b>13,26,77,862</b>	<b>68,98,390</b>	<b>-</b>	<b>13,95,76,252</b>	<b>23,14,244</b>	<b>29,19,188</b>	<b>-</b>	<b>52,33,431</b>	<b>13,43,42,821</b>
<b>CWIP</b>	<b>-</b>	<b>2,43,63,239</b>	<b>-</b>	<b>2,43,63,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,43,63,239</b>

Previous Year : 2019-20

Particulars	Gross block			Accumulated depreciation			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	12,42,89,076	-	-	12,42,89,076	-	-	-	-	12,42,89,076
Computer	17,13,882	3,87,509	1,19,802	19,81,589	8,63,548	4,32,944	1,01,019	11,95,473	7,86,116
Furniture	26,98,109	26,727	5,88,847	21,35,989	6,73,441	1,71,481	2,52,229	5,92,693	15,43,296
Office equipment	1,44,300	30,16,263	-	31,60,563	19,448	2,77,492	-	2,96,940	28,63,623
Plant and machinery	5,36,208	5,83,062	8,625	11,10,645	1,26,638	1,07,872	5,372	2,29,138	8,81,507
<b>Total</b>	<b>12,93,81,575</b>	<b>40,13,561</b>	<b>7,17,274</b>	<b>13,26,77,862</b>	<b>16,83,075</b>	<b>9,89,789</b>	<b>3,58,620</b>	<b>23,14,244</b>	<b>13,03,63,618</b>

Checked by: *Chand*



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**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
<b>Schedule 8: Cash and Cash Equivalents</b>		
Cash in hand and imprest with staff	97,881	69,757
Cheques in hand	-	-
Balances with schedule banks		
-in current bank account	1,20,927	1,93,42,329
-in Saving bank account	2,18,88,536	
-in bank fixed deposits	53,34,914	1,94,67,107
	<u>2,74,42,258</u>	<u>3,88,79,193</u>

	As at 31 March 2021	As at 31 March 2020
<b>Schedule 9: Loans and Advances</b>		
(Unsecured and considered good unless otherwise stated)		
Security deposits	8,44,000	4,60,000
Staff advances	84,000	1,65,000
TDS receivable	1,46,497	1,54,141
Interest accrued on fixed deposits	86,417	3,50,505
Advance to vendors	8,49,451	11,80,453
Capital Advance	-	1,33,373
Prepaid expenses	7,06,358	9,46,929
	<u>27,16,723</u>	<u>33,90,401</u>

	As at 31 March 2021	As at 31 March 2020
<b>Schedule 10: Other Current Assets</b>		
Annual Fee Receivable	2,000	
Gratuity Planned Asset	17,85,804	2,45,571
	<u>17,87,804</u>	<u>2,45,571</u>

	As at 31 March 2021	As at 31 March 2020
<b>Schedule 11: Current Liabilities</b>		
Trade Payable		-
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues of creditors other than to micro and small enterprises *	38,79,507	23,04,101
Statutory dues	7,30,406	7,30,735
Audit fees payable	5,40,000	5,40,000
NIOS registration deposit	86,200	69,400
Employees Payable	15,605	8,643
Retention money	4,42,955	-
Annual fees received in advance	23,23,900	12,24,000
Other Payable	56,459	33,867
	<u>80,75,032</u>	<u>49,10,746</u>

\* Last year Other payable was included here now segregated

	As at 31 March 2021	As at 31 March 2020
<b>Schedule 12: Provisions</b>		
Provision for gratuity (Refer note vii of schedule 17)	33,56,304	19,51,054
	<u>33,56,304</u>	<u>19,51,054</u>



*Kushal Raj Chhabra*

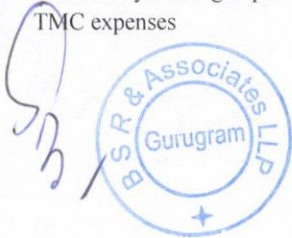


**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Schedule 13: Other income</b>		
Interest income from fixed deposit	5,75,440	10,08,958
Interest on Saving bank account	6,46,248	
Interest on income tax refund	1,865	1,296
Miscellaneous Income	2,98,857	90,475
	<u>15,22,410</u>	<u>11,00,729</u>

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Schedule 14: Program implementation expenditure</b>		
Salary expenses	2,62,37,912	2,36,41,290
Contribution to provident and other funds	15,49,958	13,33,558
Gratuity	11,20,330	8,59,739
General health insurance	5,42,674	6,30,039
Rent	39,00,000	39,00,000
Meal expense	1,88,487	29,07,422
Renovation	1,00,42,536	48,57,619
Property, plant and equipment purchased	68,98,390	34,21,708
Smart class expense	12,18,437	7,62,354
Printing and stationery	36,45,868	10,95,486
Uniform expenses	6,79,396	7,73,071
Annual day expenses	10,100	4,41,165
Counselling expense	2,74,188	4,20,904
Repair and maintenance	4,88,569	3,79,809
Electricity expenses	2,92,789	3,33,713
Assets under construction	-	90,66,428
NIOS registration and exam fees	3,06,200	2,18,810
House keeping expenses	2,92,491	2,52,765
Security expenses	61,419	2,19,272
Miscellaneous expenses	46,264	3,80,743
IT expenses	7,77,395	2,41,320
Transportation	23,244	2,39,901
Marathon expenses	29,435	63,600
Employee hiring expense	4,778	18,814
Professional and consultancy charges	1,00,354	1,76,571
Professional course expenses	2,88,011	3,04,028
Telephone expense	22,400	8,251
Medical expenses	19,773	65,850
Scholarships	17,06,290	-
Community feed program	35,37,544	-
COVID save the saviours	1,70,960	-
Online education	22,11,242	-
Monetary assistance to needy	6,51,000	-
Community feeding expenses	32,087	-
TMC expenses	2,37,960	-
	<u>6,76,08,481</u>	<u>5,70,14,230</u>



*Kushal Raj Chhabra*





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Schedule 15: Fund raising events and activities</b>		
Foreign travel expenses	57,720	2,67,507
Gratuity	1,22,283	23,754
Promotional expense	1,44,486	3,35,064
Event expense	-	2,54,340
IT expenses	2,52,157	1,93,209
Payment gateway expense	66,509	16,241
Salary expenses	41,53,127	5,97,717
Contribution to provident and other funds	1,29,267	22,316
Property, Plant and Equipment purchased	-	12,331
General health insurance	40,118	4,741
Miscellaneous expenses	1,33,014	-
Rent	1,18,000	-
	<u>52,16,681</u>	<u>17,27,220</u>

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Schedule 16: Administrative and other costs</b>		
Book keeping charges	8,20,000	7,55,900
Audit fees	7,16,670	6,59,974
Salary expenses	12,17,344	5,64,240
Property, Plant and Equipment purchased	0	5,79,522
Contribution to provident and other funds	53,283	1,37,128
Gratuity	0	21,449
General health insurance	17,364	47,730
Repair and maintenance	1,07,797	3,28,239
Printing and stationery	35,632	87,578
Miscellaneous expenses	28,888	1,25,065
Transportation	52,596	1,25,015
Professional and consultancy charges	2,61,707	3,53,292
IT expenses	2,20,812	2,09,322
Electricity expenses	0	-
House keeping expenses	29,000	-
Telephone expense	0	13,882
Bank charges	36,846	26,016
Renovation	0	1,76,924
Employee hiring expense	53,520	42,157
Uniform expenses	2,284	17,995
Rent	1,18,000	-
	<u>37,71,743</u>	<u>42,71,428</u>

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



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Lotus Petal Charitable Foundation

Schedules forming part of the accounts  
(all amounts are in Indian Rupees)

Grant Schedule

2020-21 FCRA/NFCRA	Particulars	Opening	Received During 20 21		Utilised/ Adjusted	Closing
			Recd restricted	Recd Unrestricted		
NFCRA	Corporate	55,39,812	46,47,613	81,01,310	1,27,48,923	-
	Individual	-	18,47,563	45,82,504	64,30,067	-
	Institutional	-	1,06,55,976	16,82,811	1,23,38,786	-
FCRA	Corporate	13,32,217	2,37,75,464	-	2,37,75,464	55,39,812
	Individual	-	-	-	-	-
	Institutional	-	79,31,888	87,63,707	1,66,95,596	13,32,217
Total		68,72,029	4,88,58,504	2,31,30,332	7,19,88,836	68,72,029

Kunal G. Verma





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

**Schedule 17: Notes to Accounts**

**I. Receipts in foreign currency**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from grant and donation	15,372,216	21,080,954

**II. Expenditure in foreign currency**

Nature of Expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Software charges	186,838	125,898

**III. Payment to auditor's \*:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
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. October 27, 2020) Mr. Achal Kaneja (Governing body member)(w.e.f. October 27, 2020) Mr. Madhu Mehrotra (Governing body member)(w.e.f. October 27, 2020)

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*Kushal Raj Chakravorty*





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

- 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 2021	For the year ended 31 March 2020
1	Managerial remuneration paid	Mr. Kushal Raj Chakravorty	1,482,000	-
2	Managerial remuneration paid	Mrs. Saloni Bhardwaj	1,400,000	1,419,600

**VI. Capital Commitment**

Estimated amounts of contracts remaining to be executed on capital account and not provided for as at 31 March 2020 are approx. Rs. 42,221,988 (previous year Rs. 36,620,219).

**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 1,838,002 (previous year INR 1,493,002) 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 31st March 2021 is INR 3,356,304 (previous year 1,951,054)

The expenditure for gratuity as determined by actuarial valuation for the year 2020-21 is INR 1,405,250 (previous year 904,942)



*Kushal Raj Chakravorty*





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.79%	6.80%
Annual salary escalation rate	10.00%	10.00%
Retirement Age (Years)	58	58
Mortality rate inclusive of provision for disability	IALM (2012 - 14)	IALM (2012 - 14)
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

**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.



*Kushal Raj Chhabra*





**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

- X. Lotus Petal is focused on providing quality education and nutrition to children residing in the urban slums of Gurugram 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 2021:**

Particulars	Aarogya	Dhunela*	Pratishthan	Sahyog	Vidyananda	Scholarship	Jeevika	Total
Salary expenses	3,080,954	3,847,572	11,074,520	496,798	11,585,640	-	-	30,085,484
Contribution to provident and other funds	180,027	105,497	546,526	64,439	758,966	-	-	1,655,455
Gratuity	116,889	162,637	461,475	49,599	492,366	-	-	1,282,966
General health insurance	58,141	35,956	201,235	19,191	264,107	-	-	578,630
Rent	624,000	-	1,404,000	-	1,248,000	-	624,000	3,900,000
Meal expense	188,487	-	-	-	-	-	-	188,487
Renovation	-	-	-	10,042,536	-	-	-	10,042,536
Fixed asset purchased	14,550	10,000	2,608,854	-	4,264,986	-	-	6,898,390
Smart class expense	-	-	483,641	-	512,445	-	222,350	1,218,436
Printing and stationery	-	3,605	1,634,185	-	2,011,683	-	-	3,649,473
Uniform expenses	-	-	249,651	-	429,745	-	-	679,396
Annual day expenses	-	-	10,100	-	-	-	-	10,100
Counselling expense	-	260,544	92,578	124,840	56,770	-	-	534,732
Repair and maintenance	118,029	21,945	111,867	146,535	112,139	-	-	510,515
Electricity expenses	57,758	15,916	115,516	4,000	115,516	-	-	308,706
Assets under construction	-	8,691,747	-	-	-	-	-	8,691,747
NIOS registration and exam fees	-	-	306,200	-	-	-	-	306,200
Housekeeping expenses	165,798	12,733	-	126,693	-	-	-	305,224
Security expenses	-	-	13,570	-	47,849	-	-	61,419
Miscellaneous expenses	13,151	223,681	4,818	23,812	4,484	-	-	269,946
IT expenses	-	57,315	388,698	-	388,698	-	-	834,711
Transportation	-	60,424	3,300	15,344	4,600	-	-	83,668
Marathon expenses	-	-	29,435	-	-	-	-	29,435
Employee hiring expense	-	-	-	-	4,778	-	-	4,778



*Kushal Raj Chhabra*





**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

Particulars	Aarogya	Dhunela*	Pratishthan	Sahyog	Vidyananda	Scholarship	Jeevika	Total
Professional and consultancy charges	9,204	-	91,150	-	-	-	-	100,354
Professional course expenses	-	-	288,011	-	-	-	-	288,011
Telephone expense	-	-	11,200	-	11,200	-	-	22,400
Medical expenses	19,773	-	-	-	-	-	-	19,773
Scholarships	-	-	6,000	-	-	1,700,290	-	1,706,290
Community feed program	3,537,544	-	-	-	-	-	-	3,537,544
COVID Save the saviours	170,960	-	-	-	-	-	-	170,960
Online education	-	-	746,640	229,274	1,235,328	-	-	2,211,242
Monetary assistance to needy	-	-	-	651,000	-	-	-	651,000
Community feeding expenses	32,087	-	-	-	-	-	-	32,087
TMC expenses	237,960	-	-	-	-	-	-	237,960
<b>Total</b>	<b>8,625,312</b>	<b>13,509,572</b>	<b>20,883,170</b>	<b>11,994,061</b>	<b>23,549,310</b>	<b>1,700,290</b>	<b>846,350</b>	<b>81,108,055</b>

Included in capital work-in-progress in schedule 7.

**For the year ended 31 March 2020:**

Particulars	Aarogya	Dhunela	Jeevika	Pratishthan	Sahyog	Vidyananda	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
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



*Kushal by Chhabra*





**Lotus Petal Charitable Foundation**  
**Schedules forming part of the accounts**  
(all amounts are in Indian Rupees)

Particulars	Aarogya	Dhunela	Jeevika	Pratishthan	Sahyog	Vidyananda	Total
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
Housekeeping 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
<b>Total</b>	<b>6,096,647</b>	<b>10,662,022</b>	<b>445,929</b>	<b>17,813,453</b>	<b>6,465,327</b>	<b>15,530,857</b>	<b>57,014,230</b>



*Kunshel Koj Chakraborty*

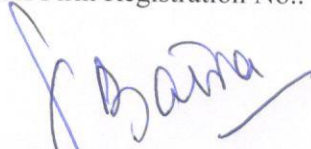




**Lotus Petal Charitable Foundation**  
*Schedules forming part of the accounts*  
(all amounts are in Indian Rupees)

- XI.** During the previous year (FY 2019-2020), Lotus Petal Charitable Foundation did not apply 85% of income received during the year. Hence, the Trust exercised its option to accumulate unapplied income (Rs. 5,500,000) under section 11(2) of the Income Tax Act, 1961 (the Act), which was to be utilized over next five financial years. Form 10 was filled for the same. In current year the trust has used the above accumulated unapplied income of Rs. 5,500,000 under section 11(2) of the Income Tax Act, 1961. Accordingly, for the purpose of calculation of application of income Rs 5,500,000 is reduced from expenses. This still exceed 85% of income received during the year, hence no provision of income tax has been made in the financial statements.
- XII.** During the earlier years, the trust has erroneously debited a sum of Rs. 10,863,667 being the expenditure on assets under construction in program implementation expenditure (schedule 14) instead of showing it as part of fixed assets (schedule 7). During the current year, it has corrected this accounting treatment and has correctly classified a sum of Rs. 10,863,667 as part of fixed assets with the related effect in the opening general fund (schedule 4).
- XIII.** In the month of March 2020, the World Health Organization declared COVID-19 to be a pandemic. The trust has evaluated the effect of the pandemic on its operations and on the carrying amounts of receivables, tangible and intangible assets and other assets/ liabilities and based on such evaluation the trust believes that there is no material impact to be incorporated in these financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the trust has considered internal and external information available till the date of approval of these financial statements. In the above context and based on the current estimates, the trust does not foresee any material adverse impact in the medium to long term on the business, its liquidity, and other obligations. The overall economic situation being uncertain due to the evolving scenario of the pandemic, the trust would continue to closely monitor any developments in future economic conditions as they emerge and consider their impact on the financial statements of the relevant periods.
- XIV.** Previous year figures have been regrouped / reclassified, where necessary, to conform to current year's classification.



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

  
**Sandeep Batra**



Partner  
Membership No.: 093320

Place: Gurugram  
Date: 27 October 2021

For and on behalf of  
**Lotus Petal Charitable Foundation**

  
  
**Kushal Raj Chakravorty**  
Managing Trustee

Place: Gurugram  
Date: 27 October 2021

  
  
**Dr Nandita Chakraborty**  
Trustee

Place: Gurugram  
Date: 27 October 2021

# B S R & Associates LLP

Chartered Accountants

Building No.10,12th Floor, Tower-C,  
DLF Cyber City, Phase-II,  
Gurugram – 122 002, India

Telephone: +91 124 719 1000  
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## 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 2021 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 2021; and
  - (ii) in the case of the income and expenditure account, of the excess of expenditure over income of the Trust for the year ending on 31 March 2021.

The prescribed particulars are annexed hereto.

*For B S R & Associates LLP*

*Chartered Accountants*

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

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**Sandeep Batra**

*Partner*

Membership No.: 093320

UDIN: 22093320AAAAAD8502

Place: Gurugram

Date: 10 January 2022

Registered Office:



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. 84,597,224
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.	NIL
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)	NIL
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.	Not Applicable
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.	Not Applicable
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	Not Applicable
	(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	Not Applicable
	(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.	Not Applicable

ANNEXURE (Continued)

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

<p>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.</p>	<p>No</p>								
<p>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.</p>	<p>No</p>								
<p>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.</p>	<table border="0"> <tr> <td colspan="2">Managerial Remuneration paid</td> </tr> <tr> <td>Managing Trustee</td> <td>1,482,000</td> </tr> <tr> <td>Co-founder &amp; CTO</td> <td>1,400,000</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">2,882,000</td> </tr> </table>	Managerial Remuneration paid		Managing Trustee	1,482,000	Co-founder & CTO	1,400,000		2,882,000
Managerial Remuneration paid									
Managing Trustee	1,482,000								
Co-founder & CTO	1,400,000								
	2,882,000								
<p>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.</p>	<p>No</p>								
<p>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.</p>	<p>No</p>								
<p>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.</p>	<p>No</p>								
<p>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.</p>	<p>No</p>								
<p>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.</p>	<p>No</p>								



## B S R & Associates LLP

### 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

S. No	Name and Address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment (Rs.)	Income from the investments (Rs.)	Whether the amount in col.4 exceeded 5 per cent of the capital of the concern during the previous year – say, Yes/No
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 this Annexure has been prepared by the Director 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 **BSR & Associates LLP**  
*Chartered Accountants*  
Firm Registration No.:116231W/W-100024

SANDEEP  
BATRA

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**Sandeep Batra**

*Partner*

Membership No. : 093320

UDIN: 22093320AAAAAD8502

Place : Gurugram

Date : 10 January 2022