

## **Independent Auditor's Report**

### **To the Members of Million Sparks Foundation**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Million Sparks Foundation** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2018, the statement of income & expenditure for the year then ended, and a summary of 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 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.

#### **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 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 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, in the case of balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and in the case of Statement of Income & expenditure, of the surplus for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As the company is a private company and falls within the exemption specified under paragraph 2(v) of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act. Hence the matters specified in paragraphs 3 and 4 of the said Order are not enclosed.
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 and the Statement of Income & expenditure dealt 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;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (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. 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 derivatives contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

**For Ashutosh Agarwal & Associates**

*Chartered Accountants*

FRN : 016879C

**CA Ashutosh Agarwal**

*Partner*

MRN : 089838

Place : Noida

Date : 03 September, 2018

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

(F.Y. 2017-2018)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578****Balance Sheet as at 31st March 2018****₹ in rupees**

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	2	1,00,000.00	1,00,000.00
Reserves and surplus	3	2,23,87,960.42	13,03,951.83
Money received against share warrants		-	-
		<b>2,24,87,960.42</b>	<b>14,03,951.83</b>
<b>Current liabilities</b>			
Other current liabilities	4	25,33,748.07	13,20,103.43
		<b>25,33,748.07</b>	<b>13,20,103.43</b>
<b>TOTAL</b>		<b>2,50,21,708.49</b>	<b>27,24,055.26</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5		
Tangible assets		10,88,712.13	1,18,379.75
Other non-current assets	6	19,782.00	29,679.00
		<b>11,08,494.13</b>	<b>1,48,058.75</b>
<b>Current assets</b>			
Current investments	7	2,20,48,982.35	20,50,000.00
Cash and cash equivalents	8	10,84,658.11	5,07,300.19
Short-term loans and advances	9	3,53,250.00	-
Other current assets	10	4,26,323.90	18,696.32
		<b>2,39,13,214.36</b>	<b>25,75,996.51</b>
<b>TOTAL</b>		<b>2,50,21,708.49</b>	<b>27,24,055.26</b>

The accompanying notes form part of the financial statements.

As per our report of even date.

For Ashutosh Agarwal & Associates  
Chartered Accountants  
(FRN: 016879C)

For and on behalf of the Board of Directors

Ashutosh Agarwal  
Partner  
Membership No.: 089838Place: Noida  
Date: 03/09/2018ABHINAV MATHUR  
Director  
DIN: 03133902  
Address: 710, MILANO, MAHAGUN  
MANSION-II, INDIRAPURAM,  
GHAZIBAD 201010 UPMONA MATHUR  
Director  
DIN: 03133919  
Address: 710, MAHAGUN MANGIOR  
2, VAIBHAV KHAND,  
INDIRAPURAM, GHAZIABAD  
201014 UP

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578**

(F.Y. 2017-2018)

**Statement of Income & Expenditure for the year ended 31st March 2018****₹ in rupees**

Particulars	Note No.	31st March 2018	31st March 2017
<b>Revenue</b>			
Donations Received	11	4,30,89,635.00	55,00,000.00
Other income	12	21,17,638.83	11,339.00
<b>Total revenue</b>		<b>4,52,07,273.83</b>	<b>55,11,339.00</b>
<b>Expenses</b>			
Utilization on Project activities	13	2,07,36,989.44	35,74,183.30
Depreciation and amortization expenses	14	2,31,599.00	1,454.00
Other expenses	15	31,54,676.80	6,31,749.87
<b>Total expenses</b>		<b>2,41,23,265.24</b>	<b>42,07,387.17</b>
<b>Surplus/ (Deficit) for the period</b>		<b>2,10,84,008.59</b>	<b>13,03,951.83</b>
		-	-
<b>Surplus/ (Deficit) carried forward</b>		<b>2,10,84,008.59</b>	<b>13,03,951.83</b>

The accompanying notes form part of the financial statements.

As per our report of even date.

For Ashutosh Agarwal & Associates  
Chartered Accountants  
(FRN: 016879C)

For and on behalf of the Board of Directors

Ashutosh Agarwal  
Partner  
Membership No.: 089838Place: Noida  
Date: 03/09/2018ABHINAV MATHUR  
Director  
DIN: 03133902  
Address: 710, MILANO, MAHAGUN  
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## **MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052**

**CIN : U80301DL2016NPL302578**

### **Notes to Financial statements for the year ended 31st March 2018**

#### **NOTE 1: NOTES TO ACCOUNTS AND ACCOUNTING POLICIES**

##### **A). CORPORATE INFORMATION**

Million Sparks Foundation (“the company”) was incorporated on 2<sup>nd</sup> July, 2016 under Section 8 of the Companies Act, 2013 and commenced its activities on 7<sup>th</sup> November, 2016. The company is primarily engaged in the following activities on non-profit basis:

- i) To work towards reaching out to schools, teachers, students & parents and help them to adopt better technologies in the classrooms and at home. The primary objective is to work in the area of teachers’s capacity building with a focus on low income groups of affordable private schools.
- ii) To do work with Government & Private schools in order to upgrade the status of education.
- iii) To carry activities for promoting education, including special education and employment enhancing vacation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

The company has received License dated 28<sup>th</sup> June, 2016 under Section 8 of the Companies Act, 2013.

The company has been granted registration under Section 12AA of the Income Tax Act, 1961 as a Charitable company with effect from 16<sup>th</sup> July, 2016.

The company has been received approval under Section 80G of the Income Tax Act, 1961 from the Commissioner of Income Tax (Exemptions) in respect of donations received from 16<sup>th</sup> July, 2016 onwards.

##### **B). ACCOUNTING POLICIES**

1. General: Accounting policies not specifically referred to are otherwise consistent and in consensus with generally accepted accounting principles.
2. System of Accounting: The Company follows the accrual system of accounting.
3. **Revenue Recognition** : All the items of costs/expenditure and revenue/income have been accounted for on accrual basis.
4. **Earning Per Share** : Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the average number of equity shares outstanding during the year.
5. Fixed Assets: Fixed assets are recorded on historical cost and all expenses till the asset is ready for put to use are capitalized.
6. Depreciation: Depreciation has been provided as per the rates provided in the Schedule II to the Companies Act, 2013 on the basis of written down value system.

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578****C). NOTES TO ACCOUNTS**

1. The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards
2. All expenses are recorded under the natural heads of accounts of income and expenditure.
3. All expenses and incomes are accounted for on accrual basis.
4. In the opinion of the board and to the best of their knowledge, the value on realization of Current Assets, Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
5. Contingent liabilities Rs. Nil
6. The related party disclosures as per Accounting Standard-18 notified by the Central Governments vide Companies Accounting Standard Rules, 2006.

## a) Related party and their relationship

Directors	Relatives of Directors	Enterprises over which significant influence is exercised
Mrs. Mona Mathur		
Mr. Abhinav Mathur		

## b) Transaction with Related Parties

Nature of Transaction	Directors		Relatives of Directors		Enterprises over which significant influence is exercised	
	2018	2017	2017	2017	2017	2017
Directors' Remuneration/ Salary	27,00,000	7,50,000	NIL	NIL	NIL	NIL
Professional Charges	27,00,000	NIL	NIL	NIL	NIL	NIL

a. Related party relationship is as identified by the company and relied upon by the auditor.

b. Only those related parties have been disclosed with whom there were related party transaction during the year.

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

(F.Y. 2017-2018)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578****Notes to Financial statements for the year ended 31st March 2018****Note No. 2 Share Capital**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorised :</b>		
10000 (31/03/2017:10000) Equity shares of Rs. 10.00/- par value	1,00,000.00	1,00,000.00
<b>Issued :</b>		
10000 (31/03/2017:10000) Equity shares of Rs. 10.00/- par value	1,00,000.00	1,00,000.00
<b>Subscribed and paid-up :</b>		
10000 (31/03/2017:10000) Equity shares of Rs. 10.00/- par value	1,00,000.00	1,00,000.00
<b>Total</b>	<b>1,00,000.00</b>	<b>1,00,000.00</b>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period****Equity shares**

₹ in rupees

	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the beginning of the period</b>	10,000	1,00,000.00	-	-
Issued during the Period	-	-	10,000	1,00,000.00
Redeemed or bought back during the period	-	-	-	-
<b>Outstanding at end of the period</b>	<b>10,000</b>	<b>1,00,000.00</b>	<b>10,000</b>	<b>1,00,000.00</b>

**Right, Preferences and Restriction attached to shares****Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of shareholders holding more than 5% shares in the company**

Type of Share	Name of Shareholders	As at 31st March 2018		As at 31st March 2017	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00 ]	Abhinav Mathur	5,000	50.00	5,000	50.00
Equity [NV: 10.00 ]	Mona Mathur	5,000	50.00	5,000	50.00
	<b>Total :</b>	<b>10,000</b>	<b>100.00</b>	<b>10,000</b>	<b>100.00</b>

**Note No. 3 Reserves and surplus**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Surplus</b>		
Opening Balance	13,03,951.83	-
Add: Profit for the year	2,10,84,008.59	13,03,951.83
Less : Deletion during the year	-	-
<b>Closing Balance</b>	<b>2,23,87,960.42</b>	<b>13,03,951.83</b>
<b>Balance carried to balance sheet</b>	<b>2,23,87,960.42</b>	<b>13,03,951.83</b>

**Note No. 4 Other current liabilities**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Others payables</b>		
TDS Payable	2,19,571.00	2,61,195.00
Professional Charges Payable	5,20,710.00	1,07,500.00
Salary Payable	14,76,969.00	2,50,000.00
Audit Fees Payable	73,335.00	18,400.00
Imprest Balance	2,18,163.07	1,47,158.43
Shriyans InfoTech Pvt Ltd	-	35,280.00
Appsquadz Technologies Pvt Ltd	-	5,00,570.00
Raju Boro	25,000.00	-
	<b>25,33,748.07</b>	<b>13,20,103.43</b>
<b>Total</b>	<b>25,33,748.07</b>	<b>13,20,103.43</b>

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578**

(F.Y. 2017-2018)

**Note No. 5 Fixed Assets Chart as at 31st March 2018**

₹ in rupees

	Assets	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation			Net Block			
			Balance as at 1st April 2017	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2018	Balance as at 1st April 2017	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2018	Balance as at 31st March 2018	Balance as at 31st March 2017
<b>A</b>	<b>Tangible assets</b>												
	<b>Own Assets</b>												
	Computer and Laptop	3.00	64,758.00	10,73,507.38	-	-	11,38,265.38	561.83	2,02,099.00	-	2,02,660.83	9,35,604.55	64,196.17
	Mobile	5.00	29,999.00	33,387.00	-	-	63,386.00	156.16	9,719.00	-	9,875.16	53,510.84	29,842.84
	Office Equipments	5.00	25,077.00	89,435.00	-	-	1,14,512.00	736.26	18,880.00	-	19,616.26	94,895.74	24,340.74
	Furniture	5.00	-	5,602.00	-	-	5,602.00	-	901.00	-	901.00	4,701.00	-
	<b>Total (A)</b>		<b>1,19,834.00</b>	<b>12,01,931.38</b>	-	-	<b>13,21,765.38</b>	<b>1,454.25</b>	<b>2,31,599.00</b>	-	<b>2,33,053.25</b>	<b>10,88,712.13</b>	<b>1,18,379.75</b>
	<b>P.Y Total</b>		-	<b>1,19,834.00</b>	-	-	<b>1,19,834.00</b>	-	<b>1,454.00</b>	-	<b>1,454.00</b>	<b>1,18,380.00</b>	-

**General Notes :**

1.	No depreciation if remaining useful life is negative or zero.
2.	Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.
3.	If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.



**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578****Note No. 6 Other non-current assets**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Other Assets</b>		
Misc. Expenditure not written off	19,782.00	29,679.00
<b>Total</b>	<b>19,782.00</b>	<b>29,679.00</b>

**Note No. 7 Current investments**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Investments in Mutual Funds (Quoted)</b>		
<b>In Others</b>		
ICICI Mutual Funds (at cost)	-	20,50,000.00
Franklin India Law Duration Fund (at cost)	1,36,89,378.00	-
Franklin India Short Term Income Plan (at cost)	73,59,184.85	-
Mirae Asset Cash Management Fund (at cost)	6,00,419.50	-
Mirae Asset India Equity Fund (at cost)	4,00,000.00	-
<b>Total Investment</b>	<b>2,20,48,982.35</b>	<b>20,50,000.00</b>

**Note No. 8 Cash and cash equivalents**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Balance with banks</b>		
HDFC Bank	10,60,533.58	3,23,994.06
<b>Total</b>	<b>10,60,533.58</b>	<b>3,23,994.06</b>
<b>Cash in hand</b>		
Cash	24,124.53	1,83,306.13
<b>Total</b>	<b>24,124.53</b>	<b>1,83,306.13</b>
<b>Total</b>	<b>10,84,658.11</b>	<b>5,07,300.19</b>

**Note No. 9 Loans and advances**

₹ in rupees

Particulars	As at 31st March 2018		As at 31st March 2017	
	Long-term	Short-term	Long-term	Short-term
<b>Security Deposit</b>				
Unsecured, considered good	-	2,01,250.00	-	-
	-	<b>2,01,250.00</b>	-	-
<b>Other loans and advances</b>				
Loan to Staff	-	1,52,000.00	-	-
	-	<b>1,52,000.00</b>	-	-
<b>Total</b>	-	<b>3,53,250.00</b>	-	-

**Note No. 10 Other current assets**

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Other Assets</b>		
Misc. Expenditure not written off	9,895.00	9,893.00
Imprest Balance	7,673.00	8,803.32
Recoverable from Consultants	4,954.00	-
Appsquadz Technologies Private Limited	3,97,801.90	-
TDS A.Y. 2018-19	6,000.00	-
<b>Total</b>	<b>4,26,323.90</b>	<b>18,696.32</b>

**MILLION SPARKS FOUNDATION**

(A Company Licensed under Section 8 of the Companies Act, 2013)

**A-63, ASHOK VIHAR, PHASE III, DELHI-110052****CIN : U80301DL2016NPL302578****Note No. 11 Donations Received**

₹ in rupees

Particulars	31st March 2018	31st March 2017
Donations received	4,30,89,635.00	55,00,000.00
<b>Total</b>	<b>4,30,89,635.00</b>	<b>55,00,000.00</b>

**Note No. 12 Other income**

₹ in rupees

Particulars	31st March 2018	31st March 2017
<b>Other non-operating income</b>		
Bank Interest	45,098.00	11,339.00
Development Receipts	3,00,000.00	-
Dividend Income	17,61,643.32	-
Liabilities no longer required	5,500.00	-
Rebate and Discount	4,800.00	-
Short and Excess	597.51	-
<b>Total</b>	<b>21,17,638.83</b>	<b>11,339.00</b>

**Note No. 13 Utilization on Project activities**

₹ in rupees

Particulars	31st March 2018	31st March 2017
Salaries	1,28,72,894.00	21,04,379.00
Staff Welfare Expenses	1,92,035.44	40,650.80
Development Expenses	-	30,000.00
Domain Charges	-	10,453.50
Professional Expenses	76,72,060.00	7,13,700.00
Software Development Expenses	-	5,98,000.00
Stipend	-	77,000.00
<b>Total</b>	<b>2,07,36,989.44</b>	<b>35,74,183.30</b>

**Note No. 14 Depreciation and amortization expenses**

₹ in rupees

Particulars	31st March 2018	31st March 2017
Depreciation on tangible assets	2,31,599.00	1,454.00
<b>Total</b>	<b>2,31,599.00</b>	<b>1,454.00</b>

**Note No. 15 Other expenses**

₹ in rupees

Particulars	31st March 2018	31st March 2017
Accounting Charges	96,000.00	36,000.00
Audit Fee	59,000.00	25,000.00
Other exps.	1,94,483.71	54,215.13
Electricity and Water expenses	1,91,982.10	70,000.00
Office Maintenance	3,69,537.54	40,000.00
Rent	9,37,350.00	1,90,000.00
Repair and Maintenance	43,339.00	6,000.00
Telephone and Internet expenses	82,220.00	7,018.69
Tour and Travel Expense	4,79,159.47	1,68,528.76
Vehicle running expenses	1,46,701.20	25,092.29
Preliminary expenses written off	9,895.00	9,895.00
Web Hosting Expenses	81,154.18	-
Advertising expenses	1,39,666.91	-
Placement Expenses	1,70,876.00	-
Loss on redemption of Mutual Funds	72,662.69	-
Printing and stationery	24,136.00	-
Professional expenses	10,530.00	-
Interest on late payment of taxes	11,822.00	-
Conveyance expenses	29,001.00	-
Books periodicals	5,160.00	-
<b>Total</b>	<b>31,54,676.80</b>	<b>6,31,749.87</b>