

DHRIITI- THE COURAGE WITHIN
147, SAMAJ KALYAN APARTMENTS
BODELLA- PHASE-II, VIKAS PURI
NEW DELHI-110018
011- 65963639, 011-26843527

YEAR ENDED MARCH 31, 2010
ASSESSMENT YEAR 2010-11

AUDITED FINANCIAL STATEMENTS

V.NAGARAJAN & CO., Chartered Accountants. nagarajan@accountant.com



V. NAGARAJAN & CO.,

Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF DHRIITI- THE COURAGE WITHIN

We have audited the attached Balance Sheet of **Dhriiti -The Courage Within** as at 31st March 2010 and also the income and expenditure account for the year ended on that date annexed thereto.

Respective responsibilities of Management and Auditors

These financial statements are the responsibility of the management of the Society. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

We have 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 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 the management, as well as evaluating the overall presentation of financial statement.

We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

We have no relationship with or any interest in the Trust or with the Trustees other than our capacity as auditors.

Opinion

We believe that our audit provides a reasonable basis for our opinion. In our opinion and to the best of our information and according to the explanations given to us, the financial statements read along with the notes give a true and fair view in conformity with the accounting principles generally accepted in India

1. In the case of Balance Sheet, of the state of affairs of Dhriiti The Courage Within as at March 31, 2010 and
2. In the case of Income and expenditure account of its excess of Expenditure over Income for the Year ended March 31, 2010.

Place: New Delhi,
Dated: September 20, 2010

for V. NAGARAJAN & CO.,
Chartered Accountants


(V. NAGARAJAN)

Partner

M. ship No. 019959, Firm Regn. No: 04879 N

"Open House", D-2058 Palam Vihar, GURGAON 122 017, Ph: 91-124-407 8742-43 -44-236 8742
Fax: 91-124 407 8744 E-mail: nagarajan@accountant.com, www.nagarajan.co.in





V. NAGARAJAN & CO.,

Chartered Accountants

FORM NO. 10B

Audit Report under section 12A (b) of the Income Tax Act, 1961, in the case of charitable and religious trusts or institutions.

We have examined the Balance Sheet of **Dhriiti- The Courage Within** at March 31, 2010 and the Income and Expenditure Account for the year ended on those dates which are in agreement with the books of the account maintained by the said Trust.

We have obtained all the information and explanations, which we to the best of our knowledge and belief were necessary for the purpose of the audit. In our opinion, the above named institution has kept proper books of account as far as appears from our examination of the books.

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

1. In the case of the Balance Sheet, of the state of affairs of the above named institution as at March 31, 2010 and
 2. In case of the Income and Expenditure Account, of the excess of expenditure over income for the accounting year ended on March 31, 2010
- The prescribed particulars are annexed hereto.

Place: New Delhi
Dated: September 20, 2010

for **V. NAGARAJAN & Co.**
Chartered Accountants
Firm Regn No., 04879N


(V. Nagarajan)
Partner

Membership No. 019959





V. NAGARAJAN & CO.,

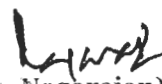
Chartered Accountants

Dhriti- The Courage Within
ANNEXURE FORMING PART OF AUDITOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2010.

STATEMENT OF PARTICULARS

1	Amount of income of the previous year applied to charitable purpose in India during the year	Rs. 79,52,280/-
2	Whether the institution 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 purpose in India during the previous year.	Nil
3	Amount of Income accumulated or set a part /finally set apart for application to charitable purpose, to the extent it does not exceed 15 percent of the total income derived from property held under the trust wholly in part only for such purposes.	Rs. (2,07,174/-)
4	Amount of income eligible for under section 11(1)(c)	Nil
5	Amount of income in addition to the amount referred to in item 3 above, accumulated or set apart for specified purpose 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	Nil
7	Whether any part of income in respect of which an option was exercised under clause (2) of the explanation of 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 a part for specific purpose under section 11(2) in any earlier year	
	(a) has been applied for the purpose other than charitable or religious purpose or has ceases to be accumulated or set apart for application thereto, or	No
	(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	No
	(c) has not been utilized for the 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.	No
II. Application or use of Income or Property for the benefit of persons referred in section 13(3).		
1	Whether any part of the income or property of the institution was lent, or continues to be lent, in 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 another property of the institution 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	Yes, Annexure Attached
4	Whether the service of the institution was made available to any such person during the previous year? If so give details	NO
5	Whether any share, security or other property was purchased by or on behalf of the trust / institution during the previous year from any person? If so give details together with the consideration paid	NO
6	Whether any share, security or other property was sold by or on behalf of the trust/institution during the previous year to any such person	NO
7	Whether any income or property of the trust/institution was diverted during the previous year in favour 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 institution was used or applied during the previous year for the benefit of any such person in any other manner? If so give details	NO
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	NO

for V. Nagarajan & Co.
Chartered Accountants



(V. Nagarajan)
Partner

Membership No. 019959

Place: New Delhi,
Dated: September 20, 2010



DHRIITI - THE COURAGE WITHIN

ANNEXURE TO FORM 10 B

Expenses Reimbursed to Board Member and Managing Trustee year 2009-10.

Category	Travel and Conveyance	Salaries	PF	Rent	Telephone	Total
Settlor	-	-	-	-	-	-
Board Member	-	-	-	-	-	-
Trustee	-	-	-	-	-	-
Relatives of Member	-	-	-	-	-	-
Managing Trustee	7,64,811	15,82,212	-	-	39,354	23,47,023
Total	7,64,811	15,82,212	-	-	39,354	23,47,023

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

Place: New Delhi,
20-Sep-10


(V. Nagarajan)

Partner

M. No: 019959, Firm Regn. No: 04879 N



DHRIITI-THE COURAGE WITHIN

BALANCE SHEET AS ON MARCH 31,		2010	2009
LIABILITIES:			
	Sch		
CORPUS FUND			
Corpus Fund			
OTHER FUNDS			
Capital Assets Fund	1	7,05,835	3,32,364
Restricted Fund		7,65,641	13,78,027
Un-Restricted Fund		4,52,843	3,23,584
SECURED LOANS	3	-	72,606
CURRENT LIABILITIES & PROVISIONS			
Statutory Dues Payable	4A	-	11,065
Sundry Creditors		-	53,100
Expenses Payable	4B	1,21,995	59,168
TOTAL		20,46,314	22,29,914

ASSETS:

FIXED ASSETS (at cost)	2	20,09,957	
Less: Depreciation		<u>9,38,968</u>	10,70,989
			7,60,324

CURRENT ASSETS, LOANS AND ADVANCES

Cash and Bank Balances

Cash In Hand		21,725	14,138
Bank Balances		7,66,067	12,70,443

Loan and Advances

TDS Receivables		1,40,822	1,21,659
Sundry Debtors/Advances and Recoverables	5A	17,960	30,600
Rent/ Electricity/ Telephone Deposits	5B	28,750	32,750
TOTAL		20,46,314	22,29,914

Fund based Receipts and Payments Account	6		
Accounting Policies and Notes to Accounts	7		

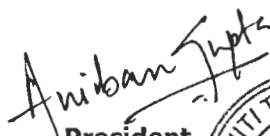
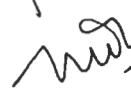
As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants

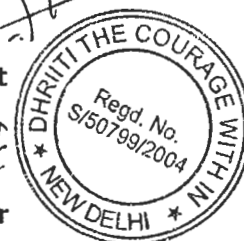
Place: New Delhi,
20-Sep-10


(V. Nagarajan)
Partner

M. No: 019959, Firm Regn. No: 0487




President

Treasurer



DHRIITI - THE COURAGE WITHIN

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 2009

INCOME

Grants and Contributions
From Indian Agencies

	Sch	2010	2009
In Kind	-	-	4,70,848
Other than Kind	75,26,110	75,26,110	47,95,007
OTHERS			
Interest and Other Income		63,113	-
Sundry Income		3,36,925	2,13,035
Total		79,26,148	54,78,890

EXPENDITURE

Programme Expenditure

Salary & Wages- Project Implementing Staff	31,29,617		21,20,232
Training & Workshop Expenses	5,05,805		2,77,460
Stipend/Honorarium to Service Providers	2,89,427		1,78,548
Capital Assets & Maintenance- Community Owned Assets	9,62,372		1,45,223
Raw Materials/ Inputs for Projects	68,909		29,831
Professional & Consultancy Charges	5,84,050		-
Total		55,40,179	

Programme Support Expenditure

Salary & Wages- Project Support Staff	3,02,890		3,09,000
Rent, Water & Electricity Expenses	4,42,639		3,50,074
Travel & Conveyance Expenses	8,30,082		3,66,097
Communication Expenses	1,42,607		1,36,028
Books & Audio Visual Expenses	32,127		1,24,684
Printing & Stationery Expenses	2,66,812		52,209
Total		20,17,157	

Administrative Expenditure

Auditor's/ Professional Fee	22,060		44,120
Other Administrative Expenses	2,03,593		2,01,875
Interest on Loan	2,994		-
Depreciation on Assets	2,75,955		3,80,318
Total		5,04,602	

Total		80,61,937	47,15,699
Excess of Income over Expenditure		(1,35,789)	7,63,191
Research & Facilitaion Activity (Excess of Income over Expenditure)		59,364	1,24,380
Pilot Unit Activity (Excess of Expenditure over Income)		(33,232)	-
Total		78,92,916	54,78,890

APPROPRIATION

Excess of Income over Expenditure	(1,09,657)	8,87,571
Transferred to Capital Assets Fund	3,73,471	1,04,180
Transferred from Unrestricted Fund	1,29,259	(5,00,299)
Transferred to Restricted Fund	(6,12,388)	12,83,690

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,
20-Sep-10

(V.Nagarajan)
Partner

M. No: 019959, Firm Regn. No: 0487



President

Treasurer



SCHEDULE 6: FUNDING AGENCYWISE RECEIPTS AND PAYMENTS FOR THE YEAR ENDED ON MARCH 31, 2010

Funding Agencies	POWERLOV		JHOJAN		SRTT	Borrower Mats	SDTT	UNDP / GEP	MASCOP / UNDP	Harvest Festival (HF)	Dhriti Orphan Fund		Grand Total of Grant Funds	Capital Asset Fund
	Project/Location	NABARD	Ministry of Panchayats (M)	Trading for Awareness Manufacturing unit							Entrepreneurship for Inclusive	Aravind Charur development project		
A. OPENING BALANCE		(3,000)	4,69,037	5,86,287				3,95,211				3,23,584	17,01,612	3,32,364
B. RECEIPTS														
Grants and Contributions				18,02,750		1,50,000	36,20,000	11,20,992		3,29,202		2,66,050	70,22,944	2,86,050
Donations						1,62,956	40,353					74,160	2,37,116	74,160
Project Income				9,583								13,177	63,113	13,177
Interest Income												3,36,925	3,36,925	3,36,925
Other Income														
Additions to Fixed Assets		3,000												6,49,426
Transferred From Dhriti Sundry Projects														3,000
TOTAL RECEIPTS		3,000		18,12,333		3,12,956	36,60,353	11,20,992		3,29,202		6,90,312	79,29,148	6,49,426
C. RECURRING EXPENSES														
Training Materials Exp	7,652		30,462	10,355		70,971	779	39,802			1,461		1,61,482	
Honorarium to Service Providers			300			1,80,588	425	9,195					1,90,508	
Training Exhibition Fees				33,080			60,788				31,785		1,25,653	
Trainers (Beneficiaries) Stipend			35,200	17,750		5,050	32,381	17,980					50,419	
Project Events Exp	1,085						2,98,852	4,65,905				1,73,080	1,09,446	
Capital Assets Created for Beneficiaries							8,000	12,000				10,000	48,500	
Internship Stipend			23,447	29,590		19,805	54,312	1,875					1,09,224	
Boarding & Lodging							19,805	4,730					24,535	
Repair & Maintenance- Community own				725		19,320	41,287	7,577					68,909	
Raw Material Expenses	2,04,550		3,42,691	14,46,000		9,99,252	2,22,300	2,25,000		1,44,859		70,155	34,32,507	
Salaries				1,60,000			1,61,750	36,048		36,048		3,952	5,84,050	
Consultancy Charges	6,760		2,632	1,16,442		2,24,387	92,928	12,859		12,859		21,676	4,77,694	
Travel Exp (Staff)	3,209		7,405	26,395		84,420	9,670	4,294		4,294			1,35,493	
Local Conveyance (Staff)				11,538				22,567					34,105	
Local Conveyance (Consultant)							444						444	
Travel Exp (Non-Staff)			3,300	15,122			3,005	4,768				10,090	36,785	
Local Conveyance (Non-Staff)	2,668		4,500	14,855			4,708	2,125				3,506	32,563	
Diesel & Petrol Exp			9,526				60,969	10,733		9,500		23,380	1,13,708	
Books & Audio Visual Exp	800			5,430			8,510	525		11,772		5,090	32,127	
Printing & Stationery Exp	17,451		5,915	1,20,143		1,580	76,859	5,453		15,083		24,328	2,66,812	
Postage, Telegram and Telephone Exp	12,055		300	64,691			47,148	8,944		3,684		5,785	1,42,607	
Rent, Water and Electricity Exp			400	3,56,340			66,144			15,715		4,040	4,42,639	
Repair & Maintenance							71,539			15,895		37,180	1,24,614	
Sundry Exp												185	185	
Office & Misc	100			469			6,846	249		7,502		33,538	46,704	
Meeting & Staff Welfare Exp				3,133			9,297	655				17,005	30,090	
Interest on Loan							22,060					2,994	2,994	
Auditor's/Professional Fee														
Deputation														2,75,955
TOTAL RECURRING EXPENSES	2,56,430		4,66,078	24,50,559		3,12,956	24,24,116	11,19,403		2,77,211		4,79,230	77,63,923	2,75,955
D. NON-RECURRING EXPENSES														
Transferred from/to Dhriti Sundry Projects												3,000	3,000	
Research Grant												(59,364)	(59,364)	
Pilot Unit												33,232	33,232	
Purchase of Assets			15,667				5,28,624					1,08,955	6,49,406	
Transfer of Assets														
TOTAL NON-RECURRING			15,667				5,28,624					81,823	6,26,794	
E. TOTAL PAYMENTS [C + D]	2,56,430		4,81,745	24,50,559		3,12,956	29,52,940	11,19,403		2,77,211		5,61,053	83,90,217	3,75,955
F EXCESS OF RECEIPTS/PAYMENTS [E - F]	(2,56,430)	3,000	(4,81,745)	(6,38,226)			7,07,413	1,589		51,991		1,29,259	(4,61,069)	3,73,471
G. CLOSING BALANCE [A + F]	(2,56,430)		(12,688)	(51,939)			6,37,906	3,96,800		51,991		4,52,843	12,40,543	7,05,835

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

(V. Nagarajan)
Partner

M. No: 019959, Firm Regn. No: 048791



Anubam Gupta
President

Treasurer



Financial Statements for the year ended March 31, 2010.

DHRIITI - THE COURAGE WITHIN

SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2010

SCHEDULE 1: RESTRICTED AND UN-RESTRICTED FUND BALANCES

Funding Agency	As on March 31, 2009	Transferred (to) / from Income & Expenditure Account	As on March 31, 2010
RESTRICTED FUND			
Sir Ratan Tata Trust	5,86,287	(6,38,226)	(51,939)
Ministry of Panchayati Raj	4,69,037	(4,81,725)	(12,688)
Sir Dorabji Tata Trust	(69,507)	7,07,413	6,37,906
NABARD	(3,000)	3,000	-
UNDP-GEF	3,95,211	1,589	3,96,800
Global Fund for Children	-	(2,56,430)	(2,56,430)
Hewlett Packard (HP)	-	51,991	51,991
TOTAL	13,78,028	(6,12,388)	7,65,641
UNRESTRICTED FUND			
OWN FUND	-	-	-
-Corpus	-	-	-
-Non-Corpus	3,23,584	1,29,259	4,52,843
CAPITAL ASSETS FUND	3,32,364	3,73,471	7,05,835
TOTAL	6,55,948	5,02,730	11,58,678
GRAND TOTAL	20,33,976	(1,09,657)	19,24,319

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,
20-Sep-10

(V. Nagarajan)

Partner

M. No: 019959, Firm Regn. No: 04879 N

6

7

President

Treasurer



SCHEDULE 2: FIXED ASSETS

NAME OF THE ITEM	GROSS BLOCK				DEPRECIATION				NET BLOCK		RATE
	As on March 31, 2009	Addition During the Year	Deletion during the year	Total	Provided Till March 31, 2009	During the Year	Deletions during the year	Total	As on March 31, 2010	AS on March 31, 2009	
Building	-	-	-	-	-	-	-	-	-	-	10%
Camera	14,140	-	-	14,140	3,347	1,079	-	4,426	9,714	10,793	10%
Computer & laptop	6,13,479	-	-	6,13,479	4,25,623	1,12,713	-	5,38,336	75,142	1,87,855	60%
Electrical and fittings	-	-	-	-	-	-	-	-	-	-	10%
Fan	6,450	9,760	-	16,210	1,027	1,518	-	2,545	13,665	5,423	10%
Furnitures and	1,07,544	1,26,814	15,100	2,19,258	18,565	20,069	2,869	35,766	1,83,492	88,979	10%
Vehicles-Cars	3,75,663	5,12,852	-	8,88,515	1,31,388	1,13,569	-	2,44,957	6,43,558	2,44,275	15%
Inverter	14,700	-	-	14,700	2,132	1,257	-	3,388	11,312	12,569	10%
Plant and Machinery	70,000	-	70,000	0	19,424	-	19,424	0	0	50,576	15%
Printer	27,737	-	-	27,737	6,671	3,160	-	9,831	17,906	21,066	15%
Refrigerators	7,000	-	-	7,000	1,943	759	-	2,701	4,299	5,058	15%
Tubewell	-	-	-	-	-	-	-	-	-	-	15%
Video Camera	44,990	-	-	44,990	20,611	3,657	-	24,268	20,722	24,379	15%
Wireless Access Point	9,837	-	-	9,837	5,902	2,361	-	8,263	1,574	3,935	60%
Projector	1,54,092	-	-	1,54,092	48,673	15,813	-	64,486	89,605	1,05,418	15%
Total	14,45,631	6,49,426	85,100	20,09,957	6,85,307	2,75,955	22,293	9,38,968	10,70,989	7,60,324	
Previous Year	9,61,134	4,84,497	-	14,45,631	3,04,989	3,80,318	-	6,85,307	7,60,324	6,56,145	

Place: New Delhi,
20-Sep-10

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

(V. Nagarajan)
Partner



M. No: 019959, Firm Regn. No: 019959

Anil Kumar
President

(Signature)
Treasurer



DHRIITI - THE COURAGE WITHIN

SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2010

SCUEDULE 3: SECURED LOAN	2010	2009
SECURED LOAN		
ICICI Bank - For Car Loan	-	72,606
Loan from Trustee	-	-
TOTAL	-	72,606

SCUEDULE 4A: STAUTORY DUES PAYABLE	2010	2009
TDS Payable- Salary	-	6,945
TDS Payable - Professional Fees	-	4,120
TOTAL	-	11,065

SCHEDULE 4B: EXPENSES PAYABLE	2010	2009
Auditor's/ Professional Fee	22,060	40,000
Printing & Stationery Expenses Payable	-	401
Training Expenses Payable	-	17,644
Salaries Payable	99,935	-
Legal & Professional Fee Payable	-	1,123
TOTAL	1,21,995	59,168

SCHEDULE 5A: LOANS & ADVANCE (ASSETS)	2010	2009
Staff Loan -Delhi	10,000	-
Work Advance- Consultant	1,622	-
Prepaid Exp.- Vehicle Insurance	6,338	-
Pilot Unit	-	-
TOTAL	17,960	-

SCHEDULE 5B: DEPOSITS	2010	2009
Telephone Deposits	3,000	4,500
Rent Deposits	25,000	27,500
Gas Cylinder Deposit	750	750
TOTAL	28,750	32,750

Fund Based Receipts and Payments Account 6
Notes on Accounts 7

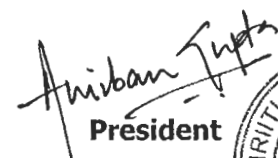
As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants

Place: New Delhi,
29-Sep-10


(V.Nagarajan)
Partner



M. No: 019959, Firm Regn. No: 04879 N


President


Treasurer



Research and Facilitation Cell

INCOME AND EXPENDITURE ACCOUNT OF RESEARCH AND FACILITATION ACTIVITY FOR THE YEAR ENDED MARCH 31,

2010

2009

INCOME:

Research & Facilitation Contributions:

Nasscom	-	1,37,814
UNDP	-	2,12,713
The ANT	75,000	-
INREM Foundation	25,000	-
PHFI	1,15,500	-
Swaathya	48,874	-
Other Income	-	38,535
Total	2,64,374	3,89,062

EXPENDITURE:

Programme Support Expenditure

Salary & Wages- Project Support Staff	1,99,942	2,31,000
Travel & Conveyance Expenses	618	33,503
Communication	-	145
Printing & Stationery Expenses	50	34
Consultancy Fee	4,400	-
Total	2,05,010	2,64,682
Excess of Expenditure over Income	59,364	1,24,380
Total	2,64,374	3,89,062


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

Place: New Delhi,
20-Sep-10


(V. Nagarajan)
Partner

M. No: 019959, Firm Regn. No: 04879 N




President


Treasurer



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, 2010)

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 and income 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 as 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.*

[Handwritten Signature]

Significant Accounting policies and Notes on Accounts



3. NOTES ON ACCOUNTS

1. Others:

- a) Other income entirely consisting of Rs. 3,35,925 represents recoveries effected from Funding agencies (out of project funds allocated and provided) in respect of in house services utilized by the projects supported by them, by charging to the respect heads of expenditure, besides actual expenditure incurred.
- b) Auditors' remuneration includes Rs 22,060/- including service tax.
- c) Previous-year's figures have been regrouped and re-arranged wherever necessary.

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants
Firm Regn No., 004879N

New Delhi,
Dated: Sep 20, 2010.


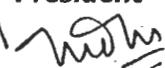


(V. NAGARAJAN)

Partner

Membership No., 019959




President

Treasurer

