



S. Sahoo & Co.

Chartered Accountants

Independent Auditor's Report pursuant to the requirements of Rule 17(5) of the Foreign Contribution (Regulation) Rules, 2011 (as amended)

To,
The Members of the Board
CHARKHA
12A, Third Floor, Vasant Apartment,
Vasant Vihar, New Delhi-110057

1. This Report is issued in accordance with the terms of our engagement with **Charkha** (the 'Society') having Registration no. 231650999 under the FCRA.
2. We have audited the accompanying special purpose financial statements of the Society which comprise the Balance Sheet as at 31 March 2019, the Income and Expenditure Statement and Receipts and Payment Account for the year ended 31 March 2019, and significant accounting policies and notes to the financial statements (hereinafter together referred to as 'Foreign Contribution Financial Statements') with respect to Foreign Contribution and accompanying notes to accounts in accordance with the basis of accounting to the Foreign Contribution Financial Statements, prepared by the management of the Society pursuant to the requirement of section 19 of the Foreign Contribution (Regulation) Act, 2010 ('Act') read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) ('Rules'). The accompanying Annexure have been initialed by us for identification purpose only.

Management's Responsibility for the Foreign Contribution Financial Statements and Annexure

3. The Management is responsible for preparation and presentation of the Foreign Contribution Financial Statements and Annexure in accordance with the basis of accounting including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Foreign Contribution Financial Statements and Annexure and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Society complies with the requirements of the Act read with relevant Rules and providing all required information to the Ministry of Home Affairs.



Auditor's Responsibility

5. Pursuant to the requirement as stated in paragraph 2 above, it is our responsibility to provide a reasonable assurance in form of an opinion on these Foreign Contribution Financial Statements and Annexure based on our audit.
6. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Foreign Contribution Financial Statements and Annexure are free from material misstatement due to fraud or error.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Foreign Contribution Financial Statements and Annexure. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Foreign Contribution Financial Statements and Annexure, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Society's preparation of the Foreign Contribution Financial Statements and Annexure, in all material respects, in accordance with the basis of accounting described in notes to the accounts to these Foreign Contribution Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management of the Society, as well as evaluating the overall presentation of the Foreign Contribution Financial Statements and Annexure.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Foreign Contribution Financial Statements and Annexure.

Opinion

9. In our opinion and basis the utilisation certificates submitted by the sub-recipients, the accompanying Foreign Contribution Financial Statements and Annexure for the year ended 31st March 2019 are prepared, in all material respects, in accordance with the basis of accounting described in notes to accounts annexed to these Foreign Contribution Financial Statements.

Basis of accounting and restriction on distribution or use



10. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of accompanying Foreign Contribution Financial Statements and Annexure with the Ministry of Home Affairs. The Management has also prepared complete set of financial statements for Society for the purpose of submission with Form 10B of the Income Tax Rules, 1962.
11. The report is addressed to and provided to the members of the Society solely for the purpose of enabling them to comply with the requirements of Rule 17(5) of the Rules, which requires them to submit the report with the accompanying Foreign Contribution Financial Statements and Annexure to the Ministry of Home Affairs, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For & on behalf of-

S. Sahoo & Co.

Chartered Accountants

FRN No. 322952E



CA Menka, ACA

Partner

MM No. 552513

Date: 25.09.2019

Place: New Delhi

UDIN: 19552513AAAADU1233

CHARKHA
12A 3rd FLOOR VASANT APARTMENT, VASANT VIHAR
NEW DELHI (INDIA)

FOREIGN PROJECTS

AMOUNT IN INR

AMOUNT IN INR

BALANCE SHEET AS AT 31st MARCH 2019

SOURCES OF FUND	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
I.FUND BALANCES:			
a. General Fund	[01]	2,179,187.69	73,113.19
b. Project Fund	[02]	-	60,025.00
c. Asset Fund	[03]	306,693.00	359,524.00
	[I]	2,485,880.69	492,662.19
II.LOAN FUNDS:			
a. Secured Loans		-	-
b. Unsecured Loans		-	-
	[II]	-	-
TOTAL	[I + II]	2,485,880.69	492,662.19
APPLICATION OF FUND			
I.FIXED ASSETS			
Net Assets	[04]	359,524.00	427,446.00
Less: Depreciation		52,831.00	67,922.00
Closing Written Down Value	[I]	306,693.00	359,524.00
II. INVESTMENT			
	[II]	-	-
III.CURRENT ASSETS, LOANS & ADVANCES:			
a. Loans & Advances	[05]	-	21,402.00
b. Current Assets	[06]	116,829.00	60,404.00
c. Cash & Bank Balances	[07]	2,090,098.69	49,055.69
d. Grant Receivable	[08]	-	2,276.50
	A	2,206,927.69	133,138.19
Less: CURRENT LIABILITIES & PROVISIONS:			
a. Current Liabilities		27,740.00	-
b. Unspent Grant Balance/Receivable	[09]	-	-
	B	27,740.00	-
NET CURRENT ASSETS	[A - B]	2,179,187.69	133,138.19
TOTAL	[I+II+III]	2,485,880.69	492,662.19

As per our report of even date Form 10B Attached
Significant Accounting Policies and Notes to Accounts

[12]

The schedules referred to above form an integral part of the Financial Statement.

For & on behalf :
S.SAHOO & CO.
Chartered Accountants
FRN-322952E

CA Menka, ACA
Partner
M.No. 552513

For & on behalf :
CHARKHA

For CHARKHA
Tilak Mukherjee
President

Anil Singh
Treasurer

Place: New Delhi
Date: 25.09.2019



CHARKHA
12A 3rd FLOOR VASANT APARTMENT, VASANT VIHAR
NEW DELHI (INDIA)

FOREIGN PROJECTS

AMOUNT IN INR

AMOUNT IN INR

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019			
I. INCOME	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
Grant In Aid	[08]	2,456,701.00	718,740.19
Bank Interest		5,851.00	4,050.00
Sale of Fixed Asset		-	7,800.00
TOTAL		2,462,552.00	730,590.19
II. EXPENDITURE			
Program expenses	[09]	324,000.00	521,231.00
Administrative Expenses	[10]	90,226.00	76,221.00
Depreciation	[04]	52,831.00	67,922.00
Less: Transferred to Asset Fund		52,831.00	67,922.00
		-	-
TOTAL		414,226.00	597,452.00
III. EXCESS OF INCOME OVER EXPENDITURE		[I - II]	
Transferred to General Fund		2,048,326.00	73,113.19
Transferred to Project Fund		-	60,025.00
TOTAL		2,048,326.00	133,138.19

As per our report of even date Form 10B Attached
Significant Accounting Policies and Notes to Accounts

[12]

The schedules referred to above form an integral part of the Financial Statement.

For & on behalf :
S.SAHOO & CO.
Chartered Accountants
FRN: 322952E



For & on behalf :
CHARKHA

For CHARKHA
Tilak Mukherjee
President

Anil Singh
Treasurer

Place: New Delhi
Date: 25.09.2019

CHARKHA
12A 3rd FLOOR VASANT APARTMENT, VASANT VIHAR
NEW DELHI (INDIA)

FOREIGN PROJECTS	AMOUNT IN INR	AMOUNT IN INR	
RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019			
RECEIPTS	SCHEDULE	F.Y. 2018-19	F.Y. 2017-18
Opening Balance :			
Cash in Hand		4,458.00	219.00
Cash at Bank		44,597.69	13,374.69
Donation/Grant Aid	[11]	2,456,701.00	591,400.00
Bank Interest		5,851.00	4,050.00
Sale of Asset		-	7,800.00
Loan & Advances Received		49,142.00	46,000.00
TOTAL		2,560,749.69	662,843.69
PAYMENT			
Program Expenses	[09]	324,000.00	521,231.00
Administrative Expenses	[10]	90,226.00	76,221.00
Laon & Advances Paid		56,425.00	16,335.00
Closing Balance			
Cash in Hand		-	4,458.00
Cash at Bank		2,090,098.69	44,597.69
TOTAL		2,560,749.69	662,843.69

As per our report of even date Form 10B Attached
Significant Accounting Policies and Notes to Accounts [12]

The schedules referred to above form an integral part of the Financial Statement.

For & on behalf :
S.SAHOO & CO.
Chartered Accountants
FRN-322952E

GA. Menka, ACA
Partner
M No: 552513

For & on behalf :
CHARKHA

FOR CHARKHA

Tilak Mukherjee
President


Anil Singh
Treasurer

Place: New Delhi
Date: 25.09.2019

CHARKHA
12A 3rd FLOOR VASANT APARTMENT, VASANT VIHAR
NEW DELHI (INDIA)

FOREIGN PROJECTS	AMOUNT IN INR	
	F.Y. 2018-19	F.Y. 2017-18
Schedules forming part of Financial Statement		
SCHEDULE [01] : GENERAL FUND		
Opening Balance	73,113.19	-
Add: Excess of Income Over Expenditure	2,048,326.00	73,113.19
Add: Transferred from Project Fund	57,748.50	-
TOTAL	2,179,187.69	73,113.19
SCHEDULE [02] : PROJECT FUND		
NFI		
Opening Balance	60,025.00	-
Add: Grant Received during the year	-	191,400.00
Less: Utilized during the Year	-	131,375.00
Less: Transferred to General Fund	60,025.00	-
TOTAL	-	60,025.00
SCHEDULE [03] : ASSET FUND		
Opening Balance	359,524.00	436,472.00
Add: Asset Purchase during the year	-	-
Less: Deletion during the year	-	9,026.00
Less: Depreciation Transferred from Income & Expenditure Account	52,831.00	67,922.00
TOTAL	306,693.00	359,524.00
SCHEDULE [05] : LOANS & ADVANCES		
Inter-Project Transfer	-	21,402.00
TOTAL	-	21,402.00
SCHEDULE [06] : CURRENT ASSETS		
Security Deposit	-	-
TDS Receivable	60,431.00	60,404.00
Advances with Staff	56,398.00	-
TOTAL	116,829.00	60,404.00
SCHEDULE [07] : CASH & BANK BALANCE		
Cash in Hand	-	4,458.00
Cash at Bank	2,090,098.69	44,597.69
TOTAL	2,090,098.69	49,055.69
SCHEDULE [08] : GRANT IN AID		
NFI		
Unitti Foundation	287,100.00	423,069.00
Misc Projects - General Fund	-	176,127.00
Human Capability Foundation	-	119,544.19
TOTAL	2,169,601.00	-
SCHEDULE [09] : GRANT RELATED EXPENSES		
Program Expenditures		
Personnel Program	-	125,999.00
Admin	-	-
Program Cost	-	92,683.00
Overhead cost	-	12,987.00
Generating, Editing & Translating Charges	224,000.00	112,260.00
Honorarium to writers for Articles published	100,000.00	-
Indirect Cost	-	19,115.00
Awards Fellowship	-	40,000.00
Skill Building	-	68,687.00
Generating, Editing & Translating Charges	-	49,500.00
TOTAL	324,000.00	521,231.00
SCHEDULE [10] : ADMINISTRATIVE EXPENSES		



For CHARKHA
Tilak Mukherji
Tilak Mukherji
President

Ashy
Ashy
Treasurer

Electricity & Water	4,944.00	-
Office Expenses	3,670.00	1,500.00
Administrative Cost	-	17,940.00
Office Cleaning Expenses	4,000.00	-
Local Convyance Expenses	1,760.00	-
Employee Benefits & Salaries	19,214.00	-
Boarding & Lodging	1,000.00	-
Travelling expenses	29,411.00	-
Repair & Maintaince	5,563.00	-
Refreshment	2,227.00	-
Printing & Stationary	1,319.00	-
Newspapers & Peroidicals	-	-
Telephone Expenses	-	1,769.00
Rent Delhi Office	17,000.00	46,000.00
Brokerage	-	9,000.00
Interest & Penalty	-	12.00
Bank Charges	118.00	-
TOTAL	90,226.00	76,221.00

SCHEDULE [11]: GRANT IN AID RECEIVED

NFI	287,100.00	391,400.00
Unitti Foundation	-	200,000.00
Human Capability Foundation	2,169,601.00	-
TOTAL	2,456,701.00	591,400.00



For CHARKHA

 Tilak Mukherji
 President



CHARKHA
12A 3rd FLOOR VASANT APARTMENT, VASANT VIHAR
NEW DELHI (INDIA)

FOREIGN PROJECTS
SCHEDULE [04] : FIXED ASSETS

AMOUNT IN INR

PARTICULARS	Net Assets as at		Deletion	Addition		Rate of Dep.	Depreciation During the year	Written Down Value as at 31.03.2019
	01.04.2018	31.03.2019		> 6 months	< 6 months			
ASSETS OUT OF GRANT FUND:								
LAPTOP, COMPUTER & PRINTER	36,187.00	36,187.00	-	-	-	40%	14,475.00	21,712.00
EPABX	8,139.00	8,139.00	-	-	-	15%	1,221.00	6,918.00
ELECTRICAL EQUIPMENT	84,454.00	84,454.00	-	-	-	10%	8,445.00	76,009.00
FURNITURE & FIXTURE	118,459.00	118,459.00	-	-	-	10%	11,846.00	106,613.00
INVERTOR	21,798.00	21,798.00	-	-	-	15%	3,270.00	18,528.00
PROJECTOR	13,572.00	13,572.00	-	-	-	15%	2,036.00	11,536.00
BICYCLE	-	-	-	-	-	15%	-	-
COFFEE MACHINE	10,440.00	10,440.00	-	-	-	15%	1,566.00	8,874.00
REFRIGERATOR	5,690.00	5,690.00	-	-	-	15%	854.00	4,836.00
CAMERA	55,258.00	55,258.00	-	-	-	15%	8,289.00	46,969.00
WATER PURIFIER	5,528.00	5,528.00	-	-	-	15%	829.00	4,699.00
TOTAL	359,525.00	359,525.00	-	-	-		52,831.00	306,694.00



For CHARKHA
Tilak Mukherjee
Tilak Mukherjee
President

Asst. Secy

Notes to Financial Statements

1. Background

CHARKHA is incorporated as a society and has as its office in New Delhi registered under Societies Registration Act, 1960.

CHARKHA is registered under Section 12A of the Income Tax Act, 1961.

Further, CHARKHA has been granted registration/renewal from the Ministry of Home Affairs under the Foreign Contribution (Regulation) Act, 2010 to accept specified foreign contributions bearing registration No. 231650999.

CHARKHA receives funds for charitable purposes in India. Charkha works towards the social and economic inclusion of marginalized communities in remote and conflict areas through the creative use of media. Many of these areas are highly inaccessible and socially, economically and politically unstable.

2. Basis of Preparation

The financial statements of CHARKHA have been prepared under the historical cost convention on the cash basis of accounting in accordance with the Generally Accepted Accounting Principles ("GAAP") in India. These financial statements comply with the Accounting Standards notified by the Central Government to the extent applicable.

2.1 Summary of Significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with the accounting policies described below requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of expenses and related incomes. Actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in current and future periods. As such there is no event which requires such disclosure or presentation.

(b) Tangible Fixed assets

Fixed assets are stated at historical cost. The cost of fixed assets includes taxes, duties, freight and other incidental expenditure related to acquisition and installation.

(c) Depreciation

Depreciation is provided on all fixed assets at the rates applicable to arrive at the Written Down Value so as to present the Fixed Assets to give a True and Fair view of the Fixed Assets.

(d) Provisions and contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the



CHARKHA

Schedules forming parts of the financial statements

obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(e) Contributions received and income recognition.

Grants are contributions received from Foreign and Indian sources. It collectively assists the projects in meeting their program goals and objectives.

(f) Expenditure

CHARKHA implements its programmes for strengthening marginalized communities through creative activities.

(g) Depreciation: Depreciation on the depreciable assets is charged on written down value method as per the rates and manner prescribed under Appendix - I to the Income Tax Rule 1962.

<u>Item</u>	<u>Rate of Depreciation</u>
Furniture & Fixture	10%
Computer	40%
Other Office Equipment	15%

(h) Investment: All the short term investments were in form of Term deposit with schedule Bank in compliance with Section 11(5) of the Income Tax Act, 1961.

(i) Bank Interest: Interest earned on savings bank is reflected under the Income & Expenditure Account. The interest received is accounted under the Receipts & Payment Account as the total interest received during the period from 01.04.2018 to 31.03.2019 in the savings bank account.

NOTES TO ACCOUNTS

1. Income and expenses incurred out of Foreign Grants are generally disclosed as per the requirements of the Rule 5 of Foreign Contribution Regulation Rule 2011.
2. Previous year figures have been re-grouped to the extent possible.
3. **Pending Legal Case/Contingent Liabilities:** It was informed to us by the management that there are no legal cases pending or initiated during the year either by any individual or organization against Charkha.



CHARKHA

Schedules forming parts of the financial statements

4. The Organization is registered under :

- a) The organization is a Society registered under the provisions of Societies Registration Act
- b) Under section 12A of the Income Tax Act, 1961 vide registration No. C-433 dated 15.04.1996. The organization has submitted the Income Tax Return for the financial year 2017-18 before the due date.
- c) Under section 80G of the Income Tax Act, 1961 vide registration No. DEL-CE23219-5092011/1891 dated 15.09.2011.
- d) FCRA vide registration no. – 231650999 dated 11.10.2004 with The Ministry of Home Affairs to receive foreign contribution. The organization has submitted the FCRA Return for the year 2017-18 before the due date.
- e) PAN of the Organization is AAATC4629B
- f) TAN of the organization is DELC05088G

For & on behalf of
S.SAHOO & CO.
Chartered Accountants
FRN: 322952E



M. Sahoo
CA Menka, ACA
Partner
MM No: 552513

Place: New Delhi
Date: 25th Sept, 2019

For & on behalf of:
CHARKHA

For CHARKHA

Tilak Mukherji
Tilak Mukherjee
President

Anil Singh
Anil Singh
Treasurer