



NSB & ASSOCIATES

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 **Dhriti- The Courage within** at March 31, 2012 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 Society.

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 so 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, 2012 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, 2012.

The prescribed particulars are annexed hereto.

Place: Delhi

Dated: August 24, 2012

for NSB & ASSOCIATES,
Chartered Accountants


Nandan Singh Bisht
Partner

F R No: 023043N
M. No: 099805





N S B & ASSOCIATES

Chartered Accountants

ANNEXURE FORMING PART OF AUDITOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2012
STATEMENT OF PARTICULARS

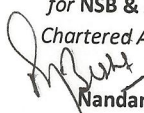

1	Amount of income of the previous year applied to charitable purpose in India during the year	Rs. 37,93,486
2	Whether the institution has exercised the option under clause (2) of the explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or 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.	Nil
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)	
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	Yes
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.	NO
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	Sheet annexed
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

Place: Delhi

Dated: August 24, 2012

for NSB & ASSOCIATES,
Chartered Accountants

Nandan Singh Bisht
Partner
FRN: 023043 N
M. No: 099805


DHRIITI - THE COURAGE WITHIN

BALANCE SHEET AS ON MARCH 31,		2012	2011
LIABILITIES:	Sch		
CAPITAL ASSETS FUND			
Opening Balance		8,40,421	
Add: Current Year Addition	2	(3,42,386)	4,98,035
RESTRICTED FUND			8,40,421
Opening Balance		10,45,636	
Add: Current Year Addition	6	(6,67,720)	3,77,916
UNRESTRICTED FUND			10,45,636
Opening Balance		15,17,844	
Add: Current Year Addition		(16,33,272)	(1,15,428)
UNSECURED LOANS	3	4,40,000	-
CURRENT LIABILITIES & PROVISIONS			
Statutory Dues Payable	4A	4,427	10,814
Sundry Creditors			-
Expenses Payable	4B	1,82,342	90,312
TOTAL		13,87,292	35,05,027
ASSETS:			
FIXED ASSETS (at cost)	1	26,59,350	
Less: Depreciation		(17,96,162)	8,63,187
CURRENT ASSETS, LOANS AND ADVANCES			12,05,573
CASH AND BANK BALANCES			
Cash In Hand		9,275	27,512
Bank Balances		3,42,249	20,94,776
LOAN AND ADVANCES			
TDS Receivables		65,531	1,07,166
Sundry Debtors/Advances and Recoverable	5A	64,050	42,000
Rent/ Electricity/ Telephone Deposits	5B	43,000	28,000
TOTAL		13,87,292	35,05,027
Accounting Policies and Notes to Accounts	7		

Accounting Policies and Notes to Accounts

7

As per our report of even date
for **NSB & ASSOCIATES.,**
Chartered Accountants

Place: New Delhi,
24-Aug-12

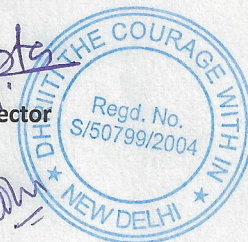
Nandan Singh Bisht
Partner

M. No: 099805
FRN: 023043N



President & Executive Director

Treasurer



DHRIITI-THECOURAGE WITHIN

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31,

2012

2011

Sch

A. INCOME

GRANTS & CONTRIBUTIONS

Grants & Contributions	11,70,284	83,09,867
Receipts from Research and Facilitation Activity	-	6,61,012

OTHER INCOME

Interest Income	25,343	47,462
Sundry Income	4,540	67,621
Training & Workshop Fee	2,40,750	4,38,908

Total of income

14,40,917

95,24,870

B. EXPENDITURE

PROGRAMME EXPENDITURE

Salary & Wages- Project Implementing Staff	15,23,453	29,23,603
Training & Workshop Expenses	1,42,492	5,04,109
Stipend/Honorarium to Service Providers	78,975	1,53,289
Community's Units Development Exp.	1,92,178	6,04,273
Raw Materials/ Inputs for Projects	1,02,617	1,22,381
Professional & Consultancy Charges	1,92,000	6,17,000

PROGRAMME SUPPORT EXPENDITURE

Salary & Wages- Project Support Staff	5,58,000	5,45,516
Rent, Water & Electricity Expenses	4,62,555	4,51,690
Travel & Conveyance Expenses	2,34,965	8,44,979
Communication Expenses	62,138	1,34,559
Books & Audio Visual Expenses	6,111	29,834
Printing & Stationery Expenses	44,217	2,14,732

ADMINISTRATIVE EXPENDITURE

Auditor's Remuneration	40,000	66,180
Other Administrative Expenses	1,29,585	1,94,283
Depreciation	1 3,15,009	6,38,861

Total Expenditure

40,84,295

80,45,289

C. Excess of Income over Expenditure (A-B)

-26,43,378

14,79,581

APPROPRIATION

Excess of Income Over Expenditure	-26,43,378	14,79,581
Transferred to Capital Assets Fund	2 -3,42,386	1,34,584
Transferred to Restricted Funds	6 -6,67,720	2,79,996
Transferred to Unrestricted Fund	-16,33,272	10,65,001

Accounting Policies and Notes to Accounts

7

As per our report of even date
for NSB & ASSOCIATES.,

Chartered Accountants

President & Executive Director

Place: New Delhi,
24-Aug-12

Nandan Singh Bisht

Partner

M. No: 099805

FRN: 023043 N



Treasurer



DHRIITI-THE COURAGE WITHIN

CONSOLIDATED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31,		2012	2011
	Sch		
A. Opening Balance of Cash and Bank		21,22,288	7,87,792
B. RECEIPTS			
GRANTS & CONTRIBUTIONS			
Grants & Contributions		11,70,284	75,32,686
Receipts from Research and Facilitation Activity		-	5,96,412
OTHER RECEIPTS			
Interest Income		25,343	47,462
Sundry Income		4,540	67,621
Training & Workshop Fee		3,76,885	4,38,908
TDS/ Staff Loan and Deposits Recd		5,07,100	1,21,506
Total of Receipts		20,84,152	88,04,595
C. PAYMENTS			
PROGRAMME PAYMENTS			
Salary & Wages- Project Implementing Staff		14,48,889	28,99,253
Training & Workshop Expenses		1,42,492	5,04,109
Stipend/Honorarium to Service Providers		78,975	1,53,289
Community's Units Development Exp.		1,92,178	6,04,273
Raw Materials/ Inputs for Projects		1,02,617	1,21,031
Professional & Consultancy Charges		1,92,000	6,06,185
PROGRAMME SUPPORT PAYMENTS			
Salary & Wages- Project Support Staff		5,58,000	5,45,516
Rent, Water & Electricity Expenses		4,37,555	4,51,690
Travel & Conveyance Expenses		1,67,309	8,40,730
Communication Expenses		62,138	1,34,559
Books & Audio Visual Expenses		6,111	29,834
Printing & Stationery Expenses		44,217	2,13,732
ADMINISTRATIVE EXPENDITURE			
D. Non Recurring Payments		1,63,800	15,900
Auditor's Remuneration		59,363	6,817
Other Administrative Expenses		98,008	1,79,185
Staff Loan/Advance/Expenses Payable Paid		1,01,264	1,63,995
E. Total Payments (C+D)		38,54,916	74,70,098
F. Excess of Receipts over Payments (B-E)		-17,70,764	13,34,496
G. Closing Balance of Cash & Bank (A+F)		3,51,524	21,22,288
Total		20,84,152	88,04,595

Accounting Policies and Notes to Accounts

7

As per our report of even date
for NSB & ASSOCIATES.,
Chartered Accountants

Place: New Delhi,
24-Aug-12

Nandan Singh Bisht
Partner
M. No: 099805
FRN: 023043N



President & Executive Director

Treasurer

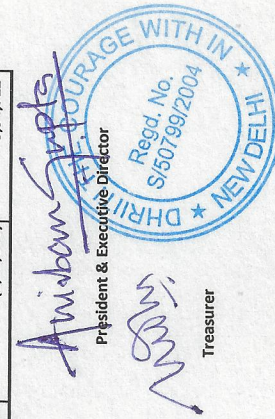


SCHEDULE 6: FUNDING AGENCYWISE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2012

FUNDING AGENCIES	FOREIGN		INDIAN			Grand Total of Grant Funds	
	Global Fund for Children	Ministry of Panchayati Raj	SRTT	SDTT	UNDP / GEF	Dhriti General Fund	
PROJECTS	Entrepreneur of Tomorrow School	Training for Arcanaut Manufacturing unit	Entrepreneur for Initiative	Arcanaut cluster development project	Bamboo Development Project	Hewlett Packard (HP) Entrepreneur of Tomorrow	
A. OPENING BALANCE	(4,98,193)	(12,688)	1,39,600	8,35,398	(161)	5,81,681	25,63,481
B. INCOME							
Grants and Contributions	11,70,284						11,70,284
Interest & Other Income				3,430			4,10,233
TOTAL INCOME	11,70,284	-	-	3,430	-	-	15,80,517
C. RECURRING EXPENSES							
Salary & Wages	3,24,654			1,32,000		1,66,668	20,78,453
Training & Workshop Expenses	11,555			1,25,346		5,591	1,42,492
Stipend/Honorarium to Service Providers				6,000		71,775	77,775
Community's Units Development Exp.				1,92,178			1,92,178
Raw Materials/ Inputs for Projects	-			1,02,617			1,02,617
Professional & Consultancy Charges				1,92,000			1,92,000
Rent, Water & Electricity Expenses				23,052		21,368	4,62,555
Travel & Conveyance Expenses	96,543			29,770		79,163	2,34,965
Communication Expenses	9,028			7,115		32,119	62,138
Books & Audio Visual Expenses				1,279		3,500	6,111
Printing & Stationery Expenses				16,225		22,859	44,217
Auditor's Remuneration							-
Other Administrative Expenses	655			14,731		13,342	1,29,585
TOTAL RECURRING EXPENSES	4,42,435	-	-	8,42,313	-	4,16,385	37,25,086
D. NON RECURRING EXPENSES							
Purchased of Assets							
Adjustment with Dhriti General fund			1,39,600	700			24,200
TOTAL NON-RECURRING	-	-	1,39,600	700	-	-	24,200
E. TOTAL EXPENDITURE [C + D]	4,42,435		1,39,600	8,43,013		4,16,385	37,49,286
F EXCESS OF INCOME/EXPENDITURE [B - E]	7,27,849	-	(1,39,600)	(8,39,583)	-	(4,16,385)	(21,68,769)
G. CLOSING BALANCE [A + F]	2,29,656	(12,688)	-	(4,185)	(161)	1,65,296	3,94,712

(-) refers to excess spent

Notes on Accounts

Place: New Delhi,
24-Aug-12As per our report of even date
for NSB & ASSOCIATES,
Chartered AccountantsNandan Singh Bisht
Partner
M. No: 099805
FRN: 023043 N

President & Executive Director

Treasurer

DHRIITI - THE COURAGE WITHIN

SCHEDULE 1: FIXED ASSETS

NAME OF THE ITEM	GROSS BLOCK				DEPRECIATION			NET BLOCK		RATE	
	As on March 31, 2011	Addition During the Year	Deletion during the year	As on March 31, 2012	Provided Till March 31, 2011	During the Year	Deletions during the year	Total	As on March 31, 2012		As on March 31, 2011
Camera	14,140	-	-	14,140	5,397	874		6,272	7,868	8,743	10%
Computer & laptop	1,283,057	-	-	1,283,057	951,873	198,710		1,150,583	132,473	331,183	60%
Fan	16,210	-	-	16,210	3,912	1,230		5,141	11,069	12,299	10%
Furniture and fixtures	221,638	700	63,675	158,663	53,150	9,342	12,098	50,393	108,270	168,488	10%
Office Vehicles	888,515	-	-	888,515	341,491	82,054		423,544	464,971	547,024	15%
Inverter	14,700	23,500	-	38,200	4,519	3,368		7,887	30,313	10,181	10%
Printer	44,647	-	-	44,647	15,053	4,439		19,492	25,155	29,594	15%
Refrigerators	7,000	-	-	7,000	3,346	548		3,894	3,106	3,654	15%
Video Camera	44,990	-	-	44,990	27,376	2,642		30,018	14,972	17,614	15%
Wireless Access Point	9,837	-	-	9,837	9,207	378		9,585	252	629	60%
Projector	154,092	-	-	154,092	77,927	11,425		89,352	64,740	76,165	15%
Total	2,698,825	24,200	63,675	2,659,350	1,493,251	315,009	12,098	1,796,162	863,187	1,205,573	
Previous Year	2,009,957				938,968					1,070,989	

Place: New Delhi,
24-Aug-12

As per our report of even date
for NSB & ASSOCIATES.,
Chartered Accountants



Nandap Singh Bisht
Partner
M. No: 099805
FRNo: 023043N

Anirban Gupta
President & Executive Director



Treasurer

DHRIITI - THE COURAGE WITHIN

SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2012

SCUEDULE 2: CAPITAL ASSETS FUND		2012	2011
Capital Assets Fund			
Add- Addition of Assets	24,200		-
Less: Deletion of Assets	(51,577)		-
Less: Depreciation	(315,009)	(342,386)	-
TOTAL		(342,386)	-
SCUEDULE 3: UNSECURED LOAN		2012	2011
Loan from Dhriiti Professional Services		440,000	
TOTAL		440,000	-
SCUEDULE 4A: STAUTORY DUES PAYABLE		2012	2011
TDS Payable- Salary		427	-
TDS Payable - Professional Fees		4,000	10,815
TOTAL		4,427	10,815
SCHEDULE 4B: EXPENSES PAYABLE		2012	2011
Audit Fee Payable		36,000	59,363
Salaries Payable		79,114	24,350
Travel & Printing Exp. Payable		67,228	6,599
TOTAL		182,342	90,312
SCHEDULE 5A: LOANS & ADVANCE (ASSETS)		2012	2011
Staff Loan -Delhi		40,000	40,000
Work Advance- Consultant		-	-
Work Advance- Employee		24,050	2,000
Prepaid Exp.- Vehicle Insurance		-	-
TOTAL		64,050	42,000
SCHEDULE 5B: DEPOSITS		2012	2011
Telephone Deposits		3,000	3,000
Rent Deposits		40,000	25,000
Gas Cylinder Deposit		-	-
TOTAL		43,000	28,000

Accounting Policies and Notes to Accounts

7

Place: New Delhi,
24-Aug-12

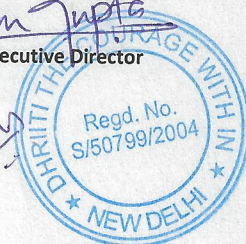
As per our report of even date
for NSB & ASSOCIATES
Chartered Accountants

NANDAN SINGH BISHT
Partner
M. No: 099805
FRN: 023043 N



Anil Kumar Gupta
President & Executive Director

Treasurer



Financial Statements for the year ended March 31, 2012.

ANNEXURE TO FORM 10 B

Expenses Reimbursed to Board Member and Managing Trustee year 2011-12.

Category	Travel and Conveyance	Salaries	Telephone	Total
Settlor	-	-	-	-
Board Member	-	-	-	-
Trustee	-	-	-	-
Relatives of Member	-	-	-	-
Managing Trustee	74,991	965,256		1,040,247
Total	74,991	965,256	-	1,040,247

As per our report of even date
for **NSB & ASSOCIATES**
Chartered Accountants

Place: New Delhi,
24-Aug-12

NANDAN SINGH BISHT

Partner

M. No: 099805

FRNo: 023043N



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, 2012)

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 3,15,009

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 **NSB & ASSOCIATES..**,

Chartered Accountants

New Delhi,
Dated: August 24, 2012

Nandan Singh Bisht
Partner

M. No: 099805
FRN: 023043N



President



Treasurer