



AUDITOR'S REPORT

To
**THE MEMBERS OF
UTKARSH WELFARE FOUNDATION, VARANASI**

(A Company registered under section 25 of the Indian Companies Act, 1956, now sec 8 of the Companies Act, 2013)

We have audited the attached standalone Financial Statements of **UTKARSH WELFARE FOUNDATION**, which comprises the Balance Sheet as at March 31, 2018, the statement of Income & Expenditure and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

1. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) In the case of the Statement of Income & Expenditure, of the Surplus of the Company for the year ended on that date and
- (c) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date

2. BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. MANAGEMENT'S RESPONSIBILITY FOR THE 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 financial statements to 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. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

2. AUDITORS' RESPONSIBILITY

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of Section 143 (11) of the Act do not apply to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f. 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:
 - i. There were no pending litigations which would impact the financial position of the Company;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **ACHAL SRIVASTAVA & CO.**
Chartered Accountants
Firm's Registration No. 013385C


ACHAL SRIVASTAVA
Partner
M. No. 405982

Place: Varanasi
Date: 10.05.2018

Utkarsh Welfare Foundation

Balance Sheet

(All amounts in Indian rupees, except share data and where otherwise stated)

AS AT MARCH 31	Note	2018	2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	637,000	137,000
Reserves and Surplus	2.2	1,340,625	5,856,567
		<u>1,977,625</u>	<u>5,993,567</u>
Current Liabilities			
Other Current Liabilities	2.3	450,426	755,889
		<u>450,426</u>	<u>755,889</u>
Total		<u>2,428,051</u>	<u>6,749,456</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	2.4	1,045,222	822,927
(ii) Intangible Assets		-	-
Investment	2.5	110,118	59,806
		<u>1,155,340</u>	<u>882,733</u>
Current Assets			
Cash and Bank Balances	2.6	548,047	599,720
Short Term Loans and Advances	2.7	724,664	5,267,003
		<u>1,272,711</u>	<u>5,866,723</u>
Total		<u>2,428,051</u>	<u>6,749,456</u>
Significant Accounting Policies	1		
Notes to Accounts	2		

As per our report of even date attached

for Achal Srivastava & Co.
Chartered Accountants
Firm Registration No. 013385C

Achal Srivastava
Achal Srivastava
Partner
Membership No. 405982

Place: Varanasi
Date : May 10, 2018

for Utkarsh Welfare Foundation

Rahul Dey
Rahul Dey
Director

Ashwani Kumar
Ashwani Kumar
Director

Ankita Khetan
Ankita Khetan
Company Secretary



Utkarsh Welfare Foundation


Income and Expenditure Statement

(All amounts in Indian rupees, except share data and where otherwise stated)

For the Year ended March 31	Note	2018	2017
Income			
Other Income	2.8	13,591,470	22,446,557
		<u>13,591,470</u>	<u>22,446,557</u>
Expenses			
Change in Inventory	2.9	-	951,434
Project Expenses (Net)	2.10	-	116,960
Employee Benefits Expenses	2.11	8,970,123	9,466,317
Other Expenses	2.12	9,133,989	11,571,241
		<u>18,104,112</u>	<u>22,105,952</u>
Surplus before Prior Period Items		(4,512,642)	340,605
Less: Prior Period Items	2.13	3,300	(60,195)
Surplus after Prior Period Items		<u>(4,515,942)</u>	<u>400,800</u>
Significant Accounting Policies	1		
Notes to Accounts	2		

As per our report of even date attached

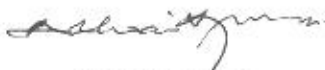
for Achal Srivastava & Co.
Chartered Accountants
Firm Registration No. 013385C


Achal Srivastava
Partner
Membership No. 405982

Place: Varanasi
Date : May 10, 2018

for Utkarsh Welfare Foundation


Rahul Dey
Director


Ashwani Kumar
Director


Ankita Khetan
Company Secretary



Utkarsh Welfare Foundation

Cash Flow Statement

(All amounts in Indian rupees, except share data and where otherwise stated)

For the Year ended March 31	2018	2017
Cash Flow From Operating Activities		
Surplus as per Income & Expenditure Account	(4,515,942)	400,800
Adjustments:		
Dividend from Mutual Fund	(47,616)	(15,920)
Interest on Fixed Deposit	-	-
Interest on Term Loan	-	-
Operating Cash Flow Before Working Capital Changes	(4,563,558)	384,879
Increase In Short Term Loans and Advances	4,542,338	(1,264,498)
Decrease in Inventories	-	1,067,294
Decrease In Other Assets	-	1,550
Increase In Other Current Liabilities and Provisions	(305,462)	400,646
Cash From Operations	(326,682)	589,872
Income Taxes Paid	-	-
Net Cash From Operating Activities (A)	(326,682)	589,872
Cash Flow From Investing Activities		
Purchase Of Fixed Assets	(222,295)	(449,600)
Change In Investments	(50,312)	(15,920)
Dividend from Mutual Fund	47,616	15,920
Interest on Fixed Deposit	-	-
Net Cash Used By Investing Activities (B)	(224,991)	(449,600)
Cash Flow From Financing Activities		
Proceeds from Share Capital	500,000	-
Proceeds From Long Term Borrowings	-	-
Interest on Term Loan	-	-
Net Cash Provided By Financing Activities (C)	500,000	-
Net Increase In Cash and Cash Equivalents (A+B+C)	(51,673)	140,272
Cash and Cash Equivalents at the beginning of the year	599,720	459,448
Cash and Cash Equivalents at the end of the year	548,047	599,720
Note:		
1. Cash and Cash Equivalents comprise		
Cash in hand	17,153	17,153
Balances with banks		
- in current and savings account	344,824	409,094
- in deposit account	186,070	173,473
	548,047	599,720

for **Achal Srivastava & Co.**
Chartered Accountants
Firm Registration No. 043385C

Achal Srivastava
Partner
Membership No. 405982

Place: Varanasi
Date : May 10, 2018

for **Utkarsh Welfare Foundation**

Rahul Dey
Director

Ashwani Kumar
Director

Ankita Khetan
Company Secretary



Utkarsh Welfare Foundation

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

- The Financial Statements are drawn up based on historical costs and mercantile basis of accounting has been followed
- Accounting Policies not specifically referred to are in consistent with generally accepted accounting policies

1.2 Income Tax

Since the company is registered under section 25 of the Companies Act, 1956 (now Sec. 8 of Companies Act, 2013) as a non-profit company on 12th August, 2010 and also under section 12 A (a) of the Income Tax Act, 1961 for exemption from tax on 28th July, 2011, Hence under section 12 A (a) for claiming income as exempted income under section 11 & section 12, no Provision has been made in accounts for Income Tax.

1.3 Fixed Assets

Fixed assets has been stated at cost. No depreciation has been provided on Fixed Assets

1.4 Employees Benefits

The Company makes contributions towards Employee Provident Fund and same amount has been deducted from salary of employees

1.5 Related Party Disclosure

List of Related Parties are as follows

- Utkarsh Micro Finance Limited - Enterprise having significant influence over the Company
- Utkarsh Small Finance Bank - Enterprise having significant influence over the company.

Transactions entered into with Related parties are followings.

- Utkarsh Micro Finance Limited - Contributions received towards Social Responsibility (CSR) activities amounted to Rs. 90,00,000/-
- Utkarsh Small Finance Bank - Contributions taken towards Social Responsibility (CSR) activities amounted to Rs. 40,00,000/-

2 NOTES TO ACCOUNT

As at March 31	2018	2017
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2.1 Share Capital

Authorised:

Equity Shares

1,00,000 Equity shares of Rs. 10 each	1,000,000	500,000
(50,000 Equity shares of Rs. 10 each in Previous Year)	1,000,000	500,000

Issued, Subscribed and Paid-up

Equity Shares

63,700 equity shares of Rs. 10 each fully paid up	637,000	137,000
(13,700 equity shares of Rs. 10 each fully paid up in Previous Year)	637,000	137,000

The reconciliation of the number of equity shares outstanding is set out below:

Particulars	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
Outstanding at the beginning of the year	13,700	137,000	13,700	137,000
Issued during the year	50,000	500,000	-	-
Outstanding at the end of the year	63,700	637,000	13,700	137,000

The details of shareholders holding more than 5% equity shares are set below:

Name of the Shareholders	Number of Shares	% of Holding	Number of Shares	% of Holding
Ramesh Chandra Singh	3,500	5.49%	3,500	25.55%
Gyanendra Mishra	2,600	4.08%	2,600	18.98%
Abhisheka Kumar	2,600	4.08%	2,600	18.98%
Irllok Nath Shukla	2,500	3.92%	2,500	18.25%
Ankur Govind Singh	2,500	3.92%	2,500	18.25%
Utkarsh Micro Finance Limited	50,000	78.49%	-	-
	63,700	100%	13,700	100%



Handwritten signatures and initials.

2.2 Reserves and Surplus

Surplus in the Profit and Loss Statement

Opening Balance	5,856,567	5,455,767
Surplus for the year	(4,515,942)	400,800
	<u>1,340,625</u>	<u>5,856,567</u>

2.3 Other Current Liabilities

Expenses Payable	-	10,000
Salary Payable	-	31,817
Staff Security Deposit	42,511	250,328
TDS Payable	257,549	2,371
PF Payable	6,805	85,234
Service Tax Payable	87,267	288,960
ESI Payable	-	32,308
Client Insurance Claim received	18,362	14,332
Audit Fees Payable	14,332	20,000
Krishi Kalyan Cess	23,600	10,320
Swachha Bharat Cess in Service Tax	-	10,320
	<u>450,426</u>	<u>755,890</u>

2.4 Fixed Tangible Assets

Computer Hardware	731,025	723,675
Weighing Machine	7,080	7,080
Furniture	13,637	13,637
Scenting Tray	6,020	6,020
Office Equipment	287,460	72,515
	<u>1,045,222</u>	<u>822,927</u>

2.5 Investment

(Non trade, quoted, valued at cost or fair market value whichever is lower)

	Number of Units		Number of Units	
Reliance Mutual Fund - Fully Paid Up	71,991	110,118	39,127	59,806
		<u>110,118</u>		<u>59,806</u>

2.6 Cash and Bank Balances

Cash and cash equivalents

Cash in hand

Balances with banks

- in current and savings account
- in deposit account

17,153	17,153
344,824	409,094
186,070	173,473
<u>548,047</u>	<u>599,720</u>

2.7 Short Term Loans and Advances

(Unsecured, Considered Good)

Receivables from Others	15,336	4,354,122
Mobile Bill Recovery	2,711	2,078
TDS Recoverables	535,880	328,243
Sales Tax Security	35,000	35,000
Loan Suspense	17,760	17,760
Recoverable from Green Planet	4,320	4,320
Interest Receivable on FDR	8,000	10,515
Advance against Salary	10,000	32,000
Swachha Bharat Cess in Service Tax	-	1,505
Insurance Advance	50,000	50,000
Cenvat Credit Available	17,067	7,000
Krishi Kalyan Cess	960	350
Advance for SHDBI Staffs	3,430	291,910
Personal Advance	24,200	132,200
	<u>724,664</u>	<u>5,267,003</u>



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2.8 Other Income		
Contribution received	13,000,000	15,579,418
IFC Grant	-	2,824,487
Interest from bank	9,644	11,293
Dividend Received from Mutual fund	47,616	15,921
Other Income	-	3,666,752
Notice Period Recovery	-	57,218
Contribution from SI/SH/ASA1	500,000	-
Health Camp Receipt	34,210	11,916
Sale of Agarbatti	-	279,582
Solar Lamp Sales	-	22,446,557
	<u>13,591,470</u>	<u>22,446,557</u>
2.9 Changes in Inventory (Solar)		
Opening Stock	-	951,434
Less: Closing Stock	-	-
	<u>-</u>	<u>951,434</u>
2.10 Project Expenses		
Material Purchase	-	1,100
Add: Opening Stock	-	115,860
Less: Closing stock	-	-
Material Consumed	-	116,960
	<u>-</u>	<u>116,960</u>
2.11 Employees Benefits Expenses		
Basic Salary	3,462,238	4,040,080
Bonus & Incentive	1,241,964	905,889
PF Expenses (Admin)	47,332	53,501
Company Contribution for ESI	156,136	424,215
PF Employer Contribution	510,592	475,690
Leave Encashment	699,238	-
Gratuity	311,844	399,890
Allowances	2,540,779	3,167,052
	<u>8,970,123</u>	<u>9,466,317</u>
2.12 Other Expenses		
Traveling & Conveyance Expenses	154,994	198,491
Electricity Expenses	64,029	1,867
Audit Fees	23,600	20,000
Legal & Filing Expenses	24,147	44,759
Health Camp Expenses	6,217,119	7,022,775
Bank Charges	938	460
Vehicle Rent & Transportation Expenses	8,845	13,475
Office Rent	-	64,771
Refreshment	98,736	141,520
Stationery & Photocopy	38,410	16,266
Postage & Telegram	5,116	9,951
VSA1 & Internet Expenses	180,628	1,200
Rounding Off/ Write Off	1	27,446
Board Meeting Expenses	-	2,848
Charitable Expenses	60,389	87,189
Financial Awareness Program (SIDBI)	1,345,772	495,099
Financial Awareness Program	381,657	2,767,407
Training & Recruitment Expenses	26,085	126,573
Other Expenses	2,615	61,077
Other Professional Charges	57,234	186,000
Telephone & Fax	16,071	15,630
Repair & Maintenance	244,961	77,648
Interest on Taxes	1,470	6,827
Auditor Traveling & Others	-	1,094
Hotel & Lodging Expenses	167,314	124,036
Meeting Expenses	12,858	1,070
Website Expenses	1,000	50,859
Loss on Sale of Assets	-	4,000
	<u>9,133,989</u>	<u>11,571,241</u>
2.13 Prior Period Item		
At Credit Plus Activity		
Prior Period Item	3,300	(60,195)
	<u>3,300</u>	<u>(60,195)</u>



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- 2.14 **Notes on Operation:** The objective of "UTKARSH WELFARE FOUNDATION" is to provide welfare services, development, help and assistance to the under privileged inhabitants, groups of rural and urban slum sectors by way of financial products, market linkages, opportunities, education, health and vocational training programs. UTKARSH WELFARE FOUNDATION aims to attract development funding for projects undertaken by it, by seeking grant contributions from both individuals and institutions based on demonstrable results achieved. By emphasizing on results and thereby reducing the risk of opportunity cost for social returns, the result based funding model aims to attract more individual and institutional donors and funders, to create a larger and efficient market for philanthropy and development finance.

Utkarsh have made agreements with SESHASAI. The contributions received from SESHASAI are used to provide health and Medical Facilities among the people through Health Camps.

2.15 **MISCELLANEOUS:**

- The Company has kept all the unutilized balance of fund in the form of bank balance with scheduled banks, which are in conformity with section 11(5) of the Income Tax Act, 1961
- Figures of Previous year has been rearranged / regrouped wherever needed.
- Figure in bracket represents negative

for Achal Srivastava & Co.

Chartered Accountants

Firm Registration No. 0133856

Achal Srivastava

Partner

Membership No. 405982

Place: Varanasi

Date: May 10, 2018

for Utkarsh Welfare Foundation

Rahul Dey
Director

Ashwani Kumar
Director

Ankita
Ankita Khetan
Company Secretary

