

G. SHUNMUGA NATHAN & Co.,
CHARTERED ACCOUNTANTS

No. 36, 1 Floor, Ganesh Temple Cross,
Hosur Road, Madiwala, Bangalore - 560 068.
Ph : 080 - 2553 3852 / 93428 53842
E-mail : nathansgs@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Stichting Terre Des Hommes Foundation

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **M/s. Stichting Terre Des Hommes Foundation** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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.



[Handwritten signature]

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion



A handwritten signature in green ink, appearing to be "S. Nathan", written over the stamp.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit/Loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2018 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give in the 'Annexure A' statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:-
 - 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 the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



[Handwritten signature]

- i. The company does not have any pending litigations which would impact its financial position.
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss, and
- iii. There was no amount required to be transferred to Investor Education and Protection Fund by the Company during the year.

Place : Bangalore

Date : 22 May 2019



*For G. SHUNMUGA NATHAN & Co.,
Chartered Accountants*

*(G. SHUNMUGA NATHAN)
Proprietor*

**Mem. No: 205865
FRN 010536 S**

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) There are no immovable properties held in the name of the company.
- 2) The Company is a not-for-profit company, primarily rendering child care program services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable
- 3) The Company has not granted any loans to companies, and other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2016 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally



regular in depositing undisputed statutory dues including Income-Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities. The Laws relating to Provident Fund, Employees State Insurance, Sales tax, Duty of Customs, Duty of Excise, Value added Tax and Goods and Services Tax are not applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and Goods and Services Tax, outstanding on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not taken any loan from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the order is not applicable to the Company.
- 13) In our opinion and according to the explanations and information given to us there are no transactions with the related parties, hence the compliance with section 177 and 188 of Companies Act, 2013 does not arise.



[Handwritten signature]

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : Bangalore

Date : 22 May 2019



*For G. SHUNMUGA NATHAN & Co.
Chartered Accountants*

*(G. SHUNMUGA NATHAN)
Proprietor*

**Mem. No: 205865
FRN 010536 S**

“Annexure B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of s (“the company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our



A handwritten signature in green ink, appearing to be "G. Shumuga Nathan", written over the stamp.

audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate



because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Place : Bangalore

Date : 22 May 2019



For G. SHUNMUGA NATHAN & Co.,
Chartered Accountants

A handwritten signature in green ink, appearing to read "G. Shunmuga Nathan".

(G. SHUNMUGA NATHAN)
Proprietor

Mem. No: 205865
FRN 010536 S

PART-I: BALANCE SHEET

Name of the Company : Stichting Terre Des Hommes Foundation
Balance Sheet as at 31 March 2019

Particulars		Note No.	For The Year Ended 31st March,2019	For The Year Ended 31st March,2018
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	-	-
	(b) Reserves and surplus	2.2	2,203.00	-
	(c) Money received against share warrants			
			2,203.00	-
2	Share Application money pending allotment			
3	Non-current liabilities			
	(a) Long term borrowings	2.3	-	-
	(b) Deferred tax liabilities (net)			
	(c) Other long-term liabilities			
	(d) Long-term provisions			
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables			
	(c) Other current liabilities	2.4	10,500.00	-
	(d) Short-term provisions		-	-
			-	-
			8,297.00	-
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets		-	-
	(i) Tangible assets			
	(ii) Intangible assets			
	(iii) Capital Work-in Progress			
	(iv) Intangible assets under development			
	(v) Fixed assets held for sale			
	(b) Non-current investments		-	-
	(b) Deferred tax assets (net)		-	-
	(c) Long-term loans and advances	2.6	-	-
	(d) Other non-current assets		-	-
2	Current assets			
	(a) Current Investments			
	(b) Inventories			
	(c) Trade receivables	2.7		
	(d) Cash and cash equivalents	2.8	8,297.00	-
	(e) Short-term loans and advances			
	(f) Other current assets			
			8,297.00	-
			8,297.00	-

Significant Accounting Policies and Notes on Accounts 1 & 2 As per the report attached. Amount presented in Rupees.

For G.SHUNMUGA NATHAN&CO
Chartered Accountants

G.Shunmuganathan
Proprietor

M. No.205865

Place :Bangalore

Date: 22 May 2019



For Stichting Terre Des Hommes Foundation

Thangaperumal Ponpandi
Managing Director

Subramania Siva
Director



PART-II : STATEMENT OF PROFIT & LOSS

Name of the Company : Stichting Terre Des Hommes Foundation
Statement of Profit and Loss for the year ended 31 March 2019

Particulars		Note No.	Figures as at the end of the current reporting Period	Figures as at the end of the Previous reporting Period
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)			
	Less: Excise duty			
	Revenue from operations (gross)			
2	Other income (General Donations & Contributed Prog, Revenue)		2,34,656.00	
3	Total revenue (1+2)		2,34,656.00	-
4	Expenses	2.9		
	(a) Cost of materials consumed			
	(b) Purchases of stock-in-trade			
	(c) Changes in inventories of finished goods, work-in-progress and stock-	2.10	15,000.00	-
	(d) Employee Benefit Expenses			
	(e) Finance costs			
	(f) Depreciation and amortisation expense			
	Other Expenses		2,21,859.00	-
	Total expenses		2,36,859.00	-
5	Profit / (Loss) before exceptional and extraordinary items and tax (3-		2,203.00	-
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5+6)		2,203.00	-
8	Exceptional items			
9	Profit / (Loss) before tax (7+8)		2,203.00	-
10	Tax expenses:			
	(a) Current tax expenses for current year			
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expenses relating to prior years			
	(d) Net current tax expenses			
	(e) deferred tax			
11	Profit / (Loss) from continuing operations (9+10)		2,203.00	-
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax) (9+10)			
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities			
12.iii	Add / (less): Tax expenses of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	Profit / (Loss) from discontinuing operations (12.i+12.ii+12.iii)			
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11+13)		2,203.00	-

Amount in the financial statements are presented in Rupees

For G.SHUNMUGANATHAN & CO

Chartered Accountants

G.Shunmuganathan

Proprietor (Mem No. 205865)

Place :Bangalore

Date: 22 May 2019



For Stichting Terre Des Hommes Foundation

Thangaperumal Ponpanan
Managing Director

Subramania Siva
Director



2.1 SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Authorized		
Equity shares, par value		
equity shares	-	-
Issued, Subscribed and Paid-Up		
Equity shares, par value	-	-
equity shares fully paid-up	-	-

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of Share	Amount
Number of shares at the beginning	-	-	-	-
Numer of shares issued during the year	-	-	-	-
Number of shares at the end	-	-	-	-

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Surplus- Opening Balance	-	-
Add: Net profit after tax transferred from Statement of Profit and Loss	2,203.00	-
Amount available for appropriation	2,203.00	-
Appropriations:		
Amount transferred to general reserve	-	-
Surplus- Closing Balance	2,203.00	-
Securities Premium Account	-	-
	2,203.00	-

2.3 LONG-TERM BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Secured Loan		
Term Loans from Banks	-	-
Term Loans from Other Parties	-	-
Other Loans form Banks	-	-
Unsecured Loans		
Loan from Directors	-	-
Loan from Related Parties	-	-
Loans from others	-	-



Sumit



2.4 OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Sundry Payables	10,500.00	-
	10,500.00	-

2.6 LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31,	
	2,019	2,018
	-	-

2.6 OTHER NON CURRENT ASSETS

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
	-	-

2.7 TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Sundry Debtors	-	-
	-	-

2.8 CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Cash on Hand	-	-
	-	-

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
In current accounts		
Bank	8297	-
	8,297.00	-
	8,297.00	

Total cash and cash equivalents as per Balance Sheet



[Handwritten signature]



2.9 SHORT-TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Loans and Advances		
Rent Deposit	-	-
TDS Refund due	-	-
Telephone Advance	-	-
	-	-

2.10 EXPENSES

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Cost of goods Sold		
Opening Stock	-	-
Add : Purchase	-	-
	-	-
Less : Closing stock	-	-
	-	-
Employee benefit expenses		
Salaries and Wages	15,000.00	-
Professional Charges	-	-
	15,000.00	-

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Other expenses		
Sports materials for school going children at Bagepalli	10,002.00	-
Community Health Camp Expenses	10,645.00	-
Contributed Expenses for Community Health Camp	1,04,256.00	-
Mobility aid support to children	9,250.00	-
Mobility aid support to elderly people	9,050.00	-
Education materials for school goind children at Chittoor	12,986.00	-
Career Guidance library for youth	9,320.00	-
Rent	40,000.00	-
Office Expenses & Maintenance	850.00	-
Profession Tax	5,000.00	-
Auditors Remuneration	10,500.00	-
	-	-
	2,21,859.00	-

2.11 TAX EXPENSES

(Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Current tax		-
Deferred taxes		-



Signature



2.12 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE
 (Amount in Rupees)

Particulars	As at March 31,	
	2,019	2,018
Number of shares considered as basic weighted average shares outstanding	-	-
Add: Effect of dilutive issues of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	-	-



Signature



Notes forming part of the Financial Statements for the year ended 31st March, 2019

1 Corporate information

M/S. Stichting Terre Des Hommes Foundation was promoted by Mr. Thangaperumal Ponpandi and others to carry on the not for profit activity for support child care programmes in India, to technically assist not-for-profit organisations engaged in child care programmes through technical inputs, to coordinate programs being implemented by various not-for-profit organisations and to monitor those institutions being supported financially and technically by the company. The company was incorporated in the name of M/s. Stichting Terre Des Hommes Foundation in the on 19th Nov 2018.

2 Significant accounting policies

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP) the Accounting Standards notified under Section 211(3C) of the Companies (Accounting Standards) Rules, 2006 (as amended) ("the 1956, Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provision of the 1956 Act/2013 Companies Act, as applicable.

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Inventories

There is no inventory involved in this business for this period.

2.4 Depreciation and amortisation

Depreciation does not arise during this period and hence it has not been provided.

2.5 Revenue recognition

Income from services

Income from services does not arise during the period .



A handwritten signature in green ink, appearing to be "S. S. S.", written over the stamp.

Notes forming part of the Financial Statements for the year ended 31st March, 2019

2.6 Other income

Revenue is recognised on accrual basis when no significant uncertainty as to its determination or realization exist.

2.7 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for specific project purpose are expensed out.

2.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.9 Foreign currency transactions and translations

Initial recognition

There is no foreign currency transaction in this company for the period.

2.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Employee benefits include provident fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

Provident Fund

The company is not falling under the obligations under the provident fund contributions .

Defined benefit plans

Gratuity

The company is not falling under the obligations of Gratuity benefit during the period.



Notes forming part of the Financial Statements for the year ended 31st March, 2019

Leave Encashment

The Company has provided for the liability at period end on account of unavailed leave as per the actuarial valuation as per the Projected Unit Credit Method.

2.12 Borrowing costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are recognized as an expense in the year in which they are incurred.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease period.

2.14 Earnings per share

Earnings per share does not arise since the company is a guarantee company..

2.15 Taxes on income

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT Credit is recognised as an asset under the head "Short term Loans and Advances" in the Balance Sheet.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

