

AUDITORS' REPORT

We have audited the attached Balance sheet as at 31st March 2011 and the Income and Expenditure Account for the year ended on that date annexed there to of Sri Kshethra Dharmasthala Rural Development Project (REGD). 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 have conducted the Audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the Audit to obtain reasonable assurance whether the financial statements are free of any 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 financial statement presentation. We believe that our Audit provides a reasonable basis for our opinion.

Based on our audit referred to herein above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit ;
- b) In our opinion, proper books of account as required by law have been kept by the Trust so far as it appears from our examination of such books of account ;
- c) The Balance Sheet and Income and Expenditure account dealt with by this report are in agreement with the books of account;

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

Subject to:-

- i) Accounting of certain items of income on cash basis as stated in note on account No. C (ii) which is not in consonance with Accounting Standard 9 on Revenue Recognition issued by the Institute of Chartered Accountants of India, the effect of which has not been ascertained.
- ii) Note on Account No.G regarding non obtention of the management to obtain the actuarial valuation of post employment benefits from competent authorities, which is not in accordance with the Accounting Standards 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India, the effect of which has not been ascertained.

The attached balance sheet and Income and Expenditure Account are, in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet of the state of affairs of the Trust as at 31st March 2011,
And,
- b) In the case of the Income and Expenditure Account of the Excess of Income over Expenditure of the Trust for the year ended as on that date.

**FOR RAO & BASRI
CHARTERED ACCOUNTANTS**


(K PRAKASH BASRI)
PARTNER
FRN 05523 S
M.NO. 018770

Place : Dharmasthala
Date : 6/11/2011

SHRI KSHETHRA DHARMASTHALA RURAL DEVELOPMENT PROJECT @

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE NO.		For Current Year ended 31st March 2011	For Previous Year ended 31st March 2010
INCOME		₹	₹	₹
Grants Donations and Other Receipts	1	185,872,009.50		
Insurance Incentive		27,197,733.06		
Niranthara Subscription		9,943,525.00		
Miscellaneous Receipts	2	5,591,575.39		
Bank Interest	3	21,580,150.61	250,184,993.56	139,534,675
PRAGATHI BHANDU PROGRAM				
Interest on Loans : Pragathi Bhandu		1,108,801,037.40		
BC-Suvidha Incentive		23,529,953.00	1,132,330,990.40	772,791,650
SAMPOORNA SURAKSHA PROGRAMME				
Membership Fees Collected		278,355,380.00		
Administrative Expenses Reimbursement		4,793,160.00	283,148,540.00	186,410,941
TOTAL			1,665,664,523.96	1,098,737,267
EXPENDITURE				
CHARITABLE ACTIVITIES & COMMUNITY DEVELOPMENT				
Rural Development Expenses	4	195,732,331.61		
Community Development Projects	5	43,890,485.50		
Administrative Expenses	6	60,343,654.05	299,966,471.16	157,128,502
PRAGATHI BHANDU PROGRAM				
Interest on Term Loans		601,513,468.31		
Administrative Expenses	7	404,945,978.49		
Provision for Micro Finance Fund		18,638,461.11	1,025,097,907.91	667,578,803
CAPART PROGRAMME				
MAHILA JNANA VIKASA TRAINING CENTRE	8		2,172,858.00	375
SIDBI MICRO CREDIT PROJECT				
SKDRDP SIDBI SCHOOL FOR MICRO FINANCE	9		29,952.00	457,596
SWARNA JAYANTHI GRAMA SWAROJGAR YOJANA				
JALA SAMVARDHANA YOJANA SANGHA	10		3,892,198.00	2,813,292
BHORUKA CENTRE FOR RURAL EXCELLENCE	11		5,723,563.50	5,914,844
SRI (SYSTEMATIC RICE INTENSIFICATION) PROJECT	12		3,997,926.00	
SAMPOORNA SURAKSHA PROGRAMME				
Administrative Expenses	13	10,371,697.05		
Special Claim		129,506,270.00		
Mediclaime Premium		153,249,342.00		
Incentive		1,920,346.95	295,047,656.00	185,538,222
Depreciation written off	14		22,900,339.15	10,250,672
TOTAL			1,658,828,871.72	1,033,277,008
Surplus :Excess of Income over Expenditure for the year transferred to General Fund			6,835,652.24	65,460,258

Schedules 1 to 14 referred to above and notes on accounts (Schedule No.23) form an integral part of the Income and Expenditure account.

AS PER OUR REPORT OF EVEN DATE

FOR RAO & BASRI

CHARTERED ACCOUNTANTS

(K PRAKASH BASRI)

PARTNER

FRN 05523 S

M.NO. 018770

TRUSTEE

TRUSTEE

PRESIDENT

Date:6.11.2011

Place:Dharmasthala

|| Om Shri Manjunathaya Namaha ||
SHRI KSHETHRA DHARMASTHALA RURAL DEVELOPMENT PROJECT @
BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule No.		For Current Year ending 31.3 2011	For Previous Year ending 31.3. 2010
<u>SOURCE OF FUNDS:</u>		₹	₹	₹
Sundry Liabilities	15		2,074,066,371.72	1,181,705,875
Grant Pending for Utilisation	16		23,046,114.86	65,147,705
Term Loans:From Banks & Financial Institutions	17		8,715,288,658.31	5,804,846,624
Capital Grant	18		22,390,677.44	8,247,177
SIDBI Vehicle Revolving Fund			7,500,000.00	7,500,000
<u>Provision for Micro finance Fund</u>				
As per Last Balance Sheet		47,904,019.51		
Add: Provision for the year		18,638,461.11		
		66,542,480.62		
Less: Written off during the year		363,399.00	66,179,081.62	47,904,020
				355,566,428
<u>GENERAL FUND</u>				
As per Last Balance Sheet		355,566,428.45		
Less: General Fund of Grameena Koota Transfer		876,494.00		
		354,689,934.45		
Add: Surplus: Excess of Income over Expenditure for the year transferred		6,835,652.24	361,525,586.69	
TOTAL			11,269,996,490.64	7,490,511,951
<u>APPLICATION OF FUNDS:</u>				
Cash and Bank Balances	19		1,387,645,710.65	1,127,727,901
Fixed Deposit	20		273,265,254.39	91,195,123
Loans : Self Help Groups			9,425,569,890.30	6,148,688,115
Advances	21		84,032,894.05	72,024,200
Fixed Assets	22		99,482,741.25	50,876,613
TOTAL			11,269,996,490.64	7,490,511,951

Schedules 15 to 22 referred to above and notes on accounts (Schedule No.23) form an integral part of the Balance Sheet & Income & Expenditure Account.

Date:6.11.2011
Place:Dharmasthala


TRUSTEE


TRUSTEE


PRESIDENT

AS PER OUR REPORT OF EVEN DATE
FOR RAO & BASRI
CHARTERED ACCOUNTANTS

(K. PRAKASH BASRI)
PARTNER
FRN 05523 S
M.NO. 018770

SCHEDULES**SCHEDULE 1****GRANTS, DONATIONS & OTHER RECEIPTS**

	₹
Grant from DYH	90,000,000.00
Grants from Others	3,239,600.00
Flood Grant Utilisation	72,549,218.00
Infosys Grant Utilisation	13,905,905.50
SRI Grant - NABARD	4,076,500.00
JALA SAMVARDHANA YOJANA SANGHA	2,100,786.00
	185,872,009.50

SCHEDULE 2**MISCELLANEOUS RECEIPTS**

RURAL DEVELOPMENT PROJECT	411,001.00
Advertisement Receipts	85,070.50
Interest on Salary Advance	981,791.86
Other Receipts	10,475.53
PRAGATHI BHANDU PROGRAM	
BHORUKA CENTRE FOR RURAL EXCELLENCE	
Contribution Received for Training	2,546,018.00
Institutional charges collected	8,520.00
Other Receipts	148,209.50
Training fee collected	72,650.00
MAHILA JNANA VIKASA TRAINING CENTRE	
Institutional charges Collected	309,046.00
SKDRDP SIDBI SCHOOL FOR MICRO FINANCE	
Training Course fee collection	27,000.00
SAMPOORNA SURAKSHA PROGRAMME	
Other Receipts	20,000.00
Miscellaneous Income	970,883.00
Interest on Salary Advance	910.00
	5,591,575.39

SCHEDULE 3**BANK INTEREST**

RURAL DEVELOPMENT PROJECT	1,791,291.28
PRAGATHI BHANDU PROGRAM	9,675,708.00
Interest on Fixed Deposit	9,596,137.68
CAPART PROJECT , DHARWAD	2,529.00
MAHILA JNANA VIKASA TRAINING CENTRE	5,842.00
SIDBI MICRO CREDIT PROJECT	458.00
SKDRDP SIDBI SCHOOL FOR MICRO FINANCE	3,688.00
SWARNA JAYANTHI GRAMA SWAROJAR YOJANA	911.65
JALA SAMVARDHANA YOJANA SANGHA	9,395.00
BHORUKA CENTRE FOR RURAL EXCELLENCE	9,104.00
SRI PROJECT	74,127.00
SAMPOORNA SURAKSHA PROGRAMME	410,959.00
	21,580,150.61

SCHEDULE 4**RURAL DEVELOPMENT PROJECT**

Agricultural Development Program	5,649,229.00
Agriculture Extension Program	1,717,571.50
Colony Developmental Program	798,441.00
Dairy Development program	466,165.00
Destitute Aid Program	4,613,100.00
Environment Protection Program	374,110.00
Floride Water Unit	1,010,352.00
Gobar Gas Installation	2,912,000.00
House Construction	142,968,117.36
Irrigation System	78,554.00
Jalanayana Program	45,000.00
Jana Jagruthi Program	479,711.00
Jeevanadhama Program	17,500.00
Jnana Vikasa Mahila Program	12,743,527.50
Kissan Mela	4,674,626.00
Natural Calamity	154,700.00
Pragathi Bhandu Program	1,697,368.00
Presidents special Program: Development expenditure	2,355,747.00

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	₹
Suraksha Programme	9,240,478.00
Watershed Development	415,526.00
Well Construction	54,700.00
Plant Distribution	1,033,955.00
Training	429,814.75
Skill Training	372,711.00
Staff Training	560,461.50
Stake Holders Training	861,016.00
Study Tour	7,850.00
Vermi Compost Training	195,732,331.61

SCHEDULE 5 **COMMUNITY DEVELOPMENT PROGRAM**

Jnana Deepa Education Program	17,213,866.00
Grama Kalyana Yojana	7,298,651.50
Hindu Crematorium Development Programme	1,148,417.00
Compensation for Natural Calamities	466,000.00
Kamadhenu programme	705,879.00
Navachethana programme	472,464.00
Sujnananidhi	16,252,708.00
Sanitation Unit construction	332,500.00
	43,890,485.50

SCHEDULE 6 **ADMINISTRATIVE - RURAL DEVELOPMENT PROJECT**

Salary and Allowances	19,931,365.00
Printing and Stationery	17,242,584.90
Postage and Telephone	1,307,743.78
Miscellaneous	2,138,833.50
Rent & Repairs	19,025,155.65
Vehicle Maintenance	533,985.22
Audit Fees	163,986.00
	60,343,654.05

SCHEDULE 7 **ADMINISTRATIVE - PRAGATHI BHANDU PROGRAM**

Salary and Allowances	259,752,748.00
Printing and Stationery	9,537,980.00
Postage and Telephone	2,435,600.00
Miscellaneous	8,628,568.23
Rent & Repairs	28,328,974.79
Vehicle Maintenance	6,015,819.43
Audit Fees	100,000.00
Bank Charges	1,300,582.90
Honorarium	15,325,800.50
Provision for Incentive payable to SHGs	50,000,000.00
Risk Fund	23,519,904.64
	404,945,978.49

SCHEDULE 8

MAHILAJNANA VIKASA TRAINING CENTRE

Salary and Allowances	752,904.00
Printing and Stationery	29,284.00
Postage and Telephone	16,401.00
Miscellaneous	48,140.00
Rent & Repairs	468,307.00
Training	857,822.00
	2,172,858.00

SCHEDULE 9

SKDRDP SIDBI SCHOOL FOR MICRO FINANCE

Printing and Stationery	1,320.00
Miscellaneous	100.00
Training	28,532.00
	29,952.00

SCHEDULE 10

JALA SAMVARDHANA YOJANA SANGHA

Salary and Allowances	3,710,671.00
Bank Charges	848.00
Field Visit	14,880.00
Audit charges	10,000.00
Household Survey	128,544.00
Training	27,255.00
	3,892,198.00

SCHEDULE 11**BHORUKA CENTRE FOR RURAL EXCELLENCE**

Salary and Allowances	1,551,109.50
Printing and Stationery	37,492.50
Postage and Telephone	49,207.00
Miscellaneous	129,338.00
Rent & Repairs	171,559.75
Training	3,784,856.75
	5,723,563.50

SCHEDULE 12**SRI PROJECT**

Salary and Allowances	1,236,000.00
Printing and Stationery	139,689.00
Bank Charges	225.00
AME Services and Support	200,000.00
Training	1,780,362.00
Farmers Identification	182,150.00
Supervision Cost	291,500.00
Travelling	168,000.00
	3,997,926.00

SCHEDULE 13**SAMPOORNA SURAKSHA PROGRAMME**

Salary and Allowances	4,899,413.00
Printing and Stationery	2,448,406.50
Postage and Telephone	297,975.00
Miscellaneous	98,636.00
Rent & Repairs	2,434,775.00
Vehicle Maintenance	182,491.55
Audit Fees	10,000.00
	10,371,697.05

SCHEDULE 14**DEPRECIATION WRITTEN OFF**

RURAL DEVELOPMENT PROJECT	20,924,961.00
PRAGATHI BHANDU PROGRAM	775,396.15
MAHILA JANANA VIKASA TRAINING CENTRE	89,103.00
SKDRDP SIDBI SCHOOL FOR MICRO FINANCE	19,255.00
BHORUKA CENTRE FOR RURAL EXCELLENCE	351,094.00
SRI PROJECT	148,800.00
SAMPOORNA SURAKSHA PROGRAMME	591,730.00
	22,900,339.15

SCHEDULE 15**OTHER LIABILITIES**

Accounts Payable	13,458,007.10
Suvidha Project	1,579,288,990.44
Risk Fund	22,648,602.28
SBI Reconciliation	8,089,270.00
Cattle Insurance Premium Payable	165,653.00
Staff Loan Recoveries Payable	47,783.00
Employee's Life Insurance Premium Payable	1,137.00
Micro Insurance Premium Payable	2,504,982.00
Niranthara Subscription - 2011-12	9,432,745.00
Insurance Incentive payable	5,200,000.00
Jana Deepa Programme	3,720.00
Security deposit	2,384.00
Staff PF Payable	4,100.00
Sampoorna Suraksha Subscription	348,891,688.90
Advance for Training	213,074.00
Float Fund : from ICICI	1,325.00
Membership Fee Payable	34,112,910.00
Incentive: SHGs	50,000,000.00
	2,074,066,371.72

SCHEDULE 16**GRANT PENDING FOR UTILISATION**

Infosys Foundation	1,144,505.00
Contribution for furniture	8,296,634.00
Flood Relief Fund	9,614,576.36
Organic Village program	323,545.50
Nabard SRI Grant	3,099,604.00
Kadoor ZP : Water Quality Test Program	500,000.00
Others	67,250.00
	23,046,114.86

SCHEDULE 17**TERM LOANS:****LOANS FROM COMMERCIAL BANKS**

Karnataka Bank Ltd	1,144,862,701.00
ING Vysya Bank Ltd	10,136,739.55
State Bank of Mysore	705,812,733.92
State Bank of Patiala	182,161,615.00
State Bank of India	316,960,713.94
Syndicate Bank	517,087,014.05
Vijaya Bank	1,607,059,276.00
Bank Of India	130,103,035.00
Canara Bank	952,969,100.00

Central Bank of India	₹	81,405,676.00
Corporation Bank		1,053,429,385.00
State Bank of Travancore		193,494,787.00
Union Bank of India		155,418,131.00
Karnataka Vikas Grammeena Bank		86,362,534.00
Nabard Equity Support		6,000,000.00
National Housing Bank		69,249,149.00
Pragathi Grammeena Bank		252,254,045.00
Tamilnadu Mercantile Bank		53.00
ii) LOAN FROM FINANCIAL INSTITUTIONS		
National Bank for Agriculture and Rural Development(NABARD)		126,039,224.00
Small Industries Development Bank of India		502,498,910.85
Department of Backward Class Development Corporation(DBCDC)		140,000,000.00
Industrial Development Bank of India (IDBI)		481,983,835.00
		8,715,288,658.31

SCHEDULE 18		
CAPITAL GRANT		
Syndicate Bank		144,950.00
SIDBI Flexi Grant		6,977,571.44
Mahila Jnana Vikasa Training Centre		1,041,456.00
Bhoruka Centre for Rural Excellence		126,700.00
Udupi Training Centre Land		14,100,000.00
		22,390,677.44
SCHEDULE 19		
CASH AND BANK BALANCES		
RURAL DEVELOPMENT PROJECT		121,527,377.52
PRAGATHI BHANDU PROGRAM		1,162,663,475.29
CAPART PROJECT, DHARWAD		56,370.50
MAHILA JNANA VIKASA TRAINING CENTRE		190,266.00
SIDBI- MICRO CREDIT PROJECT		2,023.02
SKDRDP SIDBI SCHOOL FOR MICRO FINANCE		146,281.46
SWARNA JAYANTHI GRAMA SWAROOGAR YOJANA		27,399.86
JALA SAMVARDHANA YOJANA SANGHA		436,620.00
SRI PROJECT		2,104,701.00
BHORUKA CENTRE FOR RURAL EXCELLENCE		39,505.00
SAMPOORNA SURAKSHA PROGRAMME		100,451,691.00
		1,387,645,710.65

SCHEDULE 20		
DEPOSITS		
Small Industries Development Bank of India		39,113,744.00
Vijaya Bank		20,000,000.00
Industrial Development Bank of India		65,370,400.00
Karnataka Grammeena Vikasa Bank		10,000,000.00
Karnataka Bank Ltd.		3,359,619.00
South Canara District Credit Co-operative Bank		10,000,000.00
State Bank of India		3,974,257.00
State Bank of Mysore		7,101,294.39
Union Bank of India		51,225,854.00
Vijaya Bank		2,822,755.00
Vijaya Bank		60,297,331.00
		273,265,254.39

SCHEDULE 21		
ADVANCES		
Deposits with others		5,644,020.00
Accounts Receivable		8,449,323.50
Staff: Vehicle Loan		4,801,197.50
Siri Dharmashala		25,325,107.31
Others		3,522,348.46
Tds Receivable		6,728,753.28
Bank Interest Receivable		338,048.00
President Special Program		3,828,224.00
Swayam Nirman Program		1,852,087.00
Building Rent		440,287.00
Printing & Stationary 2011-12		2,033,591.00
Hospitals		21,069,907.00
		84,032,894.05

SCHEDULE 22: FIXED ASSETS								Amt in Rs.	
NAME OF THE ASSET	RURAL DEVELOP- MENT PROJECT	PRAGATHI BHANDU PROGRAM (MICRO FINANCE)	SAMPOORNA SURAKSHA PROJECT	CENTRE FOR RURAL EXCELLANCE	SKDRDP-SIDBI SCHOOL FOR MICRO FINANCE	DHARWAD TRAINING CENTRE	SYSTEM RICE INTENCIFICATI ON PROJECT	GRAND TOTAL	
Furniture & Fixtures	20,547,811.67	2,085,368.50	278,207.00	669,823.00	116,042.78	103,423.10		23,800,676.05	
Typewriter	575.52							575.52	
Building	35,739,827.84			760,831.00				36,500,658.84	
Computers	2,603,475.90	1,293.11	119,777.00	121,068.00	3,831.41	20,376.00	99,200.00	2,969,021.42	
Cycles	1,401,741.43					2,088.50		1,403,829.93	
Cooler Machine	19,066.00			2,097.00				21,163.00	
Digital Camera	179,142.15			6,868.00		3,994.00		190,004.15	
Jeep/Vehicles	16,833,218.52		303,025.00					17,136,243.52	
Fax Machine	224,479.57	25,349.92	66,248.00		2,728.04			318,805.53	
Stabilizer	498.60							498.60	
Generator	2,121,948.77			5,664.00				2,127,612.77	
Mike set	49,748.01							49,748.01	
Xerox Machine	504,154.39							504,154.39	
Sewing Machine	15,774.71					215,376.00		231,150.71	
Fan	200,710.73							200,710.73	
Telephone Set	209,133.12		4,627.00	12,725.00				226,485.12	
Utensils	1,642,916.10							1,642,916.10	
Projector	75,735.75			17,301.00		41,596.00		134,632.75	
Gas Stove	2,883,065.78	3,044,560.38						5,927,626.16	
Bus	711,682.40							711,682.40	
Mobile Computing device	4,876,680.00							4,876,680.00	
Aquaguard	30,716.25			3,315.00				34,031.25	
Software			210,058.00					210,058.00	
Library Books				7,790.00	1,197.00			8,987.00	
Radio	4,814.30			1,044.00				5,858.30	
Tele-vision				4,745.00				4,745.00	
Scanner Machine			1,155.00					1,155.00	
Machinery	243,031.00							243,031.00	
TOTAL	91,119,948.51	5,156,571.91	983,097.00	1,613,271.00	123,799.23	386,853.60	99,200.00	99,482,741.25	

SHRI KSHETHRA DHARMASTHALA RURAL DEVELOPMENT PROJECT®

PROVISIONING FOR THE YEAR 2010-11

Norms of Provisioning

Overdues	Provisioning Rate	Existing Overdues	Portfolio Outstanding	Provision amount
1 to 90 days	Nil	R. 547,656.00	R. 5,803,511.00	R. -
beyond 90 days	100%	8,702,479.00	19,146,967.00	19,146,967.00
Standard Assets	0.50%		9,406,422,923.30	47,032,114.62
Total Provisioning required				66,179,081.62
Provision in the last Balance Sheet				47,904,019.51
Less: Principle Write off during the year				363,399.00
Net Provision available				47,540,620.51
Additional Provision to be made				18,638,461.11

AS PER OUR REPORT OF EVEN DATE

FOR RAO & BASRI
CHARTERED ACCOUNTANTS

Date: 6-11-11
Place: Dharwad

TRUSTEE

TRUSTEE

PRESIDENT

(K PRAKASH BASRI)
PARTNER

FIRM NUMBER 5523S

M. No. 180740