

V. K. VERMA & CO.

CHARTERED ACCOUNTANTS

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In reply please quote

INDEPENDENT AUDITOR'S REPORT

To the Board of

Sasakawa India Leprosy Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Sasakawa India Leprosy Foundation, New Delhi** (hereinafter referred as 'S-ILF') consists of the Balance Sheet as at 31st March, 2020, and the Income and Expenditure Account for the year ending on that date and a summary of significant accounting policies and notes to accounts.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the S-ILF as at March 31, 2020, and its Surplus for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, to the extent applicable. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, or not. We are independent of the Board and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management of SILF is responsible for the preparation of these financial statements that give a fair view of the financial position and financial performance of SILF in accordance with Accounting Standards and other accounting pronouncements, to the extent applicable, issued by the Institute of Chartered Accountants of India from time to time. This responsibility includes the design, implementation and maintenance of internal controls

relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the S-ILF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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.

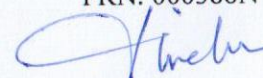
Report on Other Legal and Regulatory Requirement

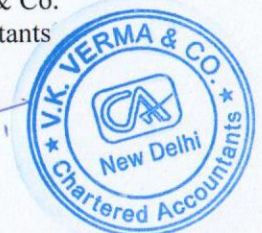
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. in our opinion proper books of account as required by law have been kept by S-ILF so far as it appears from our examination of those books;
- c. The Balance Sheet and the Income and Expenditure Account dealt with by this Report are in agreement with the books of account.;
- d. In our opinion, the Balance Sheet as at March 31, 2020 and the Income and Expenditure Account comply with Accounting Standards and other accounting pronouncements, to the extent applicable, issued by the Institute of Chartered Accountants of India from time to time

Place: New Delhi

Date: 06/01/2021

For V. K. Verma & Co.
Chartered Accountants
FRN. 000386N


(Vivek Kumar)
Partner
M.No: 503826



UDIN.-21503826AAAAAD 5222

Sasakawa-India Leprosy Foundation
Balance Sheet as at March 31, 2020

Particulars	Sch No	As at March 31, 2020		As at March 31, 2019	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
Corpus Fund - Opening Balance			58,72,80,700		
Add - Exchange Gain			4,90,07,500		
Add - Fund received			10,00,000		
			63,72,88,200		58,72,80,700
General Fund	1		5,70,34,324		11,82,73,524
Total			69,43,22,524		70,55,54,224
Application of Funds					
Fixed Assets					
Net Block	2		50,40,883		53,27,979
Investments	3		61,20,16,859		57,46,78,611
Current Assets	4				
Cash and Bank Balance		6,06,26,187		10,61,14,179	
Loans & Advances		9,26,162		10,85,230	
Other Current Assets		1,75,77,656		1,87,94,854	
		7,91,30,005		12,59,94,263	
Current Liabilities	5				
Current Liabilities		-		45,836	
Other Liabilities		18,65,223		4,00,793	
		18,65,223		4,46,629	
Net Current Assets			7,72,64,782		12,55,47,634
Total			69,43,22,524		70,55,54,224

Accounting policies & Notes to Accounts

Sch 6-7

As per our report of even date
For V K Verma & Co.
Chartered Accountants
FRN: 000386N


(Vivek Kumar)
Partner
M. No.- 503826



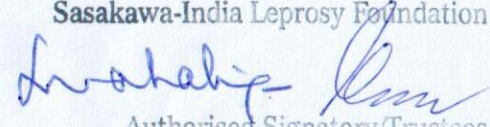
Place : New Delhi
Date :06-01-2021

Sasakawa India Leprosy Foundation


Vivek Lal
Chief Executive Officer

Chief Executive Officer

Sasakawa-India Leprosy Foundation


Authorised Signatory/Trustees

Trustee

Sasakawa-India Leprosy Foundation
Income and Expenditure Account for the year ended March 31, 2020

Particulars	Sch No	For the year ended March 31, 2020		For the year ended March 31, 2019	
		Rs.	Rs.	Rs.	Rs.
INCOME					
The Nippon Foundation & The Dalai Lama			12,59,000		2,18,79,725
The Nippon Foundation - Global Appeal			-		27,54,164
Sasakawa Memorial Health Foundation - Global Appeal			-		48,64,262
Sasakawa Health Foundation - ASLC			22,31,520		-
Sasakawa Health Found'n - ID & Validation of Leprosy Colonies			17,25,500		-
HSBC Grant			31,47,000		-
Domestic Grants			48,05,500		1,05,82,530
Donations-Domestic			3,02,154		2,96,200
Reimbursements - Photo Exhibition & Felicitation lunch			-		10,78,440
Other Income			2,02,344		36,200
Interest on Income Tax refund			1,60,165		-
Award Money			-		50,00,000
Interest on Investments and saving bank accounts			3,63,15,946		3,98,70,298
Add: Expenses out of amount brought forward U/S 11(1)			5,01,49,129		8,63,61,819
Add: Expenses out of amount brought forward U/S 11(2)			88,59,509		1,23,25,405
Add: Amount utilized u/s 11(2) related to FY 2014-15			1,89,29,584		1,30,92,786
			32,00,000		-
Less: Income Carried forward U/S 11(1)			58,10,551		88,59,509
Less: Income set apart U/S 11(2)			48,39,192		1,89,29,584
	(A)		7,04,88,479		8,39,90,917
LESS.: EXPENDITURE					
Grant Returned - JRDTT -2			-		2,78,526
Salary & Allowances		44,59,458		39,27,014	
Staff Retreat & welfare		9,93,888		3,08,275	
Office Rent		43,09,149		43,43,145	
Board Meeting & Conferences		3,73,398		5,53,354	
Telephone Expenses		1,02,770		74,582	
Audit Fees		1,00,700		1,17,900	
Bank Charges		24,873		40,885	
Electricity & Water		1,94,999		1,83,529	
Miscellaneous		33,815		8,997	
Office Maintenance		3,11,579		2,88,077	
Office & Computer Supplies		1,76,841		2,13,036	
Travel & Conveyance		2,26,330		2,72,035	
Accounting Fee		-		70,560	
Professional Fees		10,68,750		6,99,180	
Education		2,57,85,509		2,18,25,138	
Livelihood		2,36,23,246		1,74,82,731	
Advocacy & Communication		39,19,054		56,08,628	
Forum for Parliamentarian Group		3,04,839		11,93,656	
Global Appeal Event 2019		-		66,24,718	
Photo Exhibition & Felicitation (Award) lunch		-		10,78,440	
Events & RtD Awards		52,67,607		29,71,836	
SHF - Baseline Study		12,31,519		-	
Festival Expenses		59,877		58,298	
Assets Written off		-		83,860	
Provision for doubtful Fds with DHFL		3,78,03,500		-	
Prior Period Expenses		1,25,704		-	
Depreciation		8,90,925	11,13,88,328	8,27,606	6,91,34,005
Excess of income over expenditure (B)			(4,08,99,850)		1,48,56,912
Balance Brought Forward (C)			6,68,20,431		5,19,63,519
Balance Carried Forward (B+C)			2,59,20,581		6,68,20,431

Accounting policies & Notes to Accounts

Sch 6-7

As per our report of even date
For V K Verma & Co.
Chartered Accountants
FRN: 000386N

(Vivek Kumar)
Partner
M. No.- 503826

Sasakawa India Leprosy Foundation

Vivek Lal
Vivek Lal
Chief Executive Officer

Chief Executive Officer

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees
Authorised Signatory/Trustees

Trustee

Place : New Delhi
Date : 06-01-2021

Sasakawa-India Leprosy Foundation
Schedule to Accounts for the year ended March 31,2020

General Fund		Schedule "1"
Particulars	As at March 31, 2020	As at March 31, 2019
	Rs.	Rs.
Income & Expenditure Account	2,59,20,581	6,68,20,431
Income Being Carried Forward U/s 11(1)	58,10,551	88,59,509
Income Set apart U/s 11(2)	2,53,03,192	4,25,93,584
Total	5,70,34,324	11,82,73,524

Investments		Schedule "3"
Particulars	As at March 31, 2020	As at March 31, 2019
	Rs.	Rs.
In Schedule Banks	35,45,15,000	30,55,07,500
Other Banks and Institutions	29,53,05,359	26,91,71,111
Provision for doubtful Fds with DHFL	(3,78,03,500)	-
Total	61,20,16,859	57,46,78,611

Current Assets		Schedule "4"
Particulars	As at March 31, 2020	As at March 31, 2019
	Rs.	Rs.
Cash and Bank Balance		
Cash in Hand	42,168	40,628
OBC Bank -10482071000023 - FCRA Account	4,68,75,447	7,85,97,920
Kotak Mahindra Bank Ltd. - A/c No 7411776555	39,05,445	1,49,46,480
Kotak Mahindra Bank Ltd. - A/c No 7412821391 -DHFL	38,315	3,44,743
HDFC Bank Ltd. - SBA05031110000175 - NSDC	82,159	3,28,337
HDFC Bank Ltd. - SBA Bajaj Auto Ltd.	11,85,007	1,02,444
SCB Bank - 52610895172 - HSBC Grant	27,95,793	-
Oriental Bank of Commerce - SBA No 0758 219 1013 326	57,01,854	1,17,53,628
Total	6,06,26,187	10,61,14,179
Loans & Advances		
Project / Travel/ Staff Salary advance	61,957	1,69,025
Other Advance - Umesh Chandra Nayak	10,000	6,000
POWER	-	56,000
Security Deposit -Rent	8,54,205	8,54,205
Total	9,26,162	10,85,230
Other Current Assets		
Prepaid Expenses	48,105	59,633
Income recoverable	2,25,449	2,25,323
Prepaid Mess / Hostel Fee/Personal maintenance	47,429	50,100
Other Advances	5,562	91,269
Water Charges receivable	-	2,668
Gautam Buddha University	-	5,310
Book Launch Expenses receivable - (Sasakawa Health Foundation)	18,24,150	-
Interest accrued on FDR	58,79,599	88,97,797
Tax Deducted at Source -A.Y. 2020-21	19,69,413	-
Tax Deducted at Source -A.Y. 2019-20	20,80,811	20,80,811
Tax Deducted at Source -A.Y. 2018-19	-	18,84,805
Tax Deducted at Source -A.Y. 2017-18	25,78,283	25,78,283
Tax Deducted at Source -A.Y. 2016-17	8,19,419	8,19,419
Tax Deducted at Source -A.Y. 2015-16	4,84,956	4,84,956
Tax Deducted at Source -A.Y. 2014-15	7,43,664	7,43,664
Tax Deducted at Source -A.Y. 2013-14	8,70,816	8,70,816
Total	1,75,77,656	1,87,94,854

Liabilities		Schedule "5"
Particulars	As at March 31, 2020	As at March 31, 2019
	Rs.	Rs.
Current Liabilities		
Unutilised amount of grant received from :		
Grant Payable	-	45,836
Total	-	45,836
Other liabilities		
Auditor's remuneration	3,02,400	86,400
Legal & Professional charges	-	2,16,000
Bhuvan Singh	-	3,000
Someshwar Dubey	-	3,520
Vishwa Yuva Kendra	-	2,458
Lakhan Pratihari	-	1,800
Rent, Electricity & Water Charges Payable	3,43,601	-
HDFC Bank Credit Card	30,413	-
TDS Payable	2,64,797	50
Travel , Fee & Honorarium expenses payable	8,52,945	52,420
Other Expenses payable	51,950	25,370
Telephone Expenses Payable	19,117	9,775
Total	18,65,223	4,00,793

Sasakawa-India Leprosy Foundation
SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2020

Schedule 2

Particulars	Rate	Gross Block			Depreciation			Written Down Value		
		Cost as on 01/04/2019	Additions	Sales	Cost as on 31/03/2020	As on 01/04/2019	During the Year	Adjustment	As on 31/03/2020	As on 31/03/2019
Furniture & Fixture	10	44,68,352	-	-	44,68,352	7,10,957	3,75,738	-	10,86,695	37,57,395
Office Equipments	15	17,53,877	56,286	4,590	18,05,573	4,57,494	2,02,239	3,433	6,56,301	12,96,383
Vehicles	15	50,465	-	-	50,465	29,753	3,107	-	32,860	20,712
Software	25	2,91,600	-	-	2,91,600	2,18,021	18,395	-	2,36,416	73,578
Computers	40	11,15,252	5,48,700	-	16,63,952	9,35,340	2,91,445	-	12,26,785	1,79,910
Total		76,79,546	6,04,986	4,590	82,79,942	23,51,565	8,90,924	3,433	32,39,057	53,27,979
Total (PY)		49,50,838	50,08,131	22,79,423	76,79,546	19,19,528	8,27,606	3,95,565	53,27,979	30,31,310

Sasakawa India Leprosy Foundation

Vivek Lal

Vivek Lal
Chief Executive Officer

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

Authorised Signatory/Trustees

Sasakawa-India Leprosy Foundation
FINANCIAL YEAR 2019-20

Details for Section 11(1)

Particulars	Opening Balance	Amount received against opening receivables	Amount Spent from opening unspent balance	Adjustments from Opening Balance	Amount received/accrued during the year	Expenses incurred out of CY's receipts	Interest on Unspent Amount lying in saving bank account	Grant Returned / Advance given	Balance Amount
	a	b	b		c	d	e		a+b-c+d-e+f
J R D Tata Foundation II									-
State Bank of India									-
NSDC	3,29,222	-	2,54,343			-	8,165	-	83,044
Total	3,29,222	-	2,54,343	-		-	8,165	-	83,044
The Dalai Lama Trust	9,07,211	-	-	-	-	-	-	-	9,07,211
The Nippon Foundation	-	-	-	-	-	-	-	-	-
The Nippon Foundation- Vocational Training	38,910	-	-	-	-	-	-	-	38,910
Interest-FCRA	88,38,719	-	88,38,719	-	58,02,386	-	-	-	58,02,386
Administrative Expenses	(12,54,553)	-	-	-	-	-	-	-	(12,54,553)
Total	85,30,287	-	88,38,719	-	58,02,386	-	-	-	54,93,954
Total	88,59,509	-	90,93,062	-	58,02,386	-	8,165	-	55,76,998

Amount in Rs.

Sasakawa India Leprosy Foundation

Vivek Lal

Vivek Lal
Chief Executive Officer

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

Authorised Signatory/Trustees


Sasakawa-India Leprosy Foundation
FINANCIAL YEAR 2019-20

Details for Section 11(2) - Annexure

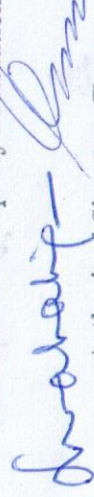
Particulars	Opening Balance	Amount Spent from opening unspent balance	Amount received/acrued during the year	Expenses incurred out of CY's receipts	Interest on Unspent Amount lying in saving bank account	Balance Amount
	a	b	c	d	e	a+b-c+d-e+f
Dewan Housing Finance Corp'n Ltd.	3,88,743	3,07,168	-	-	6,739	88,314
Associated Container Terminals	3,00,000	3,00,000	-	-	-	-
Alar InfraStructure Pvt. Ltd. - Skill Development	6,99,971	5,74,320	(72,823)	-	-	52,828
Bajaj Auto Limited - Livelihood Program	21,76,722	21,76,722	36,00,000	25,25,393	42,932	11,17,539
L T Foods - Skill Development	5,98,904	5,59,404	-	-	-	39,500
Pearl Global Industries - One Year Diploma	3,86,737	3,52,477	-	-	-	34,260
Pearl Retail Solutions - ASLC	2,56,410	2,56,410	5,00,000	4,44,042	-	55,958
HDFC Capital - ASLC	-	-	5,00,000	2,28,504	-	2,71,496
Total	48,07,487	45,26,501	45,27,177	31,97,939	49,671	16,59,894
The Nippon Foundation	1,41,22,097	1,27,05,670	12,59,000	-	5,03,871	31,79,298
Total	1,41,22,097	1,27,05,670	12,59,000	-	5,03,871	31,79,298
Total	1,89,29,584	1,72,32,171	57,86,177	31,97,939	5,53,542	48,39,192

Amount in Rs.

Sasakawa India Leprosy Foundation


Vivek Lal
Chief Executive Officer

Sasakawa-India Leprosy Foundation


Authorised Signatory/Trustees

Sasakawa-India Leprosy Foundation
FINANCIAL YEAR 2019-20

Details for Section 11(2)

Amount in Rs.

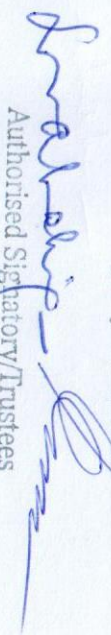
Financial year of Accumulation u/s 11(2)	Opening Reserve Fund (A)	Amount set apart for accumulation u/s(2) (B)	Amount Utilized ©	Unutilized amount considered as income in year of expiry u/s 11(3) (D)	Balance amount to be utilized for the year (B-C=E)	Financial year of expiry (Year wise)	Accumulated Balance (Net of addition u/s 11(3))
2008-09	-	80,00,000	80,00,000	-	-	2014-15	-
2009-10	-	97,35,752	20,11,876	-	77,23,876	2015-16	77,23,876
	77,23,876	-	77,23,876	-	(77,23,876)	2015-16	-
2010-11		70,00,000	70,00,000	-	-	2016-17	-
2011-12	-	-	-	-	-	2016-17	-
2012-13	-	67,69,000	67,69,000	-	-	2017-18	-
2013-14	-	74,05,000	74,05,000	-	-	2018-19	-
2014-15	-	74,00,000	42,00,000	-	32,00,000	2019-20	32,00,000
2014-15	32,00,000	-	-	-	-	2019-20	-
2015-16	-	56,00,000	-	-	56,00,000	2020-21	56,00,000
2016-17	56,00,000	1,48,64,000	-	-	1,48,64,000	2021-22	2,36,64,000
2017-18	2,36,64,000	-	-	-	-	-	2,36,64,000
2018-19	2,36,64,000	-	-	-	-	-	2,36,64,000
2019-20	2,36,64,000	-	32,00,000	-	-	-	2,04,64,000

Sasakawa India Leprosy Foundation



Vivek Lal
Chief Executive Officer

Sasakawa-India Leprosy Foundation



Authorised Signatory/Trustees

SASAKAWA INDIA LEPROSY TRUST

SCHEDULE 7: NOTES TO ACCOUNTS

1. In the opinion of the Trust, the current assets, loans and advances of the Trust have a realizable value to the extent shown in the accounts.
2. The Trust is registered u/s 12A of the Income Tax Act, 1961 and has been granted exemption u/s 10(23c) (vi) of the Act.
3. Financial Statements consist of Balance Sheet, Income and Expenditure Account, Notes to accounts and Significant Accounting Policies. Assets and Liabilities and Income & Expenses, related to Projects are merged line by line with the items of Balance sheet and Income & Expenditure Account of Trust.
4. Trust is charging the Depreciation on Fixed Assets purchased as per rates prescribed by Income Tax Act 1961.
5. The amount of interest earned on Investments made out of Corpus and General fund have been credited to Income and Expenditure account. However interest accrued from DHFL amounting to Rs. 62,22,696/- has not been recognized in Books of Accounts, it will be accounted for as & when received as per the Recognition principles.
6. During the year the foundation has set aside Rs 10,649,743 under section 11(1) and 11(2) of Income Tax Act 1961, details of above mentioned amount is as under:-

Amount in Rs.

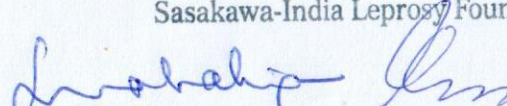
Particulars	Opening Balance as on 1 st April 2019	Amount transferred during the year	Amount utilized/ repaid/ adjustments during the year	Closing Balance as on 31 st March 2020
Income carried forward u/s 11(1)	8,859,509	5,810,551	8,859,509	5,810,551
Income set apart u/s 11(2)	42,593,584	4,839,192	22,129,584	25,303,192
Total	51,453,093	10,649,743	30,989,093	31,113,743

7. Following liabilities considered as contingent which is likely to result in a cash outflow to Trust in future and which, therefore, require adjustment of assets or liabilities:
 - ✓ Liability on account of Income Tax on unspent amount out of income set aside under section 11(2) of Income Tax Act 1961 within specified time limits.

Sasakawa India Leprosy Foundation


Vivek Lal
Chief Executive Officer

Sasakawa-India Leprosy Foundation


Authorised Signatory/Trustees

8. The Trust is carrying fixed deposits in foreign currency (US Dollar) after specific approval from Reserve Bank of India. The value of fixed deposit in foreign currency is US Dollar 5.00 million which was valued in Books at INR 243,750,000 at the time of receipt of such fund. FDR's have been renewed at the rate prevailing at the time of maturity and as on 31st March 2020 renewed FDR's are being reported at INR 354,515,000 in the Balance Sheet. However, restated value of FDR's as per exchange rate prevailing as on 31st March 2020 is INR 376,622,500 but in books it will be revalued only at the time of further renewal in future.

Further, Fixed Deposit in US Dollar is earning a return of 2.80% per annum. The interest has been accounted in books of accounts at the rate prevailing as on date of receipt of the interest in FCRA Bank Account.

Interest on deposits is accounted on accrual basis as supported by interest certificates from respective financial institutions.

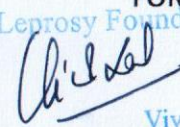
Provision for doubtful FDs with DHFL of INR 37,803,500 i.e. 50% of the total amount as on 31st March 2020, has been made during the year.

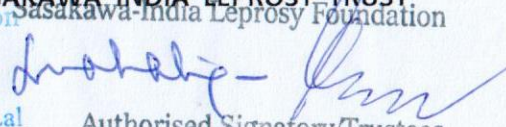
9. Schedules 6 to 9 (Policies and Notes to Accounts) forms an integral part of accounts and have been duly authenticated.
10. Previous year's figures have been re-grouped or re-arranged wherever necessary.

For V.K.Verma & Company
Chartered Accountants


Vivek Kumar
(Partner)
M. No. 503826

Place : New Delhi
Dated : 06.01.2021


Vivek Lal
Chief Executive Officer


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Authorized Signatory

SASAKAWA INDIA LEPROSY TRUST

SCHEDULE 6: SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation of Financial Statements**

The financial statements of the Trust have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ("GAAP") in India. The financial statements are prepared to comply, in all material respects, with all the applicable accounting principles in India. The management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

2. **Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the reported period. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

3. **Format of Accounts**

For drawing the Balance Sheet (Statement of Sources and Application of Funds), Income & Expenditure Account and connected schedules, the Trust is broadly following the "Uniform Format of Accounting" prescribed for the autonomous bodies by the Ministry of Finance, Govt. of India.

4. **Revenue Recognition**

- a) Interest on Fixed Deposits and Savings Accounts are recognized on accrual basis.
- b) Project receipts from Grantor and Overheads are recognized in Income and Expenditure on accrual basis.

5. **Fixed Assets**

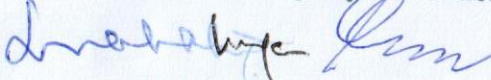
- a) Fixed assets purchased at cost including taxes, duties, freight and other incidental expenses incurred in relation to acquisition and installation of the same.
- b) Fixed assets received from donor(s) at the time of the inception of trust, have been capitalized at Rs. 1 in the Fixed Assets Schedule.
- c) Intangible assets are recognized in books of accounts at cost incurred for their development only. Whereas software which have been acquired are recognized at its acquisition cost.

6. **Depreciation**

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Chief Executive Officer

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Depreciation on Assets has been provided on the written down value method at the rates specified in the Income Tax Act, 1961. Which are follows:

Assets Class	Rate of Depreciation
Vehicle	15%
Computers and Printers	40%
Office Equipment	15%
Furniture & Fixtures	10%
Intangible Asset	25%

6. Investments

- a) Permissible Investments which the management intends to hold on a long term basis made in accordance with charter of Trust & in compliance with Income Tax Act 1961, are valued at cost.
- b) Investments have been made in Fixed Deposits, Bonds, etc. in Schedule Banks and other financial institution are in compliance with Section 11(5) of the Income Tax Act, 1961.

7. Transaction in Foreign Currency

- a) Interest Income on Fixed Deposits made in foreign currency and foreign grants received under FCRA are recorded at the exchange rate prevailing on the date of receipt of such amount.
- b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable as on that date except 5 million fixed deposit in US Dollar which will be revalued only at the time of its renewal after maturity.

8. Cash and Bank Balances

Cash comprises cash in hand and balances with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

9. Employee Benefits

Defined benefit plan

The net present value of the Company's obligation towards gratuity to employees is non-funded and we have obtained LIC policy to determine the value of obligation as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Income and Expenditure for the year.

Short-Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of ex-gratia are recognized in the year in which the employee renders the related service.


10. **Provisions**

A Provision is recognized when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

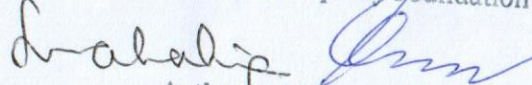
11. **FUND ACCOUNTING**

- a) **Restricted Funds** - When the donor or the governing body restrict the usage of the funds or income earned from the funds or both and the funds can be used only as per the instruction of the donor, then those funds are known as restricted funds.
- b) **Endowment Funds** – They are a form of restricted funds which have been received from the donor with a stipulation that the amount received should not be used for any purpose and only the income earned from investments of these funds can be utilized for general or specific purposes. There may be two types of endowments – perpetual endowment and term endowment. In the first case, such endowments are given in perpetuity and the fund principal is never spent or repaid. Interest earned on Perpetual Endowment Fund may be transferred directly to the Endowment fund, if specified. Term endowments are gifts for which the donor has specified a date or event after which the funds may be spent.
- c) **Unrestricted Funds** – It refers to funds contributed to Trust with no specific restrictions. The unrestricted fund is augmented by the income from the operations of the institution, such as, income from investments, besides unrestricted donations/gifts/grants from individuals/government or income from auxiliary services such as, canteen, bookstores, etc. The Unrestricted funds are utilized for the day-to-day operations of the Trust. The Unrestricted funds are further classified into following two categories:
 - i. **General Fund** - Unrestricted funds other than the designated funds are a part of the General fund.
 - ii. **Designated Funds** – These are restricted funds which have been set aside by the Trust for specific purposes or to meet future commitments e.g., library fund for purchase of books, Development funds for acquiring building and equipment, etc. The designated funds are self-imposed and not legally binding.

Sasakawa India Leprosy Foundation


Vivek Lal
Chief Executive Officer

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