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, 2021, 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, 2021, and its Surplus (Shortfall) 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, 2021 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.

For V. K. Verma & Co. Chartered Accountants

FRN. 000386N

Place: New Delhi Date: 18.10.2021

(Vivek Kumar) Partner

M.No: 503826

UDIN: 21503826AAAACN6254

Sasakawa-India Leprosy Foundation Balance Sheet as at March 31, 2021

	Sch	As March 3	at 2021	As a March 31	
Particulars Particulars	No	Rs.	Rs.	Rs.	Rs.
	_	110.			
Sources of Funds					
Commun Friend Chamles Balance			63,72,88,200		
Corpus Fund - Opening Balance			1,34,32,000		
Add - Exchange Gain Add - Fund received			44,91,01,797		63,72,88,200
Add - Fund received			1,09,98,21,997		00,1-1-1
			4,77,11,841		5,70,34,324
General Fund	1 1	,	1,14,75,33,838		69,43,22,52
Total			1,14,75,33,030		
Application of Funds Fixed Assets Net Block Investments	2 3		49,11,027 63,16,90,975		50,40,88 61,20,16,85
Current Assets Cash and Bank Balance Loans & Advances Other Current Assets	4	50,08,26,207 8,55,938 1,01,17,897 51,18,00,042		6,06,26,187 9,26,162 1,75,77,656 7,91,30,005	
<u>Current Liabilities</u> Other Liabilities	5	8,68,206 8,68,206	54 00 34 936	18,65,223 18,65,223	7,72,64,78
Net Current Assets			51,09,31,836 1,14,75,33,838		69,43,22,52

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

M. No. : 503826 UDIN : 21503826AAAACN62

Place: New Delhi Date: 18.10.2021 Sasakawa India Leprosy Foundation

Chief Executive Officer Lal

Sasakawa-India Leprosy Foundation

Alithorised Signatory/Trustees

Sasakawa-India Leprosy Foundation

Sasakawa-India Leprosy Foundation

Income and Expenditure Account for the year ended March 31, 2021

	Sch	For the year		For the year March 3	
Particulars	No	March 31	, 2021 Rs.	Rs.	Rs.
	110	Rs.	RS.	No.	
NCOME					
he Nippon Foundation & The Dalai Lama	l. l				12,59,000
COVID 19 - Grants & Donations			41,39,193		•
Sasakawa Memorial Health Foundation - HHDLS			80,66,431		00 04 50
			6,67,749		22,31,520
Sasakawa Health Foundation - ASLC Sasakawa Health Found'n - ID & Validation of Leprosy Colonies			-		17,25,500
			-		31,47,00
ISBC Grant			1,25,00,238		48,05,500
Domestic Grants			13,35,250		3,02,154
Donations-Domestic			3,39,895		
Reimbursements - Photo Exhibition & Felicitation lunch			3,62,000		2,02,34
Other receipts			5,72,531		1,60,16
nterest on Income Tax refund			2,74,26,196	L	3,63,15,946
nterest on Investments and saving bank accounts			5,54,09,484		5,01,49,129
			58,10,551		88,59,509
Add: Expenses out of amount brought forward U/S 11(1)			48,39,193		1,89,29,584
Add: Expenses out of amount brought forward U/S 11(2)			56,00,000		32,00,000
Add Amount utilized u/s 11(2) related to FY 2014-15			-		58,10,55°
Less: Income Carried forward U/S 11(1)			-		48,39,193
less: Income set apart U/S 11(2)		-	7,16,59,228	Γ	7,04,88,478
(A)			1,10,00,00		
LESS.: EXPENDITURE				44,59,458	
Solon, & Allowances		45,95,680		9,93,888	
Staff Retreat , Capacity Building Training & staff welfare expenses		30,250	a a	43,09,149	
Office Boot		43,15,044		3,73,398	
Office Rent Board Meeting & Conferences		9,235		1,02,770	
Board Meeting & Comercines		1,39,666		1,02,770	
Telephone Expenses		94,400			
Audit Fees		11,766		24,873	
Bank Charges		31,723		1,94,999	
Electricity & Water		23,614	1	33,815	
Miscellaneous		1,02,269		3,11,579	
Office Maintenance		1,47,617	8	1,76,841	
Office & Computer Supplies		2,80,841		2,26,330	
Travel & Conveyance		27,08,308		10,68,750	
Professional Fees		2,38,75,116		2,57,85,509	
Education		1,79,00,529		2,36,23,246	
Livelihood		35,54,920		39,19,054	
Advocacy & Communication		19,530		3,04,839	
Forum for Parliamentarian Group		1,708		-,,	
Humanitarian Aid		50,91,888		-	
Covid -19 Rellief		3,39,895		52,67,607	
Events & RTD Awards		3,33,000		12,31,519	
SHF - Baseline Study	1	90,700		59,877	
Festival & Foundation Day Expenses		90,700		3,78,03,500	
Provision for doubtful Fds with DHFL		430		-	
Loss on sale of fixed assets	1			1,25,704	
Prior Period Expenses		10,538	6,42,00,636	8,90,925	11,13,88,32
Depreciation		8,24,970	0,42,00,030	0,00,020	
Excess of income over expenditure (B)	ľ		74,58,591		(4,08,99,85
EXCESS OF INCOME OF STANDARD (-)			2,59,20,582		6,68,20,43
Balance Brought Forward (C)			3,33,79,173		2,59,20,58
Balance Carried Forward (B+C)	1		3,33,73,173		_,,-

As per our report of even date

For V K Verma & Co.

Chartered Accountants

FRN: 000386N

(Vivek Kumar) Partner

ered Acco M. No. : 503826 UDIN : 21503826AAAACN6254

Place : New Delhi Date : 18.10.2021 Sasakawa India Leprosy Foundation

Chief Executive Officer

Sasakawa-India Leprosy Foundation

A.IMBPBed Signatory/Trustees

Sasakawa-India Leprosy Foundation

Sasakawa-India Leprosy Foundation Schedule to Accounts for the year ended March 31,2021

General Fund		Schedule "1"	
Particulars	As at March 31, 2021	As at March 31, 2020	
	Rs.	Rs.	
Income & Expenditure Account	3,28,47,842	2,59,20,580	
Income Being Carried Forward U/s 11(1)		58,10,551	
Income Set apart U/s 11(2)	1,48,64,000	2,53,03,192	
Total	4,77,11,841	5,70,34,323	

Investments		Schedule "3"
Particulars	As at March 31, 2021 Rs.	As at March 31, 2020 Rs.
In Schedule Banks	36,79,47,000	35,45,15,000
Other Banks and Institutions	30,15,47,475	29,53,05,359
Provision for doubtful Fds with DHFL	(3,78,03,500)	(3,78,03,500)
Total	63,16,90,975	61,20,16,859

Current Assets		Schedule "4"
Current Assets	As at	As at
Particulars	March 31, 2021	March 31, 2020
V 21.43-21.	Rs.	Rs.
Cash and Bank Balance		
Cash in Hand	31,399	42,168
State Bank of India - 39880311797 - FCRA account	47,92,88,491	-
Punjab National Bank -10482071000023 - FCRA Account	9,03,072	4,68,75,447
Kotak Mahindra Bank Ltd A/c No 7411776555	29,18,596	39,05,445
Kotak Mahindra Bank Ltd A/c No 7412821391 -DHFL	33,919	38,315
HDFC Bank Ltd SBA05031110000175	82,07,201	82,159
HDFC Bank Ltd SBA Bajaj Auto Ltd.	11,47,244	11,85,007
SCB Bank - 52610895172 - HSBC Grant	10,79,600	27,95,793
Punjab National Bank - SBA No 0758 219 1013 326	72,16,685	57,01,854
Tunjab Nasanar Barin. OB Title State Live St	1. The second	
Total	50,08,26,207	6,06,26,187
Loans & Advances	4 700	71,957
Project / Travel/other / Staff Salary advance	1,733	
Security Deposit -Rent	8,54,205	8,54,205
Total	8,55,938	9,26,162
	,	
Other Current Assets	21,395	48,105
Prepaid Expenses		2.25.449
Income recoverable	50,000	47,429
Prepaid Mess / Hostel Fee/Personal maintenance	50 004	5,562
Other Advances	59,864	
Book Launch Expenses receivable - (Sasakawa Health Foundation)	50.44.004	18,24,150
Interest accrued on FDR	50,41,381	58,79,599
Tax Deducted at Source -A.Y. 2021-22	13,61,364	
Tax Deducted at Source -A.Y. 2020-21	19,69,413	19,69,413
Tax Deducted at Source -A.Y. 2019-20	•	20,80,811
Tax Deducted at Source -A.Y. 2017-18		25,78,283
Tax Deducted at Source -A.Y. 2016-17		8,19,419
Tax Deducted at Source -A.Y. 2015-16		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	1,01,17,897	1,75,77,656

Liabilities		Schedule "5"
Liabilities	As at	As at
Particulars Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Other liabilities		
Auditor's remuneration	2,39,800	3,02,400
Hybrid Idea Solution	66,300	-
Rent, Electricity & Water Charges Payable		3,43,601
Credit Card Expenses (HDFC & Kotak Mahindra Bank)	-	30,413
TDS Payable	2,62,788	2,64,797
Travel , Fee & Honorarium expenses payable	2,94,969	8,52,945
Other Expenses payable	1,000	51,950
Telephone Expenses Payable	3,349	19,117
Total Sagatrovia India Long	8,68,206	18,65,223

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

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Sasakawa-India Leprosy Foundation SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2021

			Gross B	ss Block			Depreciation	clation		Written Down Value	alue
Particulars	Rate	Cost as on 01/04/2020	Additions	Sales	Cost as on 31/03/2021	As on 01/04/2020	During the Year	Adjustment	As on 31/03/2021	As on 31/03/2021	As on 31/03/2020
Furniture & Fixture	10	44,68,352	5,000	-	44,73,352	10,86,695	3,43,165	,	14,29,860	30,43,492	33,81,657
Office Equipments	15	18,05,573	,	,	18,05,573	6,56,301	1,72,391	•	8,28,692	9,76,881	11,49,273
Vehicles	15	50,465	•	•	50,465	32,860	2,641	•	35,501	14,964	17,605
Software	25	2,91,600	4,64,330	•	7,55,930	2,36,416	71,837	1	3,08,253	4,47,676	55,183
Computers	4	16,63,952	2,32,234	64,000	18,32,186	12,26,785	2,34,936	57,549	14,04,169	4,28,017	4,37,165
Total		82,79,942	7,01,564	64,000	89,17,506	32,39,057	8,24,970	57,549	40,06,474	49,11,030	50,40,884
Total (PY)		76,79,546	6,04,986	4,590	82,79,942	23,51,565	8,90,924	3,433	32,39,057	50,40,883	53,27,979

Sasakawa-India Leprosy Foundation

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Authorised Signatory/Trustees

Chief Executive Officer

Sasakawa-India Leprosy Foundation





Basis of Preparation of Financial Statements 1.

The financial statements of the Foundation 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.

Use of Estimates 2.

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.

Format of Accounts 3.

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

Revenue Recognition 4.

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

Fixed Assets 5.

- Expenditure on accrual basis.

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

Sasakawa India Leprosy Foundation

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

6. Depreciation

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**

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

Transaction in Foreign Currency 7.

- Interest Income on Fixed Deposits made in foreign currency and foreign grants a) received under FCRA are recorded at the exchange rate prevailing on the date of receipt of such amount.
- Monetary items denominated in foreign currencies (such as cash, receivables, b) 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-ter balances, highly liquid investments that are readily convertible into known amounts cash and which are subject to insignificant risk of changes in value.

Employee Benefits 9.

Defined benefit plan

The net present value of the Company's obligation towards gratuity to employees 🕸 non-funded and we have obtained LIC policy to determine the value of obligation as-ब्रें 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,

Sasakawa India Leprosy Foundation

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

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. <u>Provisions</u>

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 Foundation 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 Foundation. 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 Foundation 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 Sasakawa-India Leprosy Foundation

SASAKAWA INDIA LEPROSY FOUNDATION

SCHEDULE 7: NOTES TO ACCOUNTS

- 1. In the opinion of the Foundation, the current assets, loans and advances of the Foundation have a realizable value to the extent shown in the accounts.
- 2. The Foundation 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 Foundation.
- 4. Foundation 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. 30,51,991/- has not been Recognised in Books of Accounts, it will be accounted for as & when received as per the Recognition principles.
- 6. The Foundation 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 thetime 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 2021 is INR 36,79,47,000 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 but in the month of september interest rate changed from 2.8% to 1.25%. 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.

- 7. Schedules 6 to 8 (Policies and Notes to Accounts) forms an integral part of accounts and have been duly authenticated.
- 8. Previous year's figures have been re-grouped or re-arranged wherever necessary.

For V.K.Verma & Company Chartered Accountants

FOR SASAKAWA INDIA LEPROSY FOUNDATION

Vivek Kumar (Partner)

M. No. 503826

Place: New Delhi Dated: 18.10.2021 Sasakawa India Leprosy Foundation Sasakawa-India Leprosy Foundation

Authorised Signatory

Chief Executive Officer Authorised Signatory/Trustees

Sasakawa-India Leprosy Foundation

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