

# Financial Report

1 APRIL 2020 – 31 MARCH 2021

Our Dear Baba Family,

This is the 21st annual report of the Avatar Meher Baba Perpetual Public Charitable Trust prepared for the information of the worldwide family of Baba lovers.

What a year we have just been through! The coronavirus pandemic has impacted everyone and Baba's Trust has been no exception. For the entire year all pilgrim accommodations (the hostels, Dharamshala, and MPR) have remained closed and no pilgrims have been able to stay on Trust premises. Other activities, including darshan at the Samadhi, the Silence Day Anniversary, and Amartithi, have also been curtailed due to lockdowns and the perpetual threat of the pandemic.

In the Financial Activity chart, you will see that the Trust received total Corpus Donations of Rs.5.1crores (\$694,402) and General Donations of Rs.1.8 crores (\$238,734) for a total of Rs.6.9 crores (\$933,136), compared to total donations of Rs.5.9 crores (\$787,423) in the previous year. This increase of 15.5%, when the pandemic is creating economic havoc, was a great surprise, a very pleasant one. My sincere thanks to all concerned.

Operating Expenses, Rs.8.2 crores (\$1,118,188), show a small increase of 1.8%, Rs.14.4 lakhs (\$19,645), over the previous year. Although all staff were paid their full salaries

through the year despite curtailed activities, normal running costs were lower during the year; however, the Trust spent Rs.52.9 lakhs (\$72,000) for COVID-19 relief.

These continue to be trying times for the Trust financially. The factors in play last year continue to affect the Trust's financial position—lower returns from investments and increasing expenses, mainly salary costs. The Trust has granted an increase in pay to employees from 1st April 2020, with the result that average monthly pay has gone up from Rs.11,900 to Rs.17,100. As a result, the annual wage bill has increased by nearly Rs.1.6 crores (\$217,000) by the end of next year.

The Trust relies on interest income from investments to fund its operations. Because the pandemic brought interest rates down even further, the future remains very challenging. Interest rates are now down to 5.60% for ten-year investments. This is reflected in the Trust's budget for the coming 2021-22 financial year, which has a deficit (expenses are greater than income) of Rs.1.5 crores (\$204,000).

Increased donations are now essential to offset the effect of lower interest rates and also to make up for staff wage increases. I am sure Baba lovers all over will continue to support the Trust with more donations as they did last year.

As in past years, to ensure that existing services provided by the Trust are not affected, our financial focus over the long-term remains unchanged, namely, to build Corpus to become self-sustaining. This goal is supported by our updated five-year projections, which continue to show that expense growth, largely due to staff salaries, continues to outstrip the growth in income.

Because of restricted activities and lockdowns there has not been much development on the estate. Now that the Trust's Master Plan has been approved it will drive new development in the coming years.

At the time of writing this message, the pandemic is raging in India, so we still don't know how or when life will return to normal, although vaccines are the light at the end of the tunnel. However, we know that this is His plan and it is for us to watch and endure willingly. His will be done!

In His Love and Service,

Shridhar G. Kelkar  
Chairman

Avatar Meher Baba Perpetual Public  
Charitable Trust

## Avatar Meher Baba P. P. C. Trust Financial Position at 31st March 2021

The Trust's Summary Balance Sheet presented below is based on the audited financial statements. The balance sheet provides readers a snapshot of the Trust's financial position at the end of the financial year, i.e., on 31 March 2021. It discloses, the cost of assets owned by the Trust, namely property acquired and constructed since inception of the Trust, and current amounts of investments, bank balances, etc. The balance sheet also discloses the source of funds received to acquire these assets. One can see that the main source of funds are Corpus donations, both general and specific, and the Trust has used these funds to acquire its various assets.

An explanation of the captions under the "Corpus and Liabilities" column follows:

### Trust Fund and Corpus:

In essence, this balance represents the capital of the Trust and is an accumulation of the following items since inception:

- The original corpus amount donated when the Trust was set up by Meher Baba. This was a very small amount in relation to the existing balance.
- All general Corpus donations made to the Trust. General Corpus donations are donations made without any restrictions and can be used by the Trust for any purpose whatsoever. General Corpus donations represent by far the largest portion of this balance.
- When Specific Corpus Donations are used, the utilized amount is transferred to Trust Fund and Corpus as explained below.
- Transfers from the Income and Expenditure Account as explained in the text that follows:

### Income & Expenditure Account:

This balance represents the total accumulated Surplus of the Trust since inception, less any amounts transferred to Trust Fund and Corpus to meet certain legal requirements or at the discretion of the Board. As a result of these transfers there is a nil balance at 31 March 2021.

In effect, this balance is also part of the capital of the Trust, similar to Trust Fund and Corpus, but standard accounting practice requires accumulated surplus amounts to be kept separate.

### Specific Corpus Donations:

These amounts represent the unutilized balance of Specific Corpus Donations received by the Trust. These donations are made for specific objects and projects, and when monies donated are used for the specified purpose, an equivalent amount is transferred to Trust Fund and Corpus.

### Liabilities:

This balance represents amounts owed by the Trust to third parties. It includes Rs.85.6 lakhs (\$116,400) in salary increases to staff that remain unpaid at the end of the year because agreement with the labour union was reached in late March 2021. The amount was paid in April 2021.

Under the "Assets" column are listed the various assets acquired and constructed by the Trust:

### Fixed Assets:

This balance represents the various assets acquired or constructed by the Trust since inception. It includes tangible assets, such as land, buildings, equipment of all types, furniture, wells, vehicles of all types, infrastruc-

ture construction such as roads, water storage tanks and dams, electrical sub-station, computers, etc. It also includes intangible assets, such as software.

All these assets, except land, have a finite life, and the cost of the asset is depreciated over the estimated life of the asset. According to standard accounting practice, the original cost, accumulated depreciation of the assets, and the net value after deducting depreciation are shown as separate amounts in the Balance Sheet

### Investments:

This balance represents the various types of investments owned by the Trust. There are restrictions on the types of investments Public Charitable Trusts in India can make. The restrictions are to ensure that funds of such institutions are conservatively invested. The Trust has a very conservative policy of investing only in deposits with nationalized banks and in government securities to minimize any loss.

Investments in Fixed and Term Deposits and Government Bonds are for terms ranging up to 10 years. Short-term investments are for terms less than one year.

### Current Assets:

This balance represents amounts owed to the Trust by staff and third parties, and includes payments made in advance for purchase of assets.

### Cash and Bank Balances:

This figure represents the total of all bank balances with the Trust's various bankers plus the cash kept on hand. The cash balance represents a very small component of the total balance.

CORPUS AND LIABILITIES					ASSETS				
	31-Mar-2021 Rupees	31-Mar-2020 Rupees	31-Mar-2021 US \$	31-Mar-2020 US \$		31-Mar-2021 Rupees	31-Mar-2020 Rupees	31-Mar-2021 US \$	31-Mar-2020 US \$
<b>TRUST FUND AND CORPUS</b>	1,04,15,52,281	1,01,07,62,197	14,170,779	13,408,891	<b>FIXED ASSETS</b>				
<b>INCOME &amp; EXPENDITURE ACCOUNT</b>	0	0	0	0	Cost	55,82,26,278	53,63,62,608	7,594,915	7,115,450
<b>SPECIFIC CORPUS DONATIONS</b>					Less: Depreciation	19,44,17,141	18,02,33,573	2,645,131	2,391,000
Archives/Museum	0	0	0	0		<b>36,38,09,137</b>	<b>35,61,29,035</b>	<b>4,949,784</b>	<b>4,724,450</b>
Development Plan	1,00,83,779	28,00,143	137,194	37,147	<b>INVESTMENTS</b>				
Dharamshala	7,85,21,508	7,79,00,483	1,068,320	1,033,437	Fixed Deposits	1,97,60,674	4,22,85,674	268,853	560,967
Educational Facilities	19,58,599	15,64,997	26,648	20,761	Term Deposits	56,03,00,347	48,67,24,277	7,623,134	6,456,942
Medical Facilities	1,40,68,813	1,34,44,675	191,412	178,359	Short-Term Fixed Deposits	2,05,00,000	3,90,00,000	278,911	517,379
Meherazad Preservation & Development	8,44,00,000	8,44,00,000	1,148,299	1,119,661	Government of India Bonds	4,23,00,000	4,23,00,000	575,510	561,157
Memorial Tower	3,64,907	8,93,965	4,965	11,859	Accrued Interest	23,54,88,115	22,48,69,892	3,203,920	2,983,150
Super Structure	70,02,118	69,81,118	95,267	92,612		<b>87,83,49,136</b>	<b>83,51,79,843</b>	<b>11,950,328</b>	<b>11,079,595</b>
Water Facilities	6,19,990	7,51,608	8,435	9,971	<b>CURRENT ASSETS</b>				
Other	13,12,746	13,12,746	17,861	17,415		<b>25,03,896</b>	<b>40,11,439</b>	<b>34,067</b>	<b>53,216</b>
	<b>19,83,32,460</b>	<b>19,00,49,735</b>	<b>2,698,401</b>	<b>2,521,222</b>	<b>CASH AND BANK BALANCES</b>				
<b>LIABILITIES</b>						<b>41,53,863</b>	<b>59,25,676</b>	<b>56,515</b>	<b>78,610</b>
	<b>89,31,291</b>	<b>4,34,061</b>	<b>121,514</b>	<b>5,758</b>		<b>1,24,88,16,032</b>	<b>1,20,12,45,993</b>	<b>16,990,694</b>	<b>15,935,871</b>
	<b>1,24,88,16,032</b>	<b>1,20,12,45,993</b>	<b>16,990,694</b>	<b>15,935,871</b>					

# Avatar Meher Baba P. P. C. Trust Financial Activity

## From 1st April 2020 to 31st March 2021

The summary of the Trust's financial activities presented below is based on the audited financial statements of the Trust. It summarizes receipts and payments, i.e., amounts received and amounts disbursed, and it covers all Trust activities—operating income and expenses, Corpus donations received, and money spent on capital expenditure. This summary discloses expenses incurred on facilities and programs so that you can get an overall picture of Trust activities.

In the "Receipts" column you will note that donations from use of hostels and Amartithi donations were zero due to the impact of the pandemic—the hostels remained closed and the traditional in-person Amartithi program was cancelled. The other captions requiring comment are explained below:

### Interest on Deposits and Investments:

Although Investments increased by Rs.4.3 crores (\$587,300), interest income earned—Rs.6.6 crores (\$901,149)—shows a slight reduction of 2.0% compared with the previous year. This change reflects the current low interest rate environment in which investments made at higher rates are maturing and being renewed at much lower rates. As mentioned in the Chairman's message, unless donations increase, with a resulting increase in investments to offset the impact of low interest rates, the decline in interest income will continue in the coming years.

### General Donations, includes operating donations under grants:

Under this caption there are two amounts noted, for 2021 Rs.99.1 lakhs (\$135,080) and for 2020 Rs.66.1 lakhs (\$93,693). These amounts represent donations received under Maintenance Grants from institutions devoted to Meher Baba in the USA.

### Meher English School Fees

The school remained closed throughout the year due to the pandemic. The Rs.23,650 (\$322) represents arrears from the previous year received in the current year.

Under the "Payments" column, the first main heading is Operating Expenses. This year the grouping of expenses has undergone a major change (except for Medical and Education Facilities) and a description of the Operating Expenses is given below for each major function:

### Office & Administration:

Expenses for office and administration staff and premises, including the Trust's main office at Meher Nazar and part of the Meherabad Trustees office

### Liability of First Charge and Historic Sites:

The primary responsibility of the Trust is to take care of Beloved Baba's Samadhi. In addition, this figure includes staff and maintenance expenses related to all other historic sites in Upper and Lower Meherabad, Meherazad, and Guruprasad Memorial Hall.

### Water Facilities and Afforestation:

Maintenance of wells, pipelines, water storage facilities and pumps, electric bills for pumps, water charges, agricultural vehicles, and afforestation expenses at Meherabad and Meherazad.

### Facilities for Pilgrims:

The maintenance of Meher Pilgrim Retreat, Hostels C and D, Dharamshala, as well as expenses for pilgrim transportation, marketing vehicles, electricity, security, insurance, etc. Total expenses for this object was Rs.2.1 crores (\$285,266).

### Medical Facilities:

This includes the expenses of Meher Health Center in Arangaon, Meher Hospital, Medical Staff Quarters, and the Trust-sponsored health camps for school children, cataract camps, and dental camps, free medical aid and medicine to indigent patients and hospitalization for the poor and needy in Ahmednagar.

### Education Facilities:

Includes the operation of Meher English School, Farmers' Education Center, Physical Education Center, and Music and Arts Center and includes books and

scholarships provided to poor students. Total expenses for these activities were Rs.1.3 crores (\$176,541).

### Secular Education:

Includes expenditure for Beloved Avatar Meher Baba's Amartithi (zero this year). Also includes expenses of the library, study hall, museum, Welcome Office, staff quarters, Archives and Research buildings at Meherabad and Meherazad, Memorial Tower, Meher Pilgrim Centre, Spiritual Academy at Lower Meherabad, and Young Adults Sahavas.

### Other Charitable Objects:

Financial assistance to Arangaon and Pimpalgaon Grampanchayats for social purpose projects undertaken by them, government relief funds, Help to the Poor and Needy, and to local institutions and communities. This year Rs.52.9 lakhs (\$72,000) was spent for COVID-19 relief.

As mentioned in the Chairman's message, total operating expenses of Rs.8.2 crores (\$1,118,188) have marginally increased by 1.8% over the previous year. Staff salaries were paid during the pandemic despite curtailed activities. Normal operating costs were lower during the year; in addition, Rs.52.9 lakhs (\$72,000) was spent on COVID-19 relief. Staff costs represent almost 70% of operating expenses.

The next main heading in the "Payments" column is "Capital Expenditure." It shows the Capital Expenditure for the financial year, including amounts spent under the Development Plan. Once again this year, the largest expenditure was on purchase of land to consolidate the Trust's land holdings for future development and to preserve and protect sanctified areas. Capital expenditure under "Other" includes furniture and fixtures, medical equipment, computer equipment, machinery, and vehicles.

The last section in the chart shows the unspent funds received during the year, which have mainly been invested in bank deposits.

RECEIPTS	2021 Rupees	2020 Rupees	2021 US \$	2020 US \$	PAYMENTS	2021 Rupees	2020 Rupees	2021 US \$	2020 US \$
<b>OPERATING RECEIPTS</b>					<b>OPERATING EXPENSES (see Note)</b>				
Interest on Deposits and Investments	6,62,34,481	6,75,90,877	901,149	896,669	Office and Administration	70,02,183	71,70,056	95,268	95,119
General Donations, includes operating donations under grants: 2021- Rs.99,13,974 (\$135,080) 2020- Rs.66,05,972 (\$93,693)	1,75,46,972	1,46,49,131	238,734	194,337	Liability of First Charge and Historic Sites	64,48,043	75,53,651	87,728	100,208
Donations from pilgrims for staying in Hostels	0	55,74,320	0	73,949	Water Facilities and Afforestation	1,30,60,475	1,08,77,901	177,694	144,307
Educational Gathering : Amartithi Donations	0	10,71,029	0	14,208	Facilities for Pilgrims - Meherabad	86,50,883	90,45,222	117,699	119,995
Meher English School fees	23,650	10,53,250	322	13,973	- Meher Pilgrim Retreat	1,23,16,168	1,28,43,087	167,567	170,378
Other	5,99,508	3,54,632	8,157	4,705	Medical Facilities	74,14,082	85,29,212	100,872	113,149
	<b>8,44,04,611</b>	<b>9,02,93,239</b>	<b>1,148,362</b>	<b>1,197,841</b>	Education Facilities - Schooling help	7,19,987	13,89,124	9,796	18,428
<b>CORPUS DONATIONS</b>					- Farmers Education Centre	4,95,988	1,18,776	6,748	1,576
For any use in the Trust under Corpus	3,58,34,621	3,13,60,936	487,546	416,038	- Music and Arts Centre	7,76,466	2,48,288	10,564	3,294
For use in any Development Plan project	1,26,00,911	78,62,977	171,441	104,311	- Physical Education Centre	11,82,285	6,16,733	16,086	8,182
For Specific Purposes:					- Meher English School	98,01,035	99,69,088	133,347	132,251
Dharamshala	6,21,025	17,17,270	8,449	22,782	Secular Education	76,47,086	1,03,07,877	104,042	136,746
Memorial Tower : includes donations under grants: 2021 - Rs. Nil 2020 - Rs. Nil	0	2,37,233	0	3,147	Other Charitable Objects	66,72,103	20,73,871	90,777	27,512
Donations In Kind	7,11,620	78,000	9,682	1,035		<b>8,21,86,784</b>	<b>8,07,42,886</b>	<b>1,118,188</b>	<b>1,071,145</b>
Medical Facilities	6,30,858	2,77,210	8,583	3,677	<b>CAPITAL EXPENDITURE</b>				
Water Facilities	1,97,867	8,20,820	2,692	10,889	Land and Fencing	1,75,96,803	2,30,56,295	239,412	305,867
Education Facilities	4,20,647	2,47,383	5,723	3,282	Memorial Tower	5,29,058	27,75,609	7,198	36,822
Meherazad Preservation & Development	0	21,00,000	0	27,859	Infrastructure	25,64,325	62,58,513	34,889	83,026
Other	21,000	5,000	286	66	Buildings	8,62,644	83,442	11,737	1,107
	<b>5,10,38,549</b>	<b>4,47,06,829</b>	<b>694,402</b>	<b>593,086</b>	Other	3,10,840	7,50,395	4,229	9,955
<b>CAPITAL RECEIPT</b>	<b>0</b>	<b>1,42,02,618</b>	<b>0</b>	<b>188,414</b>	Includes capital expenditure under Development Plan: 2021 - Rs. 53,17,275 (\$72,344) 2020 - Rs. 60,47,512 (\$80,227)				
	<b>13,54,43,160</b>	<b>14,92,02,686</b>	<b>1,842,764</b>	<b>1,979,341</b>		<b>2,18,63,670</b>	<b>3,29,24,254</b>	<b>297,465</b>	<b>436,777</b>
					Unspent receipts remaining in year after all expenditures, resulting mainly in increased investments	<b>3,13,92,706</b>	<b>3,55,35,546</b>	<b>427,111</b>	<b>471,419</b>
						<b>13,54,43,160</b>	<b>14,92,02,686</b>	<b>1,842,764</b>	<b>1,979,341</b>

Exchange rates used

Rs. 73.50      Rs. 75.38

Rs. 73.50      Rs. 75.38

### Note:

In the current year, grouping of expenses has been changed - except for Medical Facilities and Education Facilities - and the comparative amounts for the previous year have been amended to conform with the current year's presentation.