

# V. K. VERMA & CO.

CHARTERED ACCOUNTANTS

C-37, CONNAUGHT PLACE, NEW DELHI-110001

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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 31<sup>st</sup> March, 2022, 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, 2022, 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**

- 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.
- 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;
- The Balance Sheet and the Income and Expenditure Account dealt with by this Report are in agreement with the books of account.
- In our opinion, the Balance Sheet as at March 31, 2022 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



*(Signature)*

(Vivek Kumar)  
Partner

Place: New Delhi

Date: 24-08-22

UDIN: 22503826 ARUH426333

M.No: 503826

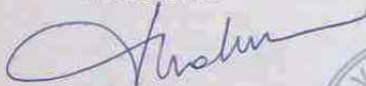
**Sasakawa-India Leprosy Foundation**  
Balance Sheet as at March 31, 2022

Particulars	Sch No	As at March 31, 2022		As at March 31, 2021	
		Rs.	Rs.	Rs.	Rs.
<b>Sources of Funds</b>					
Corpus Fund - Opening Balance			1,09,98,21,997		
Add - Exchange Gain		20,53,000			
Add - Fund received		49,71,90,670			
Less - DHFL Bad Behts		3,88,09,820	46,04,33,850		
			1,56,02,55,847		1,09,98,21,997
General Fund	1		9,24,41,149		4,77,11,841
<b>Total</b>			<b>1,65,26,96,996</b>		<b>1,14,75,33,838</b>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Net Block	2		87,44,646		49,11,027
<b>Investments</b>	3		1,53,32,77,130		63,16,90,975
<b>Current Assets</b>	4				
Cash and Bank Balance		8,88,02,054		50,08,26,207	
Loans & Advances		11,61,210		8,55,938	
Other Current Assets		2,15,64,407		1,01,17,897	
		11,15,27,672		51,18,00,042	
<b>Current Liabilities</b>	5				
Other Liabilities		8,52,452		8,68,206	
		8,52,452		8,68,206	
<b>Net Current Assets</b>			11,06,75,220		51,09,31,836
<b>Total</b>			<b>1,65,26,96,996</b>		<b>1,14,75,33,838</b>

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 : 24-08-22

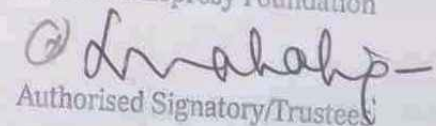
  
Chief Executive Officer

Sasakawa-India Leprosy Foundation

  
Authorised Signatory/Trustees

UDIN: 22503826 ARUHQZG333

Sasakawa-India Leprosy Foundation

  
Authorised Signatory/Trustees



**Sasakawa-India Leprosy Foundation**  
Income and Expenditure Account for the year ended March 31, 2022

Particulars	Sch No	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
The Nippon Foundation & The Dalai Lama			-		-
COVID 19 - Grants & Donations			-		41,39,193
Sasakawa Memorial Health Foundation - HHDLS			1,08,45,839		80,66,431
Sasakawa Health Foundation - ASLC			2,52,434		6,67,749
Sasakawa Health Found'n - Don't Forget Leprosy Campaign			4,10,000		-
Domestic Grants			21,35,900		1,25,00,238
Donations-Domestic			17,07,940		13,35,250
Reimbursements - Photo Exhibition & Felicitation lunch			-		3,39,895
Other receipts			36,327		3,62,000
Interest on Income Tax refund			6,41,530		5,72,531
Interest on Investments and saving bank accounts			6,59,41,276		2,74,26,196
			8,19,71,246		5,54,09,484
Add: Expenses out of amount brought forward U/S 11(1)			-		58,10,551
Add: Expenses out of amount brought forward U/S 11(2)			-		48,39,193
Add: Amount utilized u/s 11(2) related to FY 2016-17			1,48,64,000		56,00,000
Less: Income Carried forward U/S 11(1)			1,26,24,142		-
Less: Income set apart U/S 11(2)			96,42,757		-
(A)			<b>7,45,68,347</b>		<b>7,16,59,228</b>
<b>LESS.: EXPENDITURE</b>					
Salary & Allowances		57,45,869		45,95,680	
Staff Retreat , Capacity Building Training & staff welfare expenses		52,121		30,250	
Office Rent		47,85,442		43,15,044	
Board Meeting & Conferences		76,805		9,235	
Telephone Expenses		1,13,822		1,39,666	
Audit Fees		95,900		94,400	
Bank Charges		8,463		11,766	
Electricity & Water		1,37,210		31,723	
Miscellaneous		3,793		23,614	
Office Maintenance		2,18,646		1,02,269	
Office & Computer Supplies		2,88,655		1,47,617	
Travel & Conveyance		1,60,498		2,80,841	
Professional Fees		16,74,300		27,08,308	
Education		2,86,59,065		2,38,75,116	
Livelihood		1,60,68,524		1,79,00,529	
Advocacy & Communication		63,32,343		39,14,345	
Humanitarian Aid		23,44,935		1,708	
Covid -19 Rellief		18,96,123		50,91,888	
Partnership & Fund Raising		7,16,172		-	
Festival Expenses		20,605		90,700	
Loss on sale of fixed assets		25,788		430	
Prior Period Expenses		-		10,538	
Depreciation		16,08,504	7,10,33,582	8,24,970	6,42,00,636
<b>Excess of income over expenditure (B)</b>			<b>35,34,765</b>		<b>74,58,592</b>
Balance Brought Forward (C )			3,28,47,841		2,59,20,582
Less Amount Adjusted			4,69,355		5,31,333
Add Provision Written off - DHFL			3,42,61,000		-
<b>Balance Carried Forward (B+C)</b>			<b>7,01,74,251</b>		<b>3,28,47,841</b>

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 : 24-08-22

UDIN: 22503826A-RUHQ26333

Chief Executive Officer

Sasakawa-India Leprosy Foundation

Trustee

Sasakawa-India Leprosy Foundation

**Sasakawa-India Leprosy Foundation**  
Schedule to Accounts for the year ended March 31, 2022

**General Fund**

Particulars	As at March 31, 2022	Schedule "1" As at March 31, 2021
	Rs.	Rs.
Income & Expenditure Account	7,01,74,251	3,28,47,841
Income Being Carried Forward U/s 11(1)	1,26,24,142	-
Income Set apart U/s 11(2)	96,42,757	1,48,64,000
<b>Total</b>	<b>9,24,41,149</b>	<b>4,77,11,841</b>

**Investments**

Particulars	As at March 31, 2022	Schedule "3" As at March 31, 2021
	Rs.	Rs.
In Schedule Banks	87,72,00,000	36,79,47,000
Other Banks and Institutions	65,60,77,130	30,15,47,475
Provision for doubtful Fds with DHFL	-	(3,78,03,500)
<b>Total</b>	<b>1,53,32,77,130</b>	<b>63,16,90,975</b>

**Current Assets**

Particulars	As at March 31, 2022	Schedule "4" As at March 31, 2021
	Rs.	Rs.
<b>Cash and Bank Balance</b>		
Cash in Hand	27,342	31,399
State Bank of India - 39880311797 - FCRA account	6,61,45,427	47,92,88,491
Punjab National Bank - 10482071000023 - FCRA Account	39,51,989	9,03,072
Kotak Mahindra Bank Ltd. - A/c No 7411776555	13,38,094	29,18,596
Kotak Mahindra Bank Ltd. - A/c No 7412821391 - DHFL	93,353	33,919
HDFC Bank Ltd. - SBA05031110000175	63,83,682	82,07,201
HDFC Bank Ltd. - SBA05031110000158	2,024	11,47,244
HDFC FCRA UCA - 50100461273800	39,24,241	-
SCB Bank - 52610895172 - HSBC Grant	2,03,386	10,79,600
Punjab National Bank - SBA No 0758 219 1013 326	67,32,516	72,16,685
<b>Total</b>	<b>8,88,02,054</b>	<b>50,08,26,207</b>
<b>Loans &amp; Advances</b>		
Project / Travel/other / Staff Salary advance	3,07,005	1,733
Security Deposit -Rent	8,54,205	8,54,205
<b>Total</b>	<b>11,61,210</b>	<b>8,55,938</b>
<b>Other Current Assets</b>		
Prepaid Expenses	34,767	21,395
Income recoverable	2,000	50,000
Credit Card Expenses (HDFC & Kotak Mahindra Bank)	45,000	-
Other Advances	36,000	59,864
Interest accrued on FDR	1,25,64,506	50,41,381
Tax Deducted at Source -A.Y. 2022-23	55,51,357	-
Tax Deducted at Source -A.Y. 2021-22	13,61,364	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	-	-
Tax Deducted at Source -A.Y. 2017-18	-	-
Tax Deducted at Source -A.Y. 2016-17	-	-
Tax Deducted at Source -A.Y. 2015-16	-	-
Tax Deducted at Source -A.Y. 2014-15	-	7,43,664
Tax Deducted at Source -A.Y. 2013-14	-	8,70,816
<b>Total</b>	<b>2,15,64,407</b>	<b>1,01,17,897</b>

**Liabilities**

Particulars	As at March 31, 2022	Schedule "5" As at March 31, 2021
	Rs.	Rs.
<b>Current Liabilities</b>		
TDS payable	5,40,756	2,62,788
EPF & ESI payable	1,99,920	-
Auditor's remuneration	94,400	2,39,800
Hybrid Idea Solution	-	66,300
HDFC Bank Credit Card	-	-
Travel , Fee & Honorarium expenses payable	16,376	2,94,969
Other Expenses payable	1,000	1,000
Telephone Expenses Payable	-	3,349
<b>Total</b>	<b>8,52,452</b>	<b>8,68,206</b>

Sasakawa-India Leprosy Foundation

Authorised Signatory/Trustees

Sasakawa-India Leprosy Foundation



**Sasakawa-India Leprosy Foundation**  
**SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2022**

Particulars	Rate	Gross Block				Depreciation				Written Down Value	
		Cost as on 01/04/2021	Additions	Sales	Cost as on 31/03/2022	As on 01/04/2021	During the Year	Adjustment	As on 31/03/2022	As on 31/03/2022	As on 31/03/2021
Furniture & Fixture	10	44,73,352	36,580	-	45,09,932	14,29,863	3,08,007	-	17,37,870	27,72,063	30,43,492
Office Equipments	15	18,05,571	1,16,200	51,563	18,70,208	8,28,689	1,56,646	30,892	9,54,443	9,15,764	9,76,882
Activa - Honda 6G	15	50,465	82,430	50,465	82,430	35,501	12,365	35,501	12,365	70,065	14,964
Car - Ertiga ZXI	15	-	10,78,915	-	10,78,915	-	1,61,837	-	1,61,837	9,17,078	-
Software	25	7,55,929	36,52,100	-	44,08,029	3,08,253	6,58,038	-	9,66,291	34,41,738	4,47,675
Computers	40	18,32,185	5,31,287	54,870	23,08,602	14,04,171	3,11,611	35,117	16,80,665	6,27,937	4,28,014
Total		89,17,502	54,97,512	1,56,898	1,42,58,116	40,06,476	16,08,504	1,01,510	55,13,471	87,44,646	49,11,027
Total (PY)		82,79,942	7,01,560	64,000	89,17,502	32,39,055	8,24,970	57,549	40,06,476	49,11,027	50,40,887

Sasakawa-India Leprosy Foundation

*Vivek Lal*  
Executive Officer

Sasakawa-India Leprosy Foundation

*[Signature]*  
Authorised Signatory/Trustees



Sasakawa-India Leprosy Foundation

*[Signature]*  
Authorised Signatory/Trustees

## SASAKAWA INDIA LEPROSY FOUNDATION

### SCHEDULE 6: SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statements

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.

#### 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 Foundation 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 foundation, 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



Sasakawa-India Leprosy Foundation  
Authorized Signatory/Trustees

  
Vivek Lal  
Chief Executive Officer

Sasakawa-India Leprosy Foundation  
Authorized Signatory/Trustees



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%

**7. Investments**

- Permissible Investments which the management intends to hold on a long term 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 and other financial institution are in compliance with Section 11(5) of the Income Tax Act, 1961.

**8. Transaction in Foreign Currency**

- 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.

**9. 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.

**10. 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.

**11. 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.

*[Signature]*  
Chief Executive Officer



*[Signature]*  
Authorised Signatory/Trustees

*[Signature]*  
Sasakawa-India Leprosy Foundation  
Authorised Signatory/Trustees

## 12. 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.

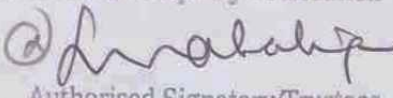


Sasakawa-India Leprosy Foundation

  
Authorized Signatory/Trustees

  
Chief Executive Officer

Sasakawa-India Leprosy Foundation

  
Authorized Signatory/Trustees



## 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 accounts, 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 the Balance sheet and Income & Expenditure Account of the Foundation.
4. Foundation is charging the Depreciation on Fixed Assets purchased as per rates prescribed by Income Tax Act 1961.
5. The Foundation had an investment with DHFL of Rs.7.56 Cr, out of this total principal, Rs. 1.84 Cr (24%) has been realized. An amount of Rs. 1.43 Cr (19% of the original principal) is carried forward in the Balance Sheet, as the issue is under litigation. The Balance amount of Rs 4.29 Cr (57%) is being written off in the books of account.
6. The amount of interest earned on Investments made out of Corpus and General fund has been credited to the Income and Expenditure account.
7. Schedules 6 to 8 (Policies and Notes to Accounts) form 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

  
Vivek Kumar  
(Partner)  
M. No. 503826



Place: New Delhi

Dated : 24-08-22

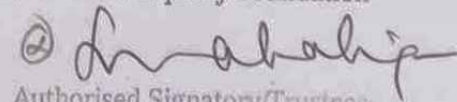
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FOR SASAKAWA INDIA LEPROSY FOUNDATION

  
Authorised

Sasakawa-India Leprosy Foundation  
  
Authorised Signatory/Trustee

Sasakawa-India Leprosy Foundation

  
Authorised Signatory/Trustees