



V. NAGARAJAN & CO.,

Chartered Accountants

REPORT OF THE AUDITORS TO THE TRUSTEES OF

DHRIITI "THE COURAGE WITHIN"

We have audited the attached Balance Sheet of as at March 31, 2009 and the Income and Expenditure Account for the period ended on that date annexed thereto of Dhriiti-The Courage Within, a Society registered under the Indian Society Act 1860.

Respective responsibilities of Management and Auditors

These Financial statements are the responsibility of the management of the Society. Our responsibility to express an opinion on this financial statement based on our audit.

Basis of Opinion

We conducted our audit in accordance with 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 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 significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with or any interests in the trust other than our capacity as auditors.

1. We further report that:

- 1.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 1.2. In our opinion proper books of accounts as required by law have been kept by the Society so far as it appears from our examination of the books.
- 1.3. The Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.

2. In our opinion, and to the best of our information and according to the explanations given to us, the accounts, read with the notes thereon and documents annexed thereto, give a true and fair view:

2.1 In the case of Balance Sheet of the state of affairs of the Society as at March 31, 2009 and

2.2 In the case of Income and Expenditure Account of the EXCESS OF INCOME OVER EXPENDITURE of the Trust for the year ended on that date.

Place: New Delhi,
Dated: June 22, 2009

for **V. NAGARAJAN & CO.,**
Chartered Accountants


(V. NAGARAJAN)
Partner



DHRIITI - THE COURAGE WITHIN

BALANCE SHEET AS ON MARCH 31, 2009 2008

LIABILITIES:

Sch

CORPUS FUND

Corpus Fund

OTHER FUNDS

Capital Assets Fund

Restricted Fund

Un-Restricted Fund

SECURED LOANS

CURRENT LIABILITIES & PROVISIONS

Statutory Dues Payable

Sundry Creditors

Expenses Payable

TOTAL LIABILITIES

2,229,914 2,577,407

ASSETS:

FIXED ASSETS (at cost)

Less: Depreciation

CURRENT ASSETS, LOANS AND ADVANCES

Cash and Bank Balances

Cash In Hand

Cash at Bank

Loan and Advances

TDS Receivables

Sundry Debtors/Advances and

Recoverables

Rent/ Electricity/ Telephone Deposits

TOTAL ASSETS

2,229,914 2,577,406

Fund based Receipts and Payments Account

Accounting Policies and Notes to Accounts

As per our report of even date
for **V. NAGARAJAN & CO.,**

Chartered Accountants

Place: New Delhi
22-Jun-09

(V.Nagarajan)
Partner



Anirban Gupta
President
[Signature]
Treasurer



DHRIITI- THE COURAGE WITHIN

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31,

2009

2008

INCOME

Sch

Grants and Contributions

From Indian Agencies

6

In Kind

470,848

-

Others

4,795,007

5,265,855

1,291,125

From Foreign Agencies

Others

-

1639978.5

Research & Facilitation

124,380

637889

Interest and Other Income

213,036

932169

Total

5,603,270

4501161

EXPENDITURE

Programme Expenditure

2,751,294

Salary & Wages- Project Implementing Staff

2,120,232

1,677,385

Training & Workshop Expenses

277,460

636,661

Pre Entrepreneurs Development Expenses

178,548

196,053

Repair & Maintenance- Community Owned Assets

145,223

1,400

Research & Survey Expenses

29,831

0

Programme Support Expenditure

1,338,092

Salary & Wages- Project Support Staff

309,000

230,479

Rent, Water & Electricity Expenses

350,074

239,444

Travel & Conveyance Expenses

366,097

395,685

Communication Expenses

136,028

103,968

Other Programme Support Expenses

124,684

65,206

Printing & Stationery Expenses

52,209

62,654

Administrative Expenses

626,312

Auditor's Remuneration

44,120

1,483

Other Administrative Expenses

201,875

316,661

Depreciation

380,318

150,228

Total

4,715,698

4,077,307

Excess of Income over Expenditure

887,572

423,855

Total

5,603,270

4,501,161

APPROPRIATION

Excess of Income over Expenditure

887,572

-

Transferred to Capital Assets Fund

104,180

-

Transferred from Unrestricted Fund

(500,298)

-

Transferred to Restricted Fund

1,283,691

-

Fund Based Receipts and Payments Account

6

Accounting Policies and Notes to Accounts

7

As per our report of even date
for **V. Nagarajan & Co.,**
Chartered Accountants

Place: New Delhi

22-Jun-09

(V. Nagarajan)
Partner



Anirban Gupta
President

[Signature]
Treasurer



DHRIITI- THE COURAGE WITHIN

SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2009

SCHEDULE 1: RESTRICTED AND UN-RESTRICTED FUND BALANCES

Rs.

Funding Agency	As on April 1, 08	Transferred (to) / from Income & Expenditure Account	As on March 31, 09
RESTRICTED FUND			
Sir Ratan Tata Trust	-	586,287	586,287
Ministry of Panchayati Raj	-	469,037	469,037
Sir Dorabji Tata Trust	-	(69,507)	(69,507)
National Bank for Agricultural and Rural Development	-	(3,000)	(3,000)
Global Fund for Children	94,337	395,211	395,211
		(94,337)	-
TOTAL	94,337	1,283,691	1,378,028
UNRESTRICTED FUND			
OWN FUND	-	-	-
-Corpus	-	-	-
-Others	823,882	(500,298)	323,584
CAPITAL ASSETS FUND	228,184	104,180	332,364
TOTAL	1,052,066	(396,119)	655,947
GRAND TOTAL	1,146,403	887,572	2,033,975

Fund Based Receipts and Payments Account
Notes on Accounts

As per our report of even date
for **V. Nagarajan & Co.,**
Chartered Accountants

Place: New Delhi
22-Jun-09

(V.Nagarajan)
Partner



6
7
Anirban Gupta
President
Treasurer



DHRIITI- THE COURAGE WITHIN

SCHEDULE 2: FIXED ASSETS

NAME OF THE ITEM	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on March 31, 2008	Addition During the Year	Deletion during the year	TOTAL	Provided Till March 31, 2008	During the Year	Total	As on March 31, 2009	As on March 31, 2008
Building		-	-	-		-	-	-	-
Camera	9,140	5,000	-	14,140	2,148	1,199	3,347	10,793	6,992
Computer laptop and accessories	178,105	435,374	-	613,479	143,840	281,783	425,623	187,855	34,265
Electrical and fittings				-		-	-	-	-
Fan	1,000	5,450	-	6,450	424	603	1,027	5,423	576
Furnitures and fixtures	98,344	9,200	-	107,544	8,679	9,887	18,565	88,979	89,665
Indica car	375,663		-	375,663	88,281	43,107	131,388	244,275	287,382
Inverter	14,700		-	14,700	735	1,397	2,132	12,569	13,965
Plant and Machinery	70,000		-	70,000	10,499	8,925	19,424	50,576	59,501
Printer	8,100	19,637	-	27,737	2,954	3,717	6,671	21,066	5,146
Refrigerators	7,000		-	7,000	1,050	893	1,943	5,058	5,950
Video Camera	44,990		-	44,990	16,309	4,302	20,611	24,379	28,681
Wireless Access Point	-	9,837	-	9,837		5,902	5,902	3,935	-
Projector	154,092			154,092	30,070	18,603	48,673	105,418	124,021
Total	961,134	484,497	-	1,445,631	304,989	380,318	685,307	760,324	656,145
Previous Year							304,989		

As per our report of even date
for **V. Nagarajan & Co.**
Chartered Accountants

(V. Nagarajan)
Partner



Anirban Gupta
President

(Signature)
Treasurer



Place: New Delhi
22-Jun-09

DHRIITI-THE COURAGE WITHIN

SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2009

SCUEDULE 3: SECURED AND UNSECURED LOAN

SECURED LOAN

ICICI Bank - For Car Loan	72,606	183,408
TOTAL	72,606	183,408

SCUEDULE 4A: STAUTORY DUES PAYABLE

TDS Payable- Salary	6,945	9,100
TDS Payable - Professional Fees	4,120	-
TOTAL	11,065	9,100

SCHEDULE 4B: EXPENSES PAYABLE

Audit Fee Payable	40,000	-
Printing & Stationery Expenses Payable	401	-
Interest on Loan Payable	-	18,176
Training Expenses Payable	17,644	-
Legal & Professional Fee Payable	1,123	1,123
TOTAL	59,168	19,299

SCHEDULE 5: DEPOSITS

Telephone Deposits	4,500	4,500
Rent Deposits	27,500	6,300
Gas Cylinder Deposit	750	-
TOTAL	32,750	10,800

Fund Based Receipts and Payments Account 6
Notes on Accounts 7

As per our report of even date
for **V. Nagarajan & Co..**

Chartered Accountants

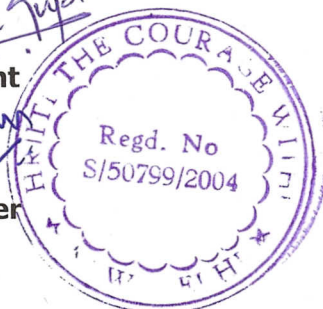


(V. Nagarajan)
Partner

Place: New Delhi
22-Jun-09

President

Treasurer



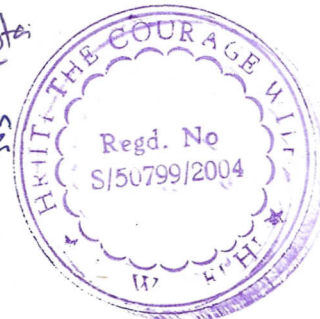
SCHEDULE 6: FUNDING AGENCYWISE RECEIPTS AND PAYMENTS FOR THE YEAR ENDED ON MARCH 31, 2009

Funding Agencies - Projects under execution	FOREIGN		INDIAN				Grant Award		Dhriti Owned Fund							Grand Total of Grant Funds	Capital Asset Fund
	Global Fund for Children	NABARD	Ministry of Panchayati Raj	SRTT	SDTT	UNDP / GEF	Hewlett Packard	Entrepreneur of Tomorrow	Ek Naya Aasman	Business Entrepreneur	Arecanut Leaf Plate	Bamboo Mats	Creative Learning Space	Sundry Projects	Total Dhriti Owned Fund		
Project/Location	Entrepreneur of Tomorrow School	Arecanut cluster development centre	Training for Arecanut Manufacture unit	Entrepreneur for initiative	Arecanut cluster development centre	Bamboo Development Project											
A. OPENING BALANCE	94,337	-	-	-	-	-	-	-	-	-	-	-	-	823,882	823,882	918,219	228,184
B. RECEIPTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions, Donations	-	294,400	699,000	1,802,750	-	697,798	-	-	-	-	-	-	-	119,059	119,059	3,613,007	-
Research Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,380	124,380	-
Grant in Kind	-	-	-	-	-	-	-	-	-	-	-	-	-	470,848	470,848	470,848	470,848
AWARD	-	-	-	-	-	-	1,182,000	-	-	-	-	-	-	-	-	1,182,000	-
Interest Income	-	-	-	8,789	-	-	-	-	-	-	-	-	-	5,963	5,963	14,752	-
Other Income	-	-	-	-	-	-	-	45,750	20,625	-	97,150	-	-	34,759	198,284	198,284	-
Additions to Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,649
TOTAL RECEIPTS	-	294,400	699,000	1,811,539	-	697,798	1,182,000	45,750	20,625	-	97,150	-	-	630,629	918,534	5,603,270	484,497
C. RECURRING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Workshop Expenses	4,678	15,979	72,111	112,316	-	37,898	-	-	5,107	-	12,021	-	-	-	17,128	260,110	-
Programme Venue Expenses	-	-	-	-	-	-	-	-	8,475	-	-	-	-	-	8,475	8,475	-
Audio & Visuals , Documentation Expenses	7,079	-	-	1,298	-	-	-	498	-	-	-	-	-	-	498	8,875	-
Programme Publicity & Awareness Expenses	-	-	24,157	-	-	1,890	-	-	-	-	-	-	-	-	-	26,047	-
Project- Repair and maintenance	-	66,899	80,476	-	2,297	-	-	-	-	-	4,611	-	-	-	4,611	154,283	-
Research & Survey Expenses	-	-	-	-	-	29,831	-	-	-	-	-	-	-	-	-	29,831	-
Project Events	-	-	-	25,560	-	-	-	-	-	-	-	-	-	-	-	25,560	-
Telephone & Internet Expenses	4,177	18,562	-	30,830	2,879	6,800	18,478	5,650	-	-	7,408	-	-	34,465	47,523	129,249	-
Boarding & Lodging Expenses	-	-	-	21,300	-	-	-	-	-	-	-	-	-	-	-	21,300	-
Business Promotion and Advertisement Expenses	-	-	-	-	-	-	-	-	-	-	941	-	-	-	941	941	-
Car Maintenance & Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maintenance	-	-	-	-	12	-	108,119	-	-	-	-	-	-	20,328	20,328	128,459	-
Electricity, Gas and Water Expenses	-	-	600	6,450	344	-	-	-	-	-	-	-	-	11,680	11,680	19,074	-
Interest on Car Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	16,526	16,526	16,526	-
Interest on other Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conveyance Exp	6,669	17,892	6,671	29,942	3,188	5,492	4,405	6,903	10,455	536	14,168	-	-	14,346	46,408	120,667	-
Meeting & Staff Welfare Expenses	-	1,672	-	65,893	560	192	-	300	-	-	1,525	-	-	8,369	10,194	78,511	-
Newspaper & Periodical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	2,887	2,887	2,887	-
Office & Misc Expenses	-	-	-	-	-	195	-	-	-	-	306	-	-	43,949	44,255	44,450	-
Office Rent	-	-	-	180,000	4,500	-	-	-	-	-	-	-	-	146,500	146,500	331,000	-
Postage & Courier Expenses	-	736	-	253	300	360	60	140	105	900	397	-	-	3,528	5,070	6,779	-
Printing & Stationery Expenses	1,871	2,906	2,384	11,490	617	2,668	7,391	2,989	9,023	422	908	-	-	9,541	22,882	52,209	-
Professional & Legal Charges	-	-	-	57,603	-	25,750	-	-	-	-	4,270	-	-	2,670	6,940	90,293	-
Salary	69,863	168,000	-	650,332	53,850	165,000	-	234,500	257,650	114,600	414,300	26,250	49,500	225,387	1,322,187	2,429,232	-
Travelling Expenses	-	4,311	43,564	31,985	960	26,511	55,227	36,910	-	-	15,947	-	-	8,715	61,572	224,130	-
Website & Video Design Expenses	-	-	-	-	-	-	126,000	-	-	-	-	-	-	-	-	126,000	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380,318
Bank Charges	-	443	-	-	-	-	-	-	-	-	-	-	-	50	50	493	-
TOTAL RECURRING EXPENSES	94,337	297,400	229,963	1,225,252	69,507	302,587	319,680	287,890	290,815	116,458	476,801	26,250	49,500	548,940	1,796,654	4,335,380	380,318
D. NON-RECURRING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Corpus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased/(Transfer) of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	484,498	484,498	484,498	-
TOTAL NON-RECURRING	-	-	-	-	-	-	-	-	-	-	-	-	-	484,498	484,498	484,498	-
E. TOTAL PAYMENTS (C + D)	94,337	297,400	229,963	1,225,252	69,507	302,587	319,680	287,890	290,815	116,458	476,801	26,250	49,500	1,033,438	2,281,152	4,819,878	380,318
F. EXCESS OF RECEIPTS/PAYMENTS (B - E)	(94,337)	(3,000)	469,037	586,287	(69,507)	395,211	862,320	(242,140)	(270,190)	(116,458)	(379,651)	(26,250)	(49,500)	(402,809)	(1,362,618)	783,392	104,179
G. CLOSING BALANCE (A + F)	(94,337)	(3,000)	469,037	586,287	(69,507)	395,211	862,320	(242,140)	(270,190)	(116,458)	(379,651)	(26,250)	(49,500)	421,073	(538,736)	1,701,611	332,363

(-) refers to excess spent

Fund Based Receipts and F
Notes on Accounts6
7As per our report of even date
for **V. Naagarajan & Co.,**
Chartered Accountants**(V. Naagarajan)**
Partner

Anirban Gupta
President
Wim
Treasurer

Place: New Delhi
22-Jun-09

DHRIITI- The Courage Within

SCHEDULE 7: Significant Accounting Policies and Notes on Accounts

(Followed in framing the financial statements for the year ended March 31, 2009)

1. **OVERVIEW OF THE SOCIETY'S OPERATIONS:** In conformity with its aims and objects, the Society
 - To Promote and protect the medium, Small & Tiny Industries and Micro Enterprises.
 - To take all steps to protect and promote the general interests of the persons engaged in Medium, Small & Tiny Industries and Micro Enterprises.
 - To Provide Consultancy Services to Govt, Government agencies, Public Sector Organisations, NGO and Private Sector.
 - To Consider and formulate opinions upon all matters connected with the Medium, small and Tiny Industries and Micro Enterprises.
 - To adjust and settle disputes or controversies between the member of the association.
 - To Organise and establish vocational Institutes where theoretical and practical training will be provided.
 - To Maintain a list of skilled workmen and to get into contact with small scale Industrial Establishment all over the country and to provide suitable employment for such persons.
2. **SIGNIFICANT ACCOUNTING POLICIES**
 - a. **BASIS OF ACCOUNTING:** The financial statements have been prepared to comply in all material respects in respects with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI),. The financial statements have been prepared under the historical cost convention and on accrual basis except stated otherwise. The accounting policies have been consistently applied by the society and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.
 - b. **REVENUE/EXPENDITURE RECOGNITION:** All grants are recognized on cash basis and expenditure and liabilities are recognized on accrual basis. In the case of a programme undertaken with the support of some Government and other agencies, though the funds received are in the nature of Program Execution Charges under a contract, the same is reported as grant in view of the restriction on the expenditure and is in the nature of reimbursement of cost.
 - c. **FORMAT OF ACCOUNTS:** The Income and Expenditure has been classified based on the natural head of expense, though in receipt and payment accounts expenditures are classified based on line item of expenses a per funding agency project activities.
 - d. **CLASSIFICATION OF EXPENSES:** Of the various activities carried on by the Society, expenses incurred directly in working with and rendering services have been treated as Program Expenditures and expenditures incurred to support various programs and project has been classified as Administration Expenses.
 - e. **TREATMENT OF ASSETS:** Fixed assets are stated at Cost, after reducing opening accumulated depreciation. Acquisitions of assets though they are charged to the Funding Agency's grants are retained in the books by creating a fixed assets utilization reserve. Direct Costs are capitalized until the assets are ready for use.
 - f. **TREATMENT OF RESTRICTED FUNDS, BUDGET BASED EXPENDITURE ACCORDED BY FUNDING:**
 - i. The expenditure on projects taken up with the support of donor agencies is, as far as possible, incurred according to the plans and budgets agreed upon. However, deviations some times occur at the time of project execution depending upon various circumstances, such as location, awareness among the beneficiaries, local customs, availability of inputs, legal restrictions, etc. Such variations, monitored regularly, are generally intimated to the donor in advance.



3. NOTES ON ACCOUNTS

a. Depreciation on Fixed Assets : Rs 3,93,490

b. Addition to Corpus: Rs.Nil

1. **Others:**

- a) Auditors' remuneration includes Rs 40,000/- excluding service tax.
- b) Previous years figures have been regrouped and re-arranged wherever necessary.
- c) Previous years figures being audited by different auditor have not been certified again in these financial statements.

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

New Delhi,
Dated: June 22, 2009


(V. NAGARAJAN)
Partner

