

Soniya & Co

Chartered Accountants

"Sheela" Plot No. 14 H A E Coop Housing Society, Karve Rd., Pune 411038

Tel: 91-020-25399914; Cell: 91-09765550323

Proprietor: Soniya Ghatpande, B.S.L.; LL.B.; F.C.A.

Independent Auditors' Report to the Members

To

The Members of **14 Trees Foundation**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **14 Trees Foundation** ("the Company") which comprise

- a) Balance Sheet as at **March 31, 2023**,
- b) Statement of Profit and Loss for the year ended on that date,
- c) Statement of Cash Flows for the year ended on that date, and
- d) Notes to the financial statements including a summary of significant accounting policies and other explanatory information

In our opinion, to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) of the state of affairs of the Company as at **March 31, 2023**
- b) of the profit / loss of the Company for the year ended on that date.
- c) of the cash flows of the Company for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified u/s 143(10) of the Companies Act, 2013 ("the Act"). 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.

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon.

Other Information

The Company's management and Board of Directors are responsible for the "other information" included in the Company's annual report. The "other information" comprises the information included in the Company's annual report, but does not include the Ind AS Financial Statements and our auditors' report thereon.



Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes

- a) maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities
- b) selection, application, maintenance and implementation of appropriate accounting policies
- c) making judgments and estimates that are reasonable and prudent
- d) design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are

- a) to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,
- b) to issue an auditor's report that includes our opinion on these financial statements based on our audit.

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.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing, if required, our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- a) This report does not include a statement on the matters specified in Paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information & explanations given to us, the said Order is not applicable to this Company on the ground that the Company is a company licensed to operate under section 8 of the Companies Act, 2013;
- b) This report does not include a report under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls because
 - i The Company is a private company
 - ii The Company has a turnover of less than ₹ 50 crore as per the latest audited financial statements
 - iii The borrowings of the Company from banks or financial institutions or any body corporate at any point of time during the financial year is less than ₹ 25 crore.
 - iv The company has not committed a default in filing its financial statements with the Registrar under S. 137 of the Act or annual return under S. 92 of the Act .
- c) As required by Section 143(3) of the Act, we report that:
 - i 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.
 - ii 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
 - iii The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - iv In our opinion, the aforesaid 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 On the basis of the written representations received from the directors as on **31st March, 2023** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2023** from being appointed as a director in terms of Section 164 (2) of the Act.
- d) 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 derivative contracts for which there were any material foreseeable losses
 - iii There has been no delay on the part of the Company in transferring amounts, required to be transferred, to the Investor Education and Protection Fund



- iv The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, **no funds have been advanced or loaned or invested** (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - v The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, **no funds have been received by the company** from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - vi Based on such audit procedures that the auditors have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (d) and (e) supra contain any material misstatement and
 - vii The Company is licensed to operate under Section 8 of the Companies Act, 2013. Hence the question of compliance with S.123 of CA, 2013, does not arise.
- e) With respect to the matter to be included in the Auditors' Report u/s 197(16) of the Act we state that S.197 is not applicable to the Company because it is a private company.

For Soniya & Co.
 FRN No.147104W
 Chartered Accountants

Ghatpande
 Soniya Ghatpande
 Proprietor
 Membership No. 138653
 Place: Pune
 Date: 25th August 2023
 UDIN: 23138653BGXOIX2589



14 Trees Foundation
 CIN: U93090PN2020NPL191410
 Balance Sheet as at

	Note	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
I EQUITY AND LIABILITIES		₹	₹	₹	₹
1 Shareholders' Funds					
a Share Capital	3	100,000		100,000	
b Reserves and surplus	4	9,667,432	9,767,432	9,696,908	9,796,908
2 Non-current liabilities					
a Long term borrowings	5		10,250,100		
3 Current liabilities					
a Sundry Creditors	19	1,015,136		690,263	
b Other current liabilities	6	826,316	1,841,452	780,008	1,470,271
TOTAL			21,858,984		11,267,179
II ASSETS					
1 Non-current assets					
a Fixed Assets					
i) Property, plant & equipment	7		11,002,566		10,382,604
b Long term loans and advances	8		8,594,776		
2 Current assets					
a Cash and cash equivalents	9	2,201,348		882,662	
b Other current assets	10	60,294	2,261,642	1,913	884,575
TOTAL			21,858,984		11,267,179

Contingent liabilities and
commitments (to the extent not
provided for) NIL NIL

Corporate Information & Statement of Accounting Policies 1-2

The accompanying notes are an integral part of these financial statements
As per our audit report of even date

For Soniya & Co.
FRN No 147104W
Chartered Accountants

Soniya Ghatpande
Proprietor
Membership No. 138653
Place: Pune
Date: 25th August 2023
UDIN: 23138653BGXOIX2589

For & on behalf of the Board of Directors

Dr Pravin Bhagwat
Director
DIN 0000031764

Kiran Deshpande
Director
DIN 0000031758
Place: Pune
Date: 25th August 2023



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Balance Sheet as at	31-Mar-23 ₹	31-Mar-23 ₹	31-Mar-22 ₹	31-Mar-22 ₹
3 Equity Share Capital				
a Number of shares authorized		100,000	100,000	100,000
b Amount of shares authorized		1,000,000	1,000,000	1,000,000
c Number of shares issued, subscribed and fully paid		10,000	10,000	10,000
d Number of shares issued and subscribed but not fully paid		-	-	-
e Par value per share		10	10	10
f Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
i Shares outstanding at the beginning of the reporting period		10,000	10,000	10,000
ii Shares allotted during the reporting period		-	-	-
iii Shares forfeited during the reporting period		-	-	-
iv Shares bought back during the reporting period		-	-	-
v Shares outstanding at the end of the reporting period		10,000	10,000	10,000
g Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held				
1 Dr Pravin Bhagwat	94.70%	9,470	95%	9,500
2 Kiran Deshpande	5%	500	5%	500
h The change, during the year under review, in the shares held by the promoters as follows				
1 Dr Pravin Bhagwat	0.30%	(30)		
Total at the end of the reporting period		100,000		100,000
4 Reserves and Surplus				
a Surplus i.e. balance in Statement of Income & Expenditure disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves etc.				
i Balance at the beginning of the reporting period	9,696,908		8,364,799	
ii Additions during the reporting period	(29,476)		1,332,109	
iii Deduction during the reporting period				
iv Balance at the end of the reporting period	<u>9,667,432</u>		<u>9,696,908</u>	
Total at the end of the reporting period		9,667,432		9,696,908
5 Long-Term Borrowings				
ii Long-term borrowings unsecured				
c Loans and advances from directors	3,750,000			
e Loans and advances from shareholders	<u>6,500,100</u>		10,250,100	
Total at the end of the reporting period		10,250,100		
6 Other current liabilities				
a Other payables				
i Statutory liabilities		24,888	29,183	
ii Non-Statutory liabilities		801,428	750,825	
Total at the end of the reporting period		826,316		780,008



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Balance Sheet as at

7	Property, Plant & Equipment	Cost	Cost		Depreciation	Balance	WDV	31-Mar-23
			Before	After				
	1-Apr-22	30/09/2022	30/09/2022	31-Mar-23	1-Apr-22	2022-23	31-Mar-23	1-Apr-22
		₹	₹	₹	₹	₹	₹	₹
Land development - Ponds	9,007,351	540,000	1,080,000	10,627,351	1,012,503	1,008,735	2,021,238	7,994,848
Buildings - Sheds	2,026,685	7,374	51,300	2,085,359	201,611	205,971	407,582	1,825,074
Electric Installation	53,808			53,808	2,690	5,381	8,071	51,118
Equipment & Tools	391,916	49,414	154,665	595,995	61,444	77,799	139,243	330,472
Office Equipment	33,000	66,000		99,000	7,425	14,850	22,275	25,575
Furniture	160,544			160,544	8,027	16,054	24,082	152,517
Live stock	3,000			3,000	-	-	-	3,000
Total	11,676,304	662,788	1,285,965	13,625,057	1,293,700	1,328,791	2,622,491	10,382,604
<i>Previous Year</i>	<i>5,904,480</i>	<i>-</i>	<i>5,771,824</i>	<i>11,676,304</i>	<i>301,266</i>	<i>992,435</i>	<i>1,293,700</i>	<i>5,603,215</i>



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Balance Sheet as at

	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
	₹	₹	₹	₹
8 Long-term loans and advances				
a Capital Advances				
ii Unsecured, considered good	8,594,776	-		
Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member				
Total at the end of the reporting period	8,594,776			
9 Cash and cash equivalents				
a Balances with banks				
i Current a/c balances with bank	2,191,814	880,753		
b Cash on hand	9,534	1,909		
Total at the end of the reporting period	2,201,348		882,662	
10 Other current assets				
a Advance Tax & TDS	60,294	1,913		
Total at the end of the reporting period	60,294		1,913	
In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.				



14 Trees Foundation

CIN: U93090PN2020NPL191410

Income & Expenditure Statement for the year ended

	Note	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
I Revenue from operations	11	₹ 19,071,699	₹ 339,376	₹ 20,495,085	₹ 13,970
II Other income	12				
Total revenue				19,411,075	20,509,055
III Expenses:					
Office and administration expenses	13	355,470		877,073	
Expenditure on objectives of the trust	14	17,756,290		17,307,439	
Depreciation and amortization expense	15	1,328,791		992,435	
Total expenses				19,440,550	19,176,946
IV Profit before exceptional and extra-ordinary items and tax			(29,476)		1,332,109
V Exceptional Items					
VI Profit before extra-ordinary items and tax			(29,476)		1,332,109
VII Extra-ordinary items					
VIII Profit before tax			(29,476)		1,332,109
IX Tax expense					
1 Current tax			(29,476)		1,332,109
2 Deferred tax					
X Profit (Loss) for the period from continuing operations			(29,476)		1,332,109
XI Profit (Loss) from discontinuing operations					
XII Profit (Loss) from discontinuing operations (after tax)					
XIII Profit (Loss) for the period			(29,476)		1,332,109
XIV Earnings per equity share					
1 Basic			(2.95)		133.21
2 Diluted	16		(2.95)		133.21

Corporate Information & Statement of Accounting Policies

1-2

The accompanying notes are an integral part of these financial statements

As per our audit report of even date

For Soniya & Co.

FRN No.147104W

Chartered Accountants

For & on behalf of the Board of Directors

Soniya Ghatpande

Proprietor

Membership No. 138653

Place: Pune

Date: 25th August 2023

UDIN: 23138653BGXOIX2589

Dr Pravin Bhagwat
Director

DIN 0000031764

Kiran Deshpande
Director

DIN 0000031758

Place: Pune

Date: 25th August 2023



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Income & Expenditure Statement for the year ended

	31-Mar-23 ₹	31-Mar-23 ₹	31-Mar-22 ₹	31-Mar-22 ₹
11 Revenue from operations				
a Operating Incomes				
i Donations	19,071,699		20,495,085	
Total at the end of the reporting period	19,071,699		20,495,085	
12 Other non-operating income (net of expenses directly attributable to such income)				
a Miscellaneous Income	339,376		13,970	
Total at the end of the reporting period	339,376		13,970	
13 Office and administration expenses				
a Professional Fees	131,560		596,414	
b Printing & Stationery	120,221		147,373	
c Travelling			59,018	
d Audit Fees	50,000		35,400	
e Other Office Expenses	53,689		38,868	
Total at the end of the reporting period	355,470		877,073	
14 Expenditure on objectives of the trust				
a Direct materials				
i Saplings (Rope)	747,040		1,249,535	
ii Bamboo	652,209		529,402	
iii Manure / Cow Dung	389,425		447,500	
iv Hardware & Hand Tools & Misc.	309,450		386,927	
v Tree Guards	4,405		80,150	
vi Seeds	19,483		72,600	
vii Electrical Material			68,182	
viii Tadpatri	89,161		37,174	
ix Green net			27,143	
x Cattle Feed	58,454		27,601	
xi Purchase - Pipes	198,657			
xii Purchase - Wood	9,000	2,477,284		2,926,214
b Direct Labour				
i Salary & Wages A/c	8,829,992		7,711,268	
ii Signages			135,000	
iii Fabrication	300		13,625	
iv Pit Digging Charges			117,755	
v Farming	32,380		100,600	
vi Painting	205,910		96,860	
vii Welding			1,500	
viii Pond Digging	41,615			
ix Labour charges - Saplings Lagwad	16,700			
x Bamboo Cutting	49,423			
xi Jalpatta	61,650	9,237,970		8,176,608
c Direct expenses				
i Rent Paid - JCB	1,063,291		2,623,802	
ii Rent Paid - Tractor	151,045		164,104	
iii Water Tanker Charges	1,734,280		1,727,010	
iv Transport Charges	669,120		350,833	
v Petrol Pump	1,048,624		265,981	
vi Tank - Gomutra Ark			105,900	
Other Direct Expenses	1,200	4,667,560	29,332	5,266,961



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Income & Expenditure Statement
for the year ended

	31-Mar-23 ₹	31-Mar-23 ₹	31-Mar-22 ₹	31-Mar-22 ₹
d Indirect expenses				
i Food Expenses	121,380		270,210	
ii Conveyance Expenses	109,221		193,378	
iii Travelling Expense	218,526		158,403	
iv Repairs & Maint.	111,180		82,833	
v Vehicle Repairs & Maintenance	100,763		81,652	
vi Staff Welfare	24,723		77,864	
vii Other Indirect Expenses	687,683	1,373,476	73,317	937,656
Total at the end of the reporting period		17,756,290		17,307,439
15 Depreciation and amortization expense				
a On Tangible assets		1,328,791		992,435
Total at the end of the reporting period		1,328,791		992,435
16 Earnings per equity share				
Profit after tax		(29,476)		1,332,109
Number of equity shares		10,000		10,000
Earnings per equity share		(2.95)		133
Face Value of each equity share		10		10



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Income & Expenditure Statement for the year ended

31-Mar-23

17 Related party disclosures

Names of related parties and related party relationship

A Related parties where control exists

i Key management personnel	1 Dr Pravin Bhagwat 2 Kiran Deshpande None
ii Relatives of key management personnel	1 Mojo Networks Pvt. Ltd. 2 Arista Networks India Pvt. Ltd. 3 Eighteenth Parallel Technology Labs Pvt. Ltd.
iii Enterprises owned or significantly influenced by key management personnel or their relatives	4 IIT Bombay Alimni Association 5 Sinshot Technologies Pvt. Ltd.

B Related parties transactions

BALANCE SHEET ITEMS

a Share Capital

	2022-23	2021-22
	₹	₹
Dr Pravin Bhagwat	94,700	95,000
Kiran Deshpande	5,000	5,000

Total

99,700 **100,000**

b Balance payable

Dr Pravin Bhagwat	2,000,000
Kiran Deshpande	1,750,000
Total	3,750,000

TOTAL OF B/S ITEMS

3,849,700 **100,000**

18 Additional information related to delayed payment by the Company to Micro / Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneur's Memorandum Number as allocated after filing of the memorandum. Accordingly the disclosures in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the company. Further in the opinion of the management, the impact of interest, if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim from interest from any supplier under the said Act.

Sr No	Particulars	2022-23	2021-22
		₹	₹
(i)	The principal amount remaining unpaid to any supplier (as defined in S2(n) of MSMED Act, 2006) as at the end of the accounting year	Nil	Nil
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv)	The amount of interest paid by the company in terms of S 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v)	The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED	Nil	Nil
(vi)	The amount of interest accrued and remaining unpaid at the end of	Nil	Nil
(vii)	The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006	Nil	Nil



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the Financial Statements for the year ended

19 Trade Payables ageing schedule

Particulars	FY	Outstanding for following periods from due date of payment				Total year ₹
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
		₹	₹	₹	₹	
(i) MSME	2022-23	-	-	-	-	-
	2021-22	-	-	-	-	-
(ii) Others	2022-23	1,015,136	-	-	-	1,015,136
	2021-22	690,263	-	-	-	690,263
(iii) Disputed dues – MSME	2022-23	-	-	-	-	-
	2021-22	-	-	-	-	-
(iv) Disputed dues - Others	2022-23	-	-	-	-	-
	2021-22	-	-	-	-	-
Total	2022-23	1,015,136	-	-	-	1,015,136
Previous Year	2021-22	690,263	-	-	-	690,263



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

20 Trade receivables:

The Company has no trade receivables.

Hence the details specified in Para 6(P)(i) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

21 Use of borrowings from banks & financial institutions:

The company has not taken any borrowings from banks or financial institutions.

Hence the details specified in Para 6(VA) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

22 Title deeds of Immovable Property not held in name of the Company:

The Company does not own any immovable property.

Hence the details specified in Para 6(Y)(i) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

23 Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person:

The Company has not granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person, any loans or advances in the nature of loans.

Hence the details specified in Para 6(Y)(iii) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

24 Capital work in progress:

The Company has no capital work in progress.

Hence the details specified in Para 6(Y)(iv) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

25 Intangible assets under development:

The Company has no intangible assets under development

Hence the details specified in Para 6(Y)(v) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

26 Benami Property held and proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder:

The Company does not hold any benami property. There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

Hence the details specified in Para 6(Y)(vi) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

27 Borrowings from banks or financial institutions on the basis of security of current assets:

The Company has not borrowed from banks or financial institutions on the basis of security of current assets

Hence the details specified in Para 6(Y)(vii) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

28 Wilful defaulter:

The company has not been declared a wilful defaulter by any bank or financial Institution or other lender

Hence the details specified in Para 6(Y)(viii) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

29 Relationship with Struck off Companies:

The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Hence the details specified in Para 6(Y)(ix) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

30 Registration of charges or satisfaction with Registrar of Companies:

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

Hence the details specified in Para 6(Y)(x) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.



14 Trees Foundation

CIN: U93090PN2020NPL191410

31-Mar-23

Notes to the financial statements for the year ended

31 Compliance with number of layers of companies

The Company has no subsidiaries.

Hence the details specified in Para 6(Y)(xi) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.

	2022-23	2021-22
	₹	₹
Current Assets	2,261,642	884,575
Current Liabilities	1,841,452	1,470,271
Current Ratio	123%	60%
Change over PY (%)	104%	-78%
Explanation	Because of improvement in the Company's liquidity.	
(a) Current Ratio		
Total Debt	1,841,452	1,470,271
Equity	9,767,432	9,796,908
Debt-Equity Ratio	19%	15%
Change over PY (%)	26%	24%
Explanation	Not necessary since the change is slightly more than 25%	
(c) Debt Service Coverage Ratio		
Profit after tax plus depreciation & interest on term loans	NA	NA
Instalments due in next year plus interest on TL	NA	NA
Debt Service Coverage Ratio	NA	NA
Change over PY (%)	NA	NA
Explanation	Not applicable since the Company has not borrowed from banks by way of term loans	
(d) Return on Equity Ratio		
Profit after tax	(29,476)	1,332,109
Equity	9,767,432	9,796,908
Return on Equity Ratio	-0.30%	13.60%
Change over PY (%)	-102%	-86%
Explanation	Because the Company continues to spend towards its objectives	
(e) Inventory turnover ratio		
Cost of Goods Sold (all expenses except selling expenses)	NA	NA
Average Inventory = (Op. Stock + Cl. Stock) / 2	NA	NA
Inventory turnover ratio	NA	NA
Change over PY (%)	NA	NA
Explanation	Not applicable since the Company is not engaged in trading / manufacturing	
(f) Trade Receivables turnover ratio		
Revenue from Operations	NA	NA
Trade receivables = (Cl. Debtors + Op Debtors) / 2	NA	NA
Trade Receivables turnover ratio	NA	NA
Change over PY (%)	NA	NA
Explanation	Not applicable since the Company is not engaged in trading / manufacturing	
(g) Trade payables turnover ratio		
Inward supplies	NA	NA
Trade payables = (Cl. Creditors-Op Creditors)/2	NA	NA
Trade payables turnover ratio	NA	NA
Change over PY (%)	NA	NA
Explanation	Not applicable since the Company is not engaged in trading / manufacturing	
(h) Net capital turnover ratio		
Revenue from Operations	19,071,699	20,495,085
Net working capital = (Cl. Capital+Op capital)/2	(82,753)	1,137,945
Net capital turnover ratio	-23046.55%	1801.06%
Change over PY (%)	-1380%	24%
Explanation	Because the Company continues to spend towards its objectives	



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

	2022-23	2021-22	31-Mar-23
	₹	₹	
(i) Net profit ratio			
Profit after tax	(29,476)	1,332,109	
Total Revenue	19,411,075	20,509,055	
Net profit ratio	-0.15%	6.50%	
Change over PY (%)	-102.34%	-83.92%	
Explanation	Because the Company continues to spend towards its objectives		
(j) Return on Capital employed			
Earnings before interest & taxes	(29,476)	1,332,109	
Tangible net worth + total debt + deferred tax liability	9,767,432	9,796,908	
Return on Capital employed	-0.30%	13.60%	
Change over PY (%)	-102.22%	-86.25%	
Explanation	Because the Company continues to spend towards its objectives		
(k) Return on investment			
Profit after tax	NA	NA	
Equity plus long term borrowings	NA	NA	
Return on investment	NA	NA	
Change over PY (%)	NA	NA	
Explanation	Not applicable since the Company has no investments		
33 Compliance with approved Scheme(s) of Arrangements			
No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.			
Hence the details specified in Para 6(Y)(xiii) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.			
34 Utilisation of Borrowed funds and share premium			
The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to, nor received such funds from, any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall			
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or			
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries			
Hence the details specified in Para 6(Y)(xiv) of Division I of the General Instructions for preparation of balance sheet in Schedule III to CA 2013 are not stated.			
35 Undisclosed income			
The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).			
Hence, the details of any transaction not recorded in the books of account, specified in Para 5(ix) of Division I of the General Instructions for preparation of statement of profit and loss in Schedule III to CA 2013, are not stated.			
36 Corporate Social Responsibility (CSR)			
The provisions of S.135 of the CA, 2013, are not applicable to the Company since during the immediately preceding year			
(i) the net worth of the Company is less than Rs.500 crores			
(ii) the turnover of the Company is less than Rs.1,000 crores			
(iii) the net profit of the Company is less than Rs.5 crores			
Hence, the details of CSR expenses, specified in Para 5(x) of Division I of the General Instructions for preparation of statement of profit and loss in Schedule III to CA 2013, are not stated.			



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

37 Details of Crypto Currency or Virtual Currency

31-Mar-23

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Hence, the details of Crypto Currency or Virtual Currency, specified in Para 5(xi) of Division I of the General Instructions for preparation of statement of profit and loss in Schedule III to CA 2013, are not stated.

For Soniya & Co.

FRN No. 147104W

Chartered Accountants

Soniya Ghatpande

Proprietor

Membership No. 138653

Place: Pune

Date: 25th August 2023

UDIN: 23138653BGXOIX2589

For & on behalf of the Board of Directors

Dr Pravin Bhagwat

Director

DIN 881033

Place: Pune
Date: 25th August 2023

Kiran Deshpande

Director

DIN 0000031758



14 Trees Foundation
CIN: U93090PN2020NPL191410
Cash Flow Statement for the year ended

	31-Mar-23 ₹	31-Mar-23 ₹	31-Mar-22 ₹	31-Mar-22 ₹
A) Cash Flow From Operating Activities				
Net Profit before Tax		(29,476)		1,332,109
Adjustments for Depreciation				
Interest Received	1,328,791		992,435	
Operating Profit before Working Capital Changes	<u>1,328,791</u>	<u>1,299,315</u>	<u>(13,970)</u>	<u>978,465</u>
Adjustments for Increase (Decrease) in Other Liabilities		371,181		(208,389)
(Increase) Decrease in Loans & Advances	(8,594,776)			
Cash generated from Operations	<u>(6,924,280)</u>			
Income Tax Paid	(58,381)			
Net Cash from Operating Activities (A)	<u>(6,982,661)</u>			
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets				
Interest Received	(1,948,753)			(5,771,824)
Net Cash used in Investing Activities(B)	<u>(1,948,753)</u>			13,970
C) Cash Flow from Financing Activities				
Increase (Decrease) in Long term borrowings	10,250,100			
Net Cash used in Financing Activities(C)	<u>10,250,100</u>			
Net increase/(decrease) in cash and cash equivalents (A+B+C)				
Cash & Cash Equivalents as at beginning of the year	1,318,686			(3,655,670)
Cash & Cash Equivalents as at end of the year	882,662			4,538,332
As per our audit report of even date	2,201,348			882,662

For Soniya & Co.
FRN No.147104W
Chartered Accountants

Sonya Ghatpande
Proprietor
Membership No. 138653
Place: Pune
Date: 25th August 2023
UDIN: 23138653BGXOIX2589

For & on behalf of the Board of Directors

Pravin Bhagwat
Director
DIN 0000031764

Place: Pune
Date: 25th August 2023

Kiran Deshpande
Director
DIN 0000031758



14 Trees Foundation

CIN: U93090PN2020NPL191410

31-Mar-23

Notes to the financial statements for the year ended

1 Corporate Information:

14 Trees Foundation is a Section 8 company domiciled in India and incorporated under the provisions of the Companies Act, 2013. It is engaged in the not-for-profit activity of reforestation and restoration of the environment.

The Company is **not** a "small company" as defined in Section 2(85) of the Companies Act, 2013, ("the Act") because it is a company registered u/s 25 of the Companies Act, 1956.

As per Rule 7 of the Companies (Accounts) Rules 2014, the standards of accounting as specified under the Companies Act, 1956 (1 of 1956) shall be deemed to be the accounting standards until accounting standards are specified by the Central Government u/s 133 of the Act.

Rule 3 (1) of the Companies (Accounting Standards) Rules, 2006, made by the Central Government u/s 642 (1) read with Section 211(3C) and Section 210A(1) of the Companies Act, 1956, as amended by the Companies (Accounting Standards) Amendment Rules 2016, provides that the accounting standards recommended by the Institute of Chartered Accountants of India (ICAI) specified in the annexure to the said Rules shall come into effect in respect of accounting periods commencing on or after the publication of these accounting standards.

The Company is a **Small and Medium Sized Company (SMC)** as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956, inasmuch as

- a) its turnover (excluding other income) did not exceed ₹ 50 crores in the immediately preceding accounting year and in the year under review, and
- b) it did not have borrowings (including public deposits) in excess of ₹ 10 crores at any time during the immediately preceding accounting year and in the year under review
- c) its equity or debt securities are not listed or are not in the process of being listed on any stock exchange.
- d) it is not a bank, financial institution or an insurance company
- e) it is not a holding or subsidiary company of a company which is not a SMC

2 Basis of Preparation of Financial Statements

These financial statements comply in all material respects with the relevant provisions of the Act, the Generally Accepted Accounting Principles followed in India in conjunction with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India which are specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As required by AS 1, the accounting policies adopted in the preparation of these financial statements are disclosed below.

2.1 Summary of significant accounting policies

2.1.1 Presentation and disclosure of financial statements

These financial statements are presented in accordance with the Division I of revised Schedule VI notified under the Companies Act 1956.

2.1.2 Accounting Convention:

These financial statements are prepared under the historical cost convention.

2.1.3 Method of Accounting:

As required by Section 128(1) of the Act, these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.

2.1.4 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

2.1.5 Consistency:

These financial statements have been prepared on a basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

2.1.6 Contingencies and Events occurring after the Balance Sheet Date:

AS 4 is not applicable since there are no such contingencies nor events.

2.1.7 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

The Company's Profit & Loss Account presents profit / loss from ordinary activities. There are no extraordinary items or changes in accounting estimates and policies during the year under review which need to be disclosed as per AS 5.

2.1.8 Current versus non-current classification

a The Company presents assets and liabilities in the balance sheet based on current / non-current classification, except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities are presented broadly in order of liquidity. However, it is to be noted that Schedule III to the Act does not permit presentation in the order of liquidity

b An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting period.

► Held primarily for the purpose of trading

► Expected to be realised within twelve months after the reporting period

► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at

c All other assets are classified as non-current.

d A liability is treated as current when:

► It is expected to be settled in normal operating cycle. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle and are classified as current liabilities even if they are due to be settled more than 12 months after the reporting period.

► It is held primarily for the purpose of trading

► It is due to be settled within twelve months after the reporting period, or

► There is no unconditional right to defer the settlement of the liability for at least twelve months

e The Company classifies all other liabilities as non-current.

f Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. **The Company has no operating cycle as such since the Company is not engaged in manufacturing**

2.1.9 Cash Flow Statements:

Cash Flows are reported as per the Indirect Method as specified in AS 3,

2.1.10 Previous Year Figures:

The figures for the previous year have not been stated because the year under review is the first year of the Company.

2.2 Property, plant & equipment (PPE): In accordance with AS 10,

i) Tangible Fixed Assets are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. In exercise of the option vested in the Company as per Para 32 of AS 10, the Company has chosen the cost model as per Para 33 of AS 10 for all items of PPE. Accordingly, the Company has not revalued the PPE.

ii) Under Schedule III, land and building are presented as two separate classes of PPE. In contrast, paragraph 40 of AS 10 appears to be having flexibility to treat land and building either as one class or as two separate classes. It also states that a class of PPE is a grouping of assets of a similar nature and use in an entity's operations. However, in accordance with Para 60 of AS 10 and based on the nature, characteristics and risks of land and building, the management has determined that they constitute two separate classes of property for presentation in the financial statements



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

- iii) The Company has recognized items of property, plant & equipment (PPE) in accordance with Para 7 of AS 10 only if it is probable that future economic benefits associated with the item will flow to the entity and if the cost of acquisition or construction of the items of PPE can be measured reliably in accordance with Paras 11 to 31 of AS 10..
- iv) The initial cost of PPE comprises
- its purchase price, including import duties and non-refundable purchase taxes,
 - attributable borrowing cost if capitalization criteria are met
 - any other directly attributable costs of bringing an asset to working condition and location for its intended use
 - the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.
 - the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.
 - the cost of a major inspection for replacement of PPE, if the recognition criteria are satisfied.
- v) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- vi) Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of PPE. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.
- vii) As required by Schedule II to the Companies Act, 2013, the management estimate every year, on the basis of technical assessment, the useful life and residual value of items of PPE, if the useful life / residual value are different from that specified in Schedule II
- viii) Depreciation
- Depreciation commences when the assets are ready for their intended use. Assets in the course of development or construction and freehold land are not depreciated.
 - Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value, at rates calculated to write off the depreciable amount of each asset on a straight-line basis over its expected useful life (determined by the management based on technical estimates) or in accordance with Schedule II to the Companies Act, 2013.
 - The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
 - When significant spare parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE.
 - Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.
 - Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.
 - Leasehold land is amortized on a straight line basis over the period of the lease
- ix) An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

2.3 Intangible Fixed Assets:

In accordance with AS 26,

- i) Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.
- iii) Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- iv) The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.
- v) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.4 Impairment of tangible and intangible assets:

In accordance with AS 28,

- i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the recoverable amount of the asset. Such recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- ii) The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.
- iii) Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.
- iv) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- v) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount.
- vi) A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.



14 Trees Foundation

CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

- vii) The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.5 Borrowing Costs: In accordance with Accounting Standard 16,

- i) Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- ii) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- iii) borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which those are incurred.

2.7 Revenue Recognition: In accordance with AS 9,

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company, provided it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. The following specific recognition criteria must also be met before revenue is recognized.
- ii) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Goods & Service Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.
- iii) Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects Goods & Service Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.
- iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- v) Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

2.9 Related party transactions : Please refer Note 17

2.10 Provisions: In accordance with Accounting Standard 29,

- i) A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.
- ii) **Warranty provisions:** Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

2.11 Contingent Liabilities and Contingent Assets: In accordance with Accounting Standard 29,

- i) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



14 Trees Foundation
CIN: U93090PN2020NPL191410

Notes to the financial statements for the year ended

31-Mar-23

ii) Contingent assets are not recognized.

2.12 Accounting Standards not applicable to the Company during the year under review:

- i) **Valuation of Inventories:** AS 2 is not applicable since the Company has no inventories as at the balance sheet date.
- ii) **Construction Contracts:** AS 7 is not applicable since the Company is not engaged in execution of construction contracts
- iii) **Foreign currency transactions and balances:** AS 11 does not apply since the company is not engaged in any foreign currency transactions during the year under review.
- iv) **Accounting for Government Grants:** AS 12 is not applicable since the Company has not received any Government Grants
- v) **Accounting for Investments:** AS 13 is not applicable since the Company has no investments.
- vi) **Accounting for Amalgamations:** AS 14 is not applicable since the Company has not so far entered into any amalgamation.
- vii) **Employee Benefits:** AS 15 is not applicable since the Company has no employees at the balance sheet date.
- viii) **Leases:** AS 19 is not applicable since the Company has not so far entered into any leases.
- ix) **Accounting for taxes on income:** AS 22 is not applicable since the Company's income is exempt from income tax
- x) **Discontinuing Operations:** AS 24 is not applicable since the Company has not so far discontinued operations.

2.13 Since the Company is a SMC, it is exempted from the application of the following standards:

- i) **AS 3:** Cash Flow Statements - However, since the Company is not a "small company" as defined in Section 2(85) of the Companies Act, 2013, the Company complies with AS 3.
- ii) **AS 17:** Segment Reporting
- iii) **AS 21:** Consolidated Financial Statements
- iv) **AS 23:** Accounting for Investments in Associates in Consolidated Financial statements
- v) **AS 25:** Interim Financial Reporting
- vi) **AS 27:** Financial reporting of Interests in Joint Ventures

