



# MUSKAAN FOUNDATION

SECTION 8 COMPANY LICENSE NUMBER: 106604  
CIN: U85100BR2016NPL020325

REGI. OFF.: - MAA GAYATRI COMPLEX, MURCHHAIDARI, KATIHAR - 854106, BIHAR  
Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## BALANCE SHEET AS AT 31ST MARCH 2018

(Amounts in Rupees)

S. No.	Particulars	Note No.	31 March 2018 (Rs)	31 March 2017 (Rs)
I.	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Fund</b>			
	a) Corpus Fund Received	2	44,500.00	44,500.00
	b) Reserves and Surplus	3	(34,218.70)	(35,929.00)
			10,281.30	8,571.00
(3)	<b>Non-Current Liabilities</b>			
	a) Long-term borrowings			
	b) Long-term Provisions			
(4)	<b>Current Liabilities</b>			
	a) Short-Term Borrowings			
	b) Trade Payables			
	c) Other Current Liabilities	4	73,900.00	40,000.00
	d) Short Term Provisions			
	<b>Total</b>		<b>84,181.30</b>	<b>48,571.00</b>
II.	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	Fixed Assets:			
	- Tangible Assets	5	27,291.00	34,589.00
	- Intangible Assets			
	Deferred Tax Asset (Net)	6	2,680.00	2,413.00
	Long Term Loans and Advances			
	Other Non-Current Assets			
(2)	<b>Current Assets</b>			
	Trade Receivables			
	Cash and Bank Balances	7	54,210.30	11,569.00
	Short Term Investment			
	Short Term Loans and Advances			
	Other Current Assets			
	<b>Total</b>		<b>84,181.30</b>	<b>48,571.00</b>

Significant Accounting Policies & Notes to Accounts 1

The accompanying notes are an integral part of the financial statements.

As per our audit report of even date  
For V Patralekh & Associates  
Chartered Accountants  
Firm Registration No. - 025984N

*Vikas*  
Vikas  
Partner  
B Com (H), FCA  
M. No. - 525657



For and on behalf of Board of Directors of  
Muskaan Foundation

*Kashi Prasad Gupta*  
Kashi Prasad Gupta  
Chairman & Managing Director  
DIN : 07454206

*Ajay Kumar Prasad*  
Ajay Kumar Prasad  
Director  
DIN : 06855005

Place : New Delhi  
Date : 01 09 2018





# MUSKAAN FOUNDATION

SECTION 8 COMPANY LICENSE NUMBER: 106804  
CIN: U85100BR2016NPL026325  
REGD. OFF:- MAA GAYATRI COMPLEX, MIRCHAIHARI, KATIHAR - 864105, BIHAR  
Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Amounts in Rupees)

S. No.	Particulars	Note No.	F.Y. 2017-2018 (Rs)	F.Y. 2016-2017 (Rs)
I	<b>Incomes</b>			
	Donation	8	255,225.00	64,751.00
	Other Income		587.00	-
	<b>Total Income (I)</b>		<b>255,812.00</b>	<b>64,751.00</b>
II	<b>Expenses</b>			
	Employee Benefit Expenses		-	-
	Finance Costs		-	-
	Depreciation and Amortization Expense	9	7,298.00	5,411.00
	Other Expenses	10	247,070.70	108,682.00
	<b>Total Expenses (II)</b>		<b>254,368.70</b>	<b>114,093.00</b>
III	Profit before Exceptional & Extraordinary Items & Tax (I - II)		1,443.30	(49,342.00)
IV	Exceptional Items		-	-
V	Profit before Extraordinary Items and Tax		1,443.30	(49,342.00)
VI	Extraordinary Items		-	-
VII	Profit Before Tax		1,443.30	(49,342.00)
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		267.00	(4,583.00)
			267.00	(4,583.00)
IX	Profit(Loss) for the year from Continuing Operations(VII-VIII)		1,710.30	(53,925.00)
X	Profit(Loss) from Discontinuing Operations		-	-
XI	Tax Expense of Discontinuing Operations		-	-
XII	Profit(Loss) from Discontinuing Operations (after tax)(X-XI)		-	-
XIII	Profit(Loss) for the Year (IX+XII)		1,710.30	(53,925.00)

Significant Accounting Policies & Notes to Accounts 1

The accompanying notes are an integral part of the financial statements.

As per our audit report of even date  
For V Patralekh & Associates  
Chartered Accountants  
Firm Registration No. - 025984N

Vikas  
Partner  
B.Com (H), FCA  
M. No. - 525657



For and on behalf of Board of Directors of  
Muskaan Foundation

Kashi Prasad Gupta  
Chairman & Managing Director  
DIN : 07454206

Ajay Kumar Prasad  
Director  
DIN : 06855005

Place : New Delhi  
Date : 01.09.2018





# MUSKAAN FOUNDATION

SECTION 8 COMPANY LICENSE NUMBER: 108604  
CIN: U85100BR2016NPL028325  
REGD OFF:- MAA GAYATRI COMPLEX, MIRGHAI BARI, KATIHAR - 854106, BIHAR  
Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## NOTES ACCOMPANYING BALANCE SHEET AS AT 31 MARCH 2018 AND INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Company overview

Muskaan Foundation ("the Company"), a not for profit company, within the meaning of Section 8 of the Companies Act, 2013 was incorporated in India on March 17, 2016.

The Company has been formed to promote the activity relating to eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including promoting education in the areas of science, arts, commerce, communication & technology which including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, promoting gender equality, empowering women. Ensuring environmental sustainability, measures for the benefit of armed forces veterans and support projects concerning rural development or slum area development. To promote various educational and vocational programs, & personality development sessions, training for self employment generation, to develop various portal for E-learning, to publish books & educational materials, to provide various gifts, awards, rewards & certification, to provide other allied services in the areas of education.

#### 1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted Accounting principles in India ("Indian GAAP") to comply with the Accounting standards specified under section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost on accrual basis.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

#### 1.2 Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, expenses and the disclosure of contingent liabilities at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognised in the period in which the estimates are revised and in any future period affected.

#### 1.3 Revenue recognition:

Fee Received towards annual membership and other related activities for the object of the foundation are considered as income. Entrance fee received from the members is treated as contribution towards the corpus of the foundation.

#### 1.4 Expenditure:

Expenses are accounted on accrual basis and provision are made for all known expenses, losses and liabilities

#### 1.5 Fixed Assets

Fixed Assets are stated at cost. Cost comprises of purchase price and any attributable cost of bringing the assets to working condition for its intended use.

#### 1.6 Depreciation

In respect of fixed assets (other than freehold land and capital work in progress) acquired the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and its assuming there is no any salvage value at the end of assets life.

Types of Assets	Period
Computer	3 Years
Furniture & Fixture	10 Years

#### 1.7 Party balances whether in debit or in credit are subject to confirmation.

#### 1.8 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authorities under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently the amount paid/ payable to these parties during the period is not determined.

#### 1.10 Previous year figure have been regrouped and rearranged wherever considered necessary.





# MUSKAAN FOUNDATION

(SECTION 8 COMPANY LICENSE NUMBER: 106604)

CIN: U85100DR9016MPL020325

REG. OFF.: MAA GAYATRI COMPLEX, MIROHATBARI, KATIHAR - 854106, BIHAR

Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## 2 SOURCES OF FUNDS

### Corpus Funds Received

Particulars	AS AT 31 March 2018 (Rs)	AS AT 31 March 2017 (Rs)
<b>Corpus Funds Received :</b>		
Opening Balance	44,500.00	30,000.00
Add: Contribution Received During the year	-	14,500.00
<b>Total</b>	<b>44,500.00</b>	<b>44,500.00</b>

As per Article of Association of the Company, mentioned in Para No. 22 related to "Membership", Entrance fees is one time contribution to get the membership and it is non-refundable. Hence, this entrance fees/Corpus contribution has been shown under "Share Capital".

### 2.1 The reconciliation of the number of Member's outstanding as at 31 March 2018 and 31 March 2017 is set out below

Particulars	AS AT 31 March 2018 (Yearly Membership Fees)	AS AT 31 March 2017 (Yearly Membership Fees)
<b>Members:</b>		
Begging of the year	5	3
Addition during the year	1	2
Deletion during the year	2	0
	<b>4</b>	<b>5</b>

## 3 RESERVES AND SURPLUS

Particulars	AS AT 31 March 2018 (Rs)	AS AT 31 March 2017 (Rs)
<b>GENERAL RESERVE</b>		
At the beginning of the Accounting Year		-
Additions during the Year		-
At the end of the Accounting Year		-
<b>SECURITIES PREMIUM ACCOUNT</b>		
At the beginning of the Accounting Year		-
Additions during the Year		-
At the end of the Accounting Year		-
<b>SURPLUS</b>		
At the beginning of the Accounting Year	(35,929 00)	(22,004 00)
Additions during the Year	1,710 30	(53,925.00)
(Balance in Statement of Profit & Loss A/c)	(34,218.70)	(75,929.00)
Allocations & Appropriations		
Dividend	-	-
Donation (Capital Reserve )	-	40,000.00
Tax on Dividend	-	-
Bonus Shares issued	-	-
Transfer to/from Reserves	-	-
At the end of the Accounting Year	(34,218.70)	(35,929 00)
<b>Total</b>	<b>(34,218.70)</b>	<b>(35,929.00)</b>

## 4 OTHER CURRENT LIABILITIES

Particulars	AS AT 31 March 2018 (Rs)	AS AT 31 March 2017 (Rs)
Incorporation Expenses Payable	26,500.00	26,500.00
Accounting Charges Payable	10,000.00	-
Audit Fee Payable	5,000.00	7,500.00
Office Runner Expenses Payable	4,000.00	6,000.00
Good Faith Advertisement	7,000.00	-
T. Bag House	21,400.00	-
<b>Total</b>	<b>73,900.00</b>	<b>40,000.00</b>





# MUSKAAN FOUNDATION

(SECTION 8 COMPANY LICENSE NUMBER: 106604)  
 CIN: U85100BR2010NP026325  
 REGD. OFFICE: MAA GAYATRI COMPLEX, MIRCHABARI, KATIHAR - 851005, BIHAR  
 Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## 5 FIXED ASSETS

<u>FIXED ASSETS</u>		COST AS at 01.04.2017		COST AS at 31.03.2018	
<u>TANGIBLE ASSETS</u>		OP. BALANCE	ADDITION	DELETION	TOTAL
<u>GROSS BLOCK</u>					
<u>ASSETS</u>					
Computer		20,000.00	-	-	20,000.00
Furniture & Fittings		20,000.00	-	-	20,000.00
<b>Total of the Year</b>		<b>40,000.00</b>	<b>-</b>	<b>-</b>	<b>40,000.00</b>
<b>Grand Total</b>		<b>40,000.00</b>	<b>-</b>	<b>-</b>	<b>40,000.00</b>
<b>Total of the Previous Year</b>		<b>-</b>	<b>40,000.00</b>	<b>-</b>	<b>40,000.00</b>
<u>DEPRECIATION BLOCK</u>					
Computer		3,543.00	5,483.00	-	9,028.00
Furniture & Fittings		1,868.00	1,813.00	-	3,681.00
<b>Total of the Year</b>		<b>5,411.00</b>	<b>7,298.00</b>	<b>-</b>	<b>12,709.00</b>
<b>Grand Total</b>		<b>5,411.00</b>	<b>7,298.00</b>	<b>-</b>	<b>12,709.00</b>
<b>Total of the Previous Year</b>		<b>-</b>	<b>5,411.00</b>	<b>-</b>	<b>5,411.00</b>
<u>NET BLOCK</u>			F.Y. 2017-18		F.Y. 2016-17
Computer			10,972.00		16,457.00
Furniture & Fittings			16,319.00		18,132.00
<b>Total of the Year</b>			<b>27,291.00</b>		<b>34,589.00</b>
<b>Grand Total</b>			<b>27,291.00</b>		<b>34,589.00</b>
<b>Total of the Previous Year</b>			<b>34,589.00</b>		

## 6 DEFERRED TAX LIABILITY

Particulars	AS AT 31 March 2018 (Rs)		AS AT 31 March 2017 (Rs)	
Deferred Tax liability included in the Balance Sheet comprises the following:				
Preliminary Expenses Written Off As Per Companies Act 2013 As per Income Tax Act	5,300.00	(5,300.00)	5,300.00	(5,300.00)
Depreciation as per Companies Act	12,709.00		5,411.00	
Depreciation as per Income Tax Act -	6,600.00	6,109.00	14,000.00	(8,589.00)
<b>Total</b>		<b>809.00</b>		<b>(13,889.00)</b>
Provision for Deferred Tax Assets / (Liability)		267.00		(4,583.00)
Opening Deferred Tax Liability -		2,413.00		6,996.00
<b>Closing Deferred Tax Liability</b>		<b>2,680.00</b>		<b>2,413.00</b>

Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date, in accordance with Accounting standards (A.S. 22) "Accounting for Taxes on Income" notified under Companies (Accounting Standards) Rules, 2006.

## 7 CASH AND BANK BALANCES

Particulars	AS AT 31 March 2018 (Rs)		AS AT 31 March 2017 (Rs)	
Cash and Cash Equivalents				
Cash in hand		2,640.00		68.00
Balance with Banks				
IDBI Bank Ltd.- CA			11,501.00	
IDBI Bank Ltd.- SB	51,570.30	51,570.30	-	11,501.00
<b>Total</b>		<b>54,210.30</b>		<b>11,569.00</b>

## 8 REVENUE FROM OPERATION

Particulars	2017-18 (Rs)	2016-17 (Rs)
<b>Donation :</b>		
Donation in Cash	245,700.00	54,751.00
Donation in Kind	9,525.00	10,000.00
<b>Total</b>	<b>255,225.00</b>	<b>64,751.00</b>





# MUSKAAN FOUNDATION

(SECTION 8 COMPANY LICENSE NUMBER: 106604)

CIN: U85100BR2010NPL028325

REG. OFF.: - MAA GAYATRI COMPLEX, MIRCILAIBARI, KATIHAR - 854105, BIHAR

Website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

## 9 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	2017-18 (Rs)	2016-17 (Rs)
Depreciation	7,298.00	5,411.00
Preliminary Expenses Written Off	-	-
<b>Total</b>	<b>7,298.00</b>	<b>5,411.00</b>

## 10 OTHER EXPENSES

Particulars	2017-18 (Rs)	2016-17 (Rs)
<b>Programs:</b>		
After School Program	49,230.00	64,204.00
School-In-A-Bag campaign	122,742.00	-
Sanitary Napkin Distribution Program	14,980.00	-
Plantation Work	4,626.00	600.00
Accounting Charges	191,578.00	64,804.00
Audit Fee	10,000.00	-
Bank Charges	5,000.00	5,000.00
Conveyance	17.70	-
Festival Expenses	-	2,500.00
Office Runner Expenses	-	2,865.00
Printing & Stationery	24,000.00	24,000.00
Staff Welfare	-	4,253.00
T-Shirt Expenses	1,950.00	260.00
Web Hosting Charges	7,875.00	-
	6,650.00	5,000.00
<b>Total</b>	<b>247,070.70</b>	<b>108,682.00</b>

## 11 ADDITIONAL INFORMATION REQUIRED AS PER SCHEDULE-III TO COMPANIES ACT, 2013

	2017-18	2016-17
11.1 Payment to Auditors		
As Auditors	5,000.00	5,000.00
Company Law and Income Tax Matters	-	-
	<b>5,000.00</b>	<b>5,000.00</b>
11.2 Expenditure in Foreign Currency	-	-
11.3 Earnings in Foreign Currency	-	-

## 12 Related parties with whom the Company had transactions.

### Key Management Personnel:

Kashi Prasad Gupta Chairman & Managing Director  
Ajay Kumar Prasad Executive Director

### Associate Enterprises:

Panthea Corporate Solutions Private Limited Associate Enterprises

### Related Party Transaction

Kashi Prasad Gupta  
Ajay Kumar Prasad

As per our audit report of even date  
For V Patralekh & Associates  
Chartered Accountants  
Firm Registration No. - 025984N

Vikas  
Partner  
B.Com (H), FCA  
M. No. - 525657



For and on behalf of Board of Directors of  
Muskaan Foundation

*Kashi Prasad Gupta*  
Kashi Prasad Gupta  
Chairman & Managing Director  
DIN : 07454206

*Ajay Kumar Prasad*  
Ajay Kumar Prasad  
Director  
DIN : 06855005





# MUSKAAN FOUNDATION

(SECTION 8 COMPANY LICENSE NUMBER: 106604)

CIN: U85100BR2016NPL026325

REGI. OFF:- MAA GAYATRI COMPLEX, MIRCHAI BARI, KATIHAR - 854105, BIHAR  
website: www.muskaanfoundation.org E-Mail: info.muskaanfoundation@gmail.com

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	(Amount in Rs)	
	2017-18	2016-17
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Profit and Loss Account	1,443.30	(49,342.00)
Add:-		
Depreciation	7,298.00	5,411.00
Preliminary expenses written off		-
Less:-		
Provision for Taxation	-	-
Deferred Tax	-	-
<b>Operating profit before working capital changes</b>	<b>8,741.30</b>	<b>(43,931.00)</b>
<b>B CHANGE IN WORKING CAPITAL</b>		
Loans & advances	-	-
Other Current Assets	-	14,500.00
Less:-		
Creditors & Other Liabilities	(33,900.00)	(11,000.00)
<b>Net Cash from Change in Working capital</b>	<b>33,900.00</b>	<b>25,500.00</b>
<b>C CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-	-
Investments	-	-
<b>Net Cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>D CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loans	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>42,641.30</b>	<b>(18,431.00)</b>
Opening Balance of Cash & Cash Equivalent	11,569.00	29,000.00
<b>Closing Balance of Cash &amp; Cash Equivalent</b>	<b>54,210.30</b>	<b>10,569.00</b>

As per our audit report of even date  
For V Patralekh & Associates  
Chartered Accountants  
Firm Registration No. - 025984N

Vikas  
B.Com (H), FCA  
M. No. - 525657



Place : New Delhi  
Date : 01.09.2018

For and on behalf of Board of Directors of  
Muskaan Foundation

Kashi Prasad Gupta  
Chareman & Managing Director  
DIN : 07454206

Ajay Kumar Prasad  
Director  
DIN : 06855005





# V PATRALEKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
M/s Muskaan Foundation

#### Report on the Financial Statements

We have audited the Section-8 Company Standalone financial statements of M/s **Muskaan Foundation** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

#### Management's Responsibility for the financial statements

The Section-8 Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 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 Section-8 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 the assets of the Section-8 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.

#### Auditors' 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 there under.

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,

Page 1 of 6



Office: 84, Deshbandhu Apartment, Plot No. 15, I.P. Extension, Patparganj, New Delhi-110092  
Cell: 91-9891610243

Email ID: [cavikasitax@gmail.com](mailto:cavikasitax@gmail.com), [vikaspatralekh@gmail.com](mailto:vikaspatralekh@gmail.com)





# V PATRALEKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

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 Section-8 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 Section-8 Company has in place an adequate internal financial 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 Section-8 Company's Directors, 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

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 Section-8 Company as at March 31, 2018, and its Profit for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. Required by the Companies (Auditor's Report) Order, 2018 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, : is not applicable on the Section-8 Company M/s Muskaan Foundation.
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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Section-8 Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss with by this Report are in agreement with the books of account;
  - 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.





# V PATRALEKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

- e. On the basis of 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 Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Section-8 Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- 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:
  - i. The Section-8 Company does not have any pending litigations which would impact its financial position
  - ii. The Section-8 Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Section-8 Company.

**For, V Patralekh & Associates**  
**Chartered Accountants**  
FRN 025984N

**Vikas**  
B. Com (H), ACA  
Proprietor  
M.No. 525657



Date: 01-09-2018  
Place: New Delhi



# V PATRALEKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

**“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of M/s Muskaan Foundation**

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

We have audited the internal financial controls over financial reporting of M/s Muskaan Foundation as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Section-8 Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Section-8 Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Section-8 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 Section-8 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 Section-8 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 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

Page 4 of 6

Office: 84, Deshbandhu Apartment, Plot No. 15, I.P.Extension, Patparganj, New Delhi-110092

Cell: 91-9891610243

Email ID: [cavikasitax@gmail.com](mailto:cavikasitax@gmail.com), [vikaspatralekh@gmail.com](mailto:vikaspatralekh@gmail.com)





**V PATRALEKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**Opinion**

In our opinion, the Section-8 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, 2018, based on the internal control over financial reporting criteria established by the Section-8 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.

**For, V Patralekh & Associates**

**Chartered Accountants**

FRN 025984N





**Vikas**

B. Com (H), ACA

Proprietor

M.No. 525657

Date: 01-09-2018

Place: New Delhi



# V PATRALEKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

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 judgment, 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 Section-8 Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Section-8 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 Section-8 Company's internal financial control over financial reporting includes those policies and procedures that:

- i. pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Section-8 Company;
- ii. provides 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 Section-8 Company are being made only in accordance with authorizations of management and directors of the Section-8 Company; and
- iii. provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Section-8 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.

