

FORM NO. 10B
[See Rule 17B]

**Audit Report under section 12A(1)(b) of the Income-tax Act, 1961 in the case of
charitable or religious trusts or institutions**

We have examined the Balance sheet of **Art & Photography Foundation** ("the trust") as at **March 31, 2020** and the Income and Expenditure Account for the year ended on that date ("the financial statements") which are in agreement with the books of account maintained by the said trust. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit. In our opinion, proper books of account have been kept by the Trust.

In our opinion and to the best of our information, and according to information given to us, the said accounts give a true and fair view:-

- i. in the case of the balance sheet of the state of affairs of the Trust as at March 31, 2020.
- ii. in the case of the statement of income and expenditure, of the excess of expenditure over income for its accounting year ended on March 31, 2020.

The prescribed particulars are annexed hereto.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-
100018



Krishna Prakash E
Partner
Membership No. 216015

Place : Bengaluru
Date : July 27, 2020

EKP/AM/407

Unique Document Identification Number (UDIN): 20216015AAAAAI4355

Appendix - I

**REPRESENTATION ON ANNEXURE TO FORM NO.10B
STATEMENT OF PARTICULARS**

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES	
1. Amount of income of the previous year applied to charitable or religious purposes in India during that year.	<p>Income for the year – Rs. 3,33,96,488/- Income applied during the year - Rs. 10,24,70,294/- Excess amount over income has been utilized from the following:</p> <p>a. Corpus Donations received during Assessment Year 2019-20 and 2020-21. b. CSR fund received during the Assessment year 2019-20 and 2020-21.</p> <p>Notes: 1. Amount applied for charitable purposes is construed to include capital expenditure based on interpretations of law in:</p> <p>a. Honorable Gujarat High Court in Satya Vijay Patel Trust Vs. CIT (1972) 86 ITR 683; b. CIT vs. Lilavati Kirtilal Mehta Medical Trust (2015) 54 taxmann.com 247 (Bombay HC); c. Gagan Education Society vs. ACIT [2011] 131 ITD 442 (Agra Tribunal)/ [2011] 10 taxmann.co 156 (Agra Tribunal).</p>
2. Whether the trust has exercised the option under clause (2) of the Explanation to section 11 (1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year.	NA
3. Amount of income accumulated or set apart/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust wholly/in part only for such purposes.	Nil
4. Amount of income eligible for exemption under section 11(1)(c) [Give details]	Nil
5. Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2)	Nil
6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof.	NA
7. Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so, the details thereof.	Nil
8. Whether, during the previous year, any part of	



income accumulated or set apart for specified purposes under section 11(2) in any earlier year :-	
a. Has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or	Nil
b. has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2) (b) (iii) or	Nil
c. has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof	Nil

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)	
1. Whether any part of the income or property of the trust was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) [hereinafter referred to in this Annexure as such person]? If so, give details of the amount, rate of interest charged and the nature of security, if any.	No
2. Whether any land, building or other property of the trust was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any.	No
3. Whether any payment was made to any such person during the previous year by way of salary allowance or otherwise? If so, give details.	No
4. Whether the services of the trust were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any.	No
5. Whether any share, security or other property was purchased by or on behalf of the trust during the previous year from any such person? If so, give details thereof together with the consideration paid.	No
6. Whether any share, security or other property was sold by or on behalf of the trust during the previous year to any such person? If so, the details thereof together with the consideration received.	No



7. Whether any income or property of the trust was diverted during the previous year in favor of any such person? If so, give details thereof together with the amount of income or value of property so diverted.		No	
8. Whether the income or property of the trust was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details.		Yes	
Name of the Person as referred in section 13(3)	Relationship with the Trustee	Nature of Transactions	Amount Rs.
Opezee Private Limited	Trustee is Director	Reimbursement of Salaries	3,17,232
		Purchase of 3D hologram, 3D scanner and Computer peripherals	38,79,723
		Expenditure for preparation of wall and transportation charges	2,30,000

Note: As per the documents and explanations given to us, the above transactions with Opezee Private Limited are in the nature of reimbursement of actual cost incurred to avail above goods/services by the Trust.

III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST.

Sl. No	Name and address of the concern	Where the concern is a company number. And class of shares held	Nominal value of the investment	Income from the investment	Whether the amount in Col. 4 exceeds 5 per cent of the capital of the concern during the previous year----say. Yes/No
1	2	3	4	5	6
	Nil	Nil	Nil	Nil	Not Applicable



M/S. ART & PHOTOGRAPHY FOUNDATION

Appendix 1 to Form 10B

Application of Income as read under Section 11 of the Income Tax Act, 1961

Financial Year : 2019-20
Assessment Year : 2020-21

A	Source	Amount (Rs.)
	Total Income as per Statement of Income and Expenditure	3,33,96,488
		<u>3,33,96,488</u>
	85% income to be utilised	<u>2,83,87,015</u>
	Balance 15%	<u>50,09,473</u>
B	Application	
	Expenditure as per Statement of Income and Expenditure	4,04,58,353
	Less : Depreciation	<u>17,95,284</u> 3,86,63,069
	Additions to Tangible Assets	98,42,435
	Additions to Capital work-in progress	<u>5,39,64,790</u>
	Net Capital Expenses	<u>6,38,07,225</u>
	Less : Unutilised amounts in the previous year expended in the current year	10,24,70,294
	Net utilisation in the current year	<u>10,24,70,294</u>
	Utilisation out of income under section 11	<u>10,24,70,294</u>
	Excess/ (Short) utilisation in current year	<u>7,40,83,280</u>

Disclosure

Income for the year 3,33,96,488 Disclosed in Clause 1 of Form 10B
Income Applied to Charitable Purpose: 10,24,70,294 Disclosed in Clause 1 of Form 10B

For and on Behalf of the Board of Trustees



Abhishek Poddar
(Trustee)



M/S. ART & PHOTOGRAPHY FOUNDATION
Balance Sheet as at March 31, 2020

		(Amount in Rs.)	
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A	LIABILITIES		
1	Reserves & Funds		
	(a) Corpus fund	86,50,96,954	61,59,80,506
	(b) CSR Fund	5,18,22,680	5,11,49,384
	(c) Capital fund	4,65,24,426	2,84,89,824
	(c) General fund	4,07,48,331	1,20,56,094
2	Current Liabilities		
	Other Current Liabilities	1,86,500	-
	TOTAL	1,00,43,78,891	70,76,75,808
B	ASSETS		
1	Non-current assets		
	(a) Tangible assets	38,46,44,384	37,65,97,233
	(b) Capital Work in Progress	13,31,56,822	7,91,92,032
2	Current assets		
	(a) Cash and Bank balances	47,69,21,587	24,68,32,838
	(b) Loans and advances	96,56,098	50,53,705
	TOTAL	1,00,43,78,891	70,76,75,808

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on Behalf of the Board of Trustees



Krishna Prakash E
Partner



Abhishek Poddar
Trustee



Radhika Poddar
Trustee

Place : Bengaluru
Date: July 27, 2020



M/S. ART & PHOTOGRAPHY FOUNDATION
Statement of Income and Expenditure for the year ended March 31, 2020

		(Amount in Rs.)	
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Donations	65,11,000	34,00,000
2	Other income	2,68,85,488	64,54,194
	Total	3,33,96,488	98,54,194
3	Expenses		
	(a) Finance costs	1,175	-
	(b) Depreciation expense	17,95,284	4,12,428
	(c) Other expenses	29,07,792	20,50,821
	(d) CSR expenses	3,57,54,102	1,82,94,147
		4,04,58,353	2,07,57,396
	Surplus / (deficit) for the year	(70,61,865)	(1,09,03,202)

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants

For and on Behalf of the Board of Trustees



Krishna Prakash E
 Partner



Abhishek Poddar
 Trustee



Radhika Poddar
 Trustee

Place : Bengaluru
 Date: JULY 27, 2020



M/S. ART & PHOTOGRAPHY FOUNDATION
Receipts & Payments Account for the year ended March 31, 2020

(Amount in Rs.)

Receipts	For the year ended March 31, 2020	For the year ended March 31, 2019	Payments	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance:			Expenses		
Bank balances	24,68,32,838	11,37,44,722	Salaries	13,63,742	17,76,600
Donations received			Event expenses	54,380	-
CSR donation received	5,44,62,000	6,31,38,000	Professional fees	1,03,000	-
Corpus donation received	24,91,16,448	15,95,00,000	Travelling expense & conveyance	2,59,235	-
General donation received	65,11,000	34,00,000	Rates & taxes	630	3,671
Income form Arts	-	39,555	Repair & maintenance	-	550
Other income			Rent	9,90,000	2,70,000
Interest received (Net of TDS)	2,41,53,653	57,68,541	Photography charges	-	-
Miscellaneous income	79,816	26,165	Miscellaneous expenses	1,36,805	-
Sale of Books	-	92,340	CSR expenses	3,57,54,102	1,82,63,647
			Finance Cost		
			Bank charges	1,175	-
			Purchase of tangible assets (including capital advances)	1,09,63,801	4,90,038
			Addition to CWIP - Building	5,39,64,790	7,44,87,472
			Rental Deposit	-	17,00,000
			Advance to suppliers	3,95,810	-
			Taxes / deposit paid to government authorities	2,46,698	18,84,507
			Closing balance:		
			Bank balances	47,69,21,587	24,68,32,838
Total	58,11,55,755	34,57,09,323	Total	58,11,55,755	34,57,09,323

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on Behalf of the Board of Trustees

Krishna Prakash

Krishna Prakash E
Partner

Abhishek Poddar

Abhishek Poddar
Trustee

Radhika Poddar

Radhika Poddar
Trustee

Place : Bengaluru

Date: July 27, 2020



M/S. ART & PHOTOGRAPHY FOUNDATION**Notes forming part of financial statements for the year ended March 31, 2020****Background**

Art & Photography Foundation is a non-profit organization based in Bengaluru, founded in 2011 by Mr. Abhishek Poddar and Ms. Radhika Poddar. The original name of the trust was Tasveer Foundation. The name subsequently was changed to Art & Photography Foundation by a supplemental deed dt. November 2, 2017. The trust is involved in activities for developing arts and photography, literacy programs to develop education and also development of arts and photography skill. The trust is registered under Section 12AA of the Income Tax Act, 1961 and is eligible for exemption under Section 11 of Income Tax Act, 1961.

Note 1 - Significant Accounting Policies**a. Basis of accounting and preparation of financial statements**

The financial statements of the Trust are prepared under the historical cost convention and are on cash basis.

b. Fixed assets and depreciation

Fixed assets are stated at written down values i.e cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets includes all direct expenses relating to acquisition and installation of the asset. Depreciation is calculated using written down value method at rates specified below:

Block	Rate of Depreciation
Office Equipments	15%
Computers	40%
Borewell	10%
Furniture	10%
Paintings	10%

Additions to fixed assets put to use for greater than 180 days are depreciated at the full rate and those put to use for less than 180 days are depreciated at 50 % of the normal rates.

c. Employee benefits

The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972 and Employees State Insurance Act, 1948 are not applicable to the Trust.

d. Fund

Amounts received from donors towards corpus of the trust are considered as Corpus funds. General donations and donations for CSR purposes are segregated and disclosed appropriately in the income and expenditure account.

e. Recognition of Income

- i) Donations and contributions received
Incomes are recognized at the time of receipt of grants or donation or fees.
- ii) Interest Income
Interest income is recognised on cash basis.

f. Gift of Artworks

The Foundation has received various artworks as gift from one of the trustees for charitable purposes and the proceeds realized on sale of artworks have been used towards charitable activities of the Foundation and treated as Corpus Fund.



M/S. ART & PHOTOGRAPHY FOUNDATION
Notes forming part of financial statements for the year ended March 31, 2020

Note 2 - Corpus fund

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	61,59,80,506	48,89,80,506
Add: Corpus donations during the year	24,91,16,448	15,95,00,000
Less: CSR contribution received from Citi Bank transferred to CSR Fund received during the year	-	(3,25,00,000)
Closing balance	86,50,96,954	61,59,80,506

Note 3 - CSR Fund

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	5,11,49,384	22,95,355
Add: CSR contribution received from Citi Bank reclassified	-	3,25,00,000
Add: Donations received during the year	5,44,62,000	6,31,38,000
Less: Transferred to general fund towards CSR Expenditure	(3,57,54,102)	(1,82,94,147)
Less: Transfer to Capital Fund (Expenditure towards Capital Work in progress)	(1,80,34,602)	(2,84,89,824)
Closing balance	5,18,22,680	5,11,49,384

Note 4 - Capital Fund

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	2,84,89,824	-
Add: Transferred from CSR Fund towards capital work in progress	1,80,34,602	2,84,89,824
Closing balance	4,65,24,426	2,84,89,824

Note 5 - General fund

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance - Excess of income / (expenditure)	1,20,56,094	46,65,149
Less : Surplus / (deficit) for the year	(70,61,865)	(1,09,03,202)
Add: Transferred from CSR Fund	3,57,54,102	1,82,94,147
Closing balance	4,07,48,331	1,20,56,094

Note 6 - Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory liabilities	1,86,500	-
Total	1,86,500	-

Note 8 - Cash & bank balance

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	42	-
Balance with banks	47,69,21,545	24,68,32,838
Total	47,69,21,587	24,68,32,838

Note 9 - Loans and advances

Particulars	As at March 31, 2020	As at March 31, 2019
TDS Receivable	35,06,470	8,54,451
Rental deposit	17,00,000	17,00,000
Capital Advances	12,83,866	1,62,500
Advance to Suppliers	3,95,810	-
Balance with government authorities	27,69,952	23,36,754
Total	96,56,098	50,53,705



M/S. ART & PHOTOGRAPHY FOUNDATION
Notes forming part of financial statements for the year ended March 31, 2020

Note 10 - Donations

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
General Donations received (refer note (i) below)	65,11,000	34,00,000
Total	65,11,000	34,00,000

Note (i) - Donations comprise voluntary donations received from the following donor:

Sir Ratan Tata Trust	65,11,000	34,00,000
Total	65,11,000	34,00,000

Note 11 - Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest received	2,68,05,671	62,96,134
Reproduction Fees on Arts Received	-	39,555
Sale of Books	-	92,340
Miscellaneous income	79,817	26,165
Total	2,68,85,488	64,54,194

Note 12 - Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank charges	1,175	-
Total	1,175	-

Note 13 - Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries	13,63,742	17,76,600
Professional fees	1,03,000	-
Travelling expense & conveyance	2,59,235	-
Rates & taxes	630	3,671
Repair & maintenance	-	550
Rent	9,90,000	2,70,000
Event expenses	54,380	-
Miscellaneous expenses	1,36,805	-
Total	29,07,792	20,50,821

Note 14 - CSR Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank Charges	29,546	89,917
Salaries	1,84,87,227	46,35,276
Professional fees	66,42,947	61,85,826
Audit fees	2,65,000	2,60,000
Travelling expense & conveyance	12,86,423	11,83,974
Communication Expenses	11,626	72,241
Rates & taxes	16,105	66,864
Repair & maintenance	36,38,960	10,96,498
Rent	7,92,000	3,78,000
Printing & stationery	9,96,554	6,54,699
Staff Welfare Expenses	1,30,484	3,90,039
Advertising & marketing	1,04,052	89,588
Insurance	1,67,503	12,877
Event expenses	19,76,555	19,17,575
Books & Periodicals	42,188	5,54,439
Packing & Forwarding	2,88,428	3,57,950
Miscellaneous expenses	8,78,504	3,48,384
Total	3,57,54,102	1,82,94,147

For and on Behalf of the Board of Trustees



Abhishek Poddar
Trustee



Radhika Poddar
Trustee



M/S. ART & PHOTOGRAPHY FOUNDATION
Notes forming part of financial statements for the year March 31, 2020

Note 7 - Tangible assets

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As on April 1, 2019	Additions during the year	As on March 31, 2020	For the Year	As on March 31, 2020	As on March 31, 2019
Land	37,40,72,145	-	37,40,72,145	-	37,40,72,145	37,40,72,145
Borewell	2,13,471	-	2,13,471	19,212	40,560	1,92,123
Office equipments	1,41,068	17,14,009	18,55,077	2,56,824	2,79,744	1,18,148
Computers	9,25,788	42,78,568	52,04,356	11,10,432	15,95,208	4,41,012
Paintings	22,56,499	31,56,922	54,13,421	3,34,474	8,67,659	17,23,314
Furniture & Fittings	53,148	6,92,936	7,46,084	74,343	77,000	50,491
TOTAL	37,76,62,119	98,42,435	38,75,04,554	17,95,284	28,60,170	37,65,97,233
Previous year	37,60,24,581	16,37,538	37,76,62,119	4,12,428	10,64,886	37,65,97,233

Note: Trust is constructing the building in the Land owned by it located in Kasturba road Bengaluru. As at the year end, still construction is under progress. Hence the expenditure which is capital in nature of Rs 13,34,14,702 has been disclosed under 'Capital Work in Progress' in the Balance sheet.

