



# APRA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

## Independent Auditor's Report

The Trustees

Gut Microbiota And Probiotic Science Foundation (India)

September 11, 2019

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of M/s. Gut Microbiota And Probiotic Science Foundation (India) which comprises the Balance Sheet as at March 31, 2019, Income and Expenditure Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements and give a true and fair view of the Financial position of the entity as at March 31, 2019 and its financial performance for the year then ended in Accordance with Accounting Standards issued by ICAI (Institute of Chartered Accountants of India).

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI (Institute of Chartered Accountants of India) as per applicable financial reporting framework. 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 entity 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 as per applicable financial reporting framework and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the entity 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 financials Statements, management is responsible for assessing the entity'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 wither intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Gurgaon Office: 838, Sector-38, Opp. Huda Market, Gurgaon-122001, Tel : +91-124-2658 900, E-mail: [tls@taxconindia.com](mailto:tls@taxconindia.com)

Delhi Office: 379, 3<sup>rd</sup> Floor, Aggarwal, Millennium Tower-II, Netaji Subhash Place, Pitampura, New Delhi-110034 India.

Phone: 091-11-2731795, 091-011-47083060

E-mail : [pct@rediffmail.com](mailto:pct@rediffmail.com), [atul@servicetax.net](mailto:atul@servicetax.net), website: [www.apra.firm.in](http://www.apra.firm.in)



• DELHI

• HARYANA

• UTTAR PRADESH

• UTTARAKHAND

• HIMACHAL PRADESH

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered accountant of India 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.

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.

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 Trust'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.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal Control that we identify during the audit.

For **APRA & Associates LLP**

**Chartered Accountants**

Firm Regn.No. **011078N/N500064**



**Anil Kumar Sharma**

**Partner**

**M. No. 516271**

**UDIN: 19516271AAAABB2407**



**Place: Gurgaon**

**Date: 14.09.2019**



**Gut Microbiota and Probiotic Science Foundation (INDIA)**

**Balance Sheet as at March 31, 2019**

(All amounts are in Indian rupees unless otherwise stated.)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>LIABILITIES</b>			
<b>Reserves &amp; Surplus:</b>			
Corpus Fund/Capital Reserve	2	18,000	18,000
Income Over Expenditure	3	13,38,942	2,59,671
<b>Current Liabilities</b>			
a) Trade Payable	4		
-Total outstanding dues of micro enterprises and small enterprises; and		83,030	-
-Total outstanding dues of others		1,18,108	7,50,654
(b) Other current liabilities	5	16,271	1,00,783
		<b>15,74,351</b>	<b>11,29,108</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	14,47,450	9,93,826
Short-term loans and advances	7	1,26,901	1,35,282
		<b>15,74,351</b>	<b>11,29,108</b>

Summary of Significant Accounting Policies

1

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

As per our Report of even date attached

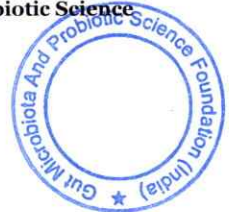
For and on behalf of  
APRA & Associates LLP  
Chartered Accountants

Anil Kumar Sharma  
(Partner)  
Membership No. 516271  
FRN: 011078N/N500064  
UDIN:- 19516271AAAABB2407  
Date: 14/09/2019  
Place: Gurgaon



For and on behalf of  
GUT Microbiota and Probiotic Science  
Foundation (India)

Neerja Hajela  
(Secretary & Treasurer)



**Gut Microbiota and Probiotic Science Foundation (INDIA)**  
**Income & Expenditure Account for the year ended March 31, 2019**  
*(All amounts are in Indian rupees unless otherwise stated.)*

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
<u>Direct Income:</u>			
Donation Received	8	1,00,00,000	-
<u>Indirect Income:</u>			
Other Income	9	1,05,589	48,82,444
		<b>1,01,05,589</b>	<b>48,82,444</b>
<b>EXPENSES</b>			
Admin. & Other Expenses	10	90,26,318	41,90,051
		<b>90,26,318</b>	<b>41,90,051</b>
<b>Excess of Income over Expenditure</b> <i>(Transferred to reserves and surplus)</i>		<b>10,79,271</b>	<b>6,92,393</b>

Summary of Significant Accounting Policies

1

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

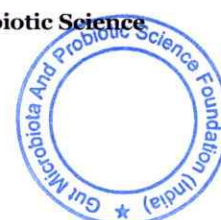
**For and on behalf of**  
**APRA & Associates LLP**  
**Chartered Accountants**



Anil Kumar Sharma  
**(Partner)**  
 Membership No. 516271  
 FRN: 011078N/N500064  
 UDIN:- 19516271AAAABB2407  
 Date: 14/09/2019  
 Place: Gurgaon

**For and on behalf of**  
**GUT Microbiota and Probiotic Science**  
**Foundation (India)**

  
 Neerja Hajela  
**(Secretary & Treasurer)**



**Gut Microbiota and Probiotic Science Foundation (INDIA)**  
**Notes forming part of the financial statements for the year ended March 31, 2019**  
*(All amounts are in Indian rupees unless otherwise stated.)*

**2. Corpus Fund/Capital Reserve**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	18,000	18,000
Received during the year	-	-
	<b>18,000</b>	<b>18,000</b>

**3. Income Over Expenditure**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	2,59,671	(4,32,722)
Excess of Income over Expenditure	10,79,271	6,92,393
	<b>13,38,942</b>	<b>2,59,671</b>

**4. Trade Payable**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payable		
-Total outstanding dues of micro enterprises and small enterprises; and	83,030	-
-Total outstanding dues of others	1,18,108	7,50,654
	<b>2,01,138</b>	<b>7,50,654</b>

Note: Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	83,030	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-
Interest paid other than under section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act for payment already made	-	-
Further interest remaining due and payable for earlier years	-	-

**5. Other current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	16,271	1,00,783
	<b>16,271</b>	<b>1,00,783</b>

**6. Cash & Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	37	37
Bank Balance	14,47,413	9,93,789
	<b>14,47,450</b>	<b>9,93,826</b>

**7. Short Terms Loans and Advances**

Particulars	As at March 31, 2019	As at March 31, 2018
Dr. Neerja Hajela	25,000	-
TDS Recoverable	9,700	9,700
Prepaid Expenses	-	38,881
Security Deposit - Regus Office	86,700	86,700
Advance to Creditors	5,500	-
	<b>1,26,900</b>	<b>1,35,281</b>



*Neerja Hajela*



**Gut Microbiota and Probiotic Science Foundation (INDIA)**  
**Notes forming part of the financial statements for the year ended March 31, 2019**  
*(All amounts are in Indian rupees unless otherwise stated.)*

**Direct Income**

**8. Donation**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Donation	1,00,00,000	-
	<b>1,00,00,000</b>	<b>-</b>

**9. Other Income**


Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Interest	1,05,589	696
Loan written back*	-	48,81,748
	<b>1,05,589</b>	<b>48,82,444</b>

\* Refer Note No.1.6.(4)

**10. Admin. & Other Expenses**

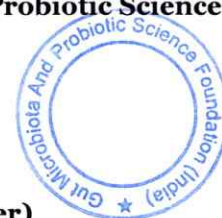
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Charges	36,829	-
Interest paid on Loan	-	15,48,630
Conference & Seminar Expenses	59,43,852	12,45,549
Office Rent	4,70,751	4,32,834
Postage & Couriers Expenses	90	8,685
Printing & Stationary Expenses	17,048	5,660
Honorarium Expenses	13,12,500	1,62,500
Legal & Professional Services	10,95,626	6,90,985
Payment to Auditors [Refer Note 1.6.(3)]	82,600	82,600
Phone, fax & Internet Expenses	20,863	9,747
Rates & Taxes	265	2,768
Business Promotion	35,314	-
Net loss on foreign currency transactions and translation	10,580	-
Misc Expenditure	-	93
	<b>90,26,318</b>	<b>41,90,051</b>

**For and on behalf of**  
**APRA & Associates LLP**  
**Chartered Accountants**

  
**Anil Kumar Sharma**  
**(Partner)**  
 Membership No. 516271  
 FRN: 011078N/N500064  
 UDIN:- 19516271AAAABB2407  
 Date: 14/09/2019  
 Place: **Gurgaon**

**For and on behalf of**  
**GUT Microbiota and Probiotic Science**  
**Foundation (India)**

  
**Neerja Hajela**  
**(Secretary & Treasurer)**





**Gut Microbiota and Probiotic Science Foundation (India)**  
**Notes forming part of the financial statements for the year ended on March 31, 2019**  
*(All amounts in Rs, unless otherwise stated)*

---

Gut Microbiota and Probiotic Science Foundation (India) was registered as a society on November 9<sup>th</sup>, 2011 by a group of scientists under the Societies Registration Act XX1 of 1860. The objective of the Foundation is to provide a thrust to the science of Gut Microbiota and Probiotics in the country, channelize International knowledge and expertise in the field and promote collaborative research in the development of probiotics as well as foster and maintain research links with scientists of similar interest.

**1. Summary of significant accounting policies**

**1.1. Basis of accounting and preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards issued by the Institute of chartered accountants of India.

All assets and liabilities have been classified as current or non-current based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, taking operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**1.2. Use of estimates**

The preparation of the financial statements in conformity with applicable accounting standards requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operation during the reporting period. Any revision to accounting estimates is recognised prospectively in current and future periods.

**1.3. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balance with the banks.

**1.4. Direct Income**

Direct income is recognised on the receipt basis, the same includes donation received.

**1.5. Other income**

Income from interest on balances with banks is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.



*Surpi Singh*



**Gut Microbiota and Probiotic Science Foundation (India)**  
**Notes forming part of the financial statements for the year ended on March 31, 2019**  
*(All amounts in Rs, unless otherwise stated)*

**1.6. Notes to Accounts**

- The objects of the society are charitable in nature and therefore are eligible for exemption under section 11 of the Act. The society also have the registration under section 12A and under section 80G of Income Tax Act.

**2. Details of Foreign Funds received by the Foundation**

FCRA Registration	Amount Received (In INR)	Date of Receipt of funds	Name of Donor	FCRA A/c No.	Purpose of Receipt	Mode of Utilization of Funds	Purpose of Utilization of funds
FIRST Instalment for FY 2018-19	50,00,000	12-07-2018	Yakult Honsha Co,Ltd. (Japan)	Account No. 629401140302	Mainly for Organising Probiotic Symposium, organizing the meetings of the Foundation, maintaining the website, webcast of the talks at the symposium and the Young Investigator Award.	Normal Banking Channels	To share the latest science of the intestinal microbiota and probiotics with healthcare professionals, nutritionists and students.
SECOND Instalment for FY 2018-19	50,00,000	01-11-2018	Yakult Honsha Co,Ltd. (Japan)	Account No. 629401140302	Mainly for Organising Probiotic Symposium, organizing the meetings of the Foundation, maintaining the website, webcast of the talks at the symposium and the Young Investigator Award.	Normal Banking Channels	To share the latest science of the intestinal microbiota and probiotics with healthcare professionals, nutritionists and students.

**3. Auditor's Remuneration**

Audit Fee	Rs. 70,000/-
GST	Rs 12,600/-
<b>Total</b>	<b>Rs 82,600/-</b>

- During the previous financial year society had written back loan of Rs.2.5 crores in the books of account based on resolution passed by the lender for written off the loan granted to society. The

*Handwritten signature*





**Gut Microbiota and Probiotic Science Foundation (India)**

**Notes forming part of the financial statements for the year ended on March 31, 2019**

*(All amounts in Rs, unless otherwise stated)*

society had taken loan of Rs.2.5cr from Yakult Danone India Pvt Ltd in the FY 2016-17 for repayment of loan already taken of Rs. 1.5 Crore and the balance Rs. 1 Crore to meet other regular expenses.

The application for registration under FCRA had been rejected by the appropriate authority in FY 17-18 and therefore society was not be able to get the donation from overseas and accordingly the society was unable to repay the loan. Based on these facts, the lender has passed the resolution for written off the loan in its books on the basis of request made by Society for loan waiver.

The loan amount of Rs. 1 Crore after repaying the old outstanding has been incurred for expenditure related to FY 16-17 amounted to Rs. 51,18,252/-. The balance amount of Rs. 48,81,748/- had been considered as income for the FY 17-18.

Therefore, the amount equivalent to expenses already incurred upto the FY 2016-17 had been adjusted with the Reserve and Surplus account since the expenses had been already incurred against the waiver of loan and the balance is considered as income for the FY 17-18. The management had also provided the detailed working for the same.

5. The Association has been registered under the Foreign Contribution (Regulation) Act, 2010 with effect from 30-01-2018. The association is required to furnish intimations online within the prescribed time to the Central Government of the amounts of each Contribution received by association, the source and the manner in which foreign contribution was used, as per the provisions of the Act and the Rules. The FC-4 form is required to be submitted online on this Ministry's website. The Certificate of Registration is valid for a period of five years from the date of registration under the Act.
6. Previous year figures have been regrouped / reclassified wherever necessary to confirm to this year's classification.



*Lejja hayde*

