

## **N R S M & ASSOCIATES**

**Chartered Accountants**

Firm Regd. No. 311037E



Old Usha Co. Godown Campus  
Meria Bazar, Buxi Bazar  
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### **INDEPENDENT AUDITORS REPORT**

We have audited the accompanying Financial Statements of GRAM VIKAS, a public charitable society registered under Societies Registration Act, 1860, ("the Society") comprising of Balance Sheet as at 31<sup>st</sup> March, 2016, Income and Expenditure Account and the Receipt and Payment Account for the year then ended and a summary of significant accounting policies and other explanatory information

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management of GRAM VIKAS are responsible for maintenance of adequate accounting records for safeguarding the Assets and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the financial position, financial performance of the organization.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting Audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit report as per the provisions of the Act. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the organisation for the year ended as on 31.03.2016 subject to our following observation:

**Emphasis on Matters:** During the financial year 2015-16, the organization received a sum of Rs.4,39,93,264.00 towards redemption of Mutual Fund Unit Certificates and the same amount was transferred to various Trusts/ Organisations having 12AA registration. This amount has not been reflected in the Income and Expenditure account. Since the recipient Trusts/ Organisations are having 12AA registration and the amount received and the amount transferred are same, the non-reflection of the said amount in the Income and Expenditure Account shall not have any material impact on the income and application of the organization for the year 2015-16.

**Other Matters:** NIL

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**



- a. 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 of the aforesaid financial statements;
- b. in our opinion proper books of account as required by law relating to preparation of the Financial Statements have been kept by the organization so far as it appears from our examination of those books;
- c. the Balance Sheet, Income and Expenditure Account and the Receipt & Payment Account dealt in this report are in agreement with the relevant books of account maintained for the preparation of the Financial Statements subject to our observations mentioned under para emphasis on other matters;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards to the extent applicable to the organization.
- e. In our opinion, the organisation has utilized the proceeds of the grants only for the purposes for which it was received and is in accordance with the respective grant agreement.

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Account and the Receipt & Payment Account give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to our observations mentioned under para emphasis on other matters :

- (i) in the case of the Balance Sheet of the state of affairs of the said organisation as at 31.03.2016 ;
- (ii) in the case of the Income and Expenditure Account, of the excess of Expenditure over Income for the year ended on 31.03.2016 and ;
- (iii) in the case of the Receipt and Payment Account of the Receipts and Payments for the year ended 31.03 2016.

PLACE: CUTTACK

DATE: 22.07.2016

FOR. N R S M & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Regd. No: 311037E



[ N. R. RAY / FCA  
PARTNER  
M. No. 055448

A handwritten signature in blue ink, appearing to be "N. R. Ray", written over the typed name and partner information.



## GRAM VIKAS

### BALANCE SHEET AS AT 31st MARCH 2016

Particulars	Sch.	As at 31.03.2016 (in Rupees)	As at 31.03.2015 (in Rupees)
<b><u>LIABILITIES</u></b>			
General Fund	I	41,70,90,731	41,64,36,149
Project Funds	I	1,93,20,803	6,48,88,921
Dairy Development Fund		1,80,551	1,62,551
Other Funds	II	12,09,95,834	12,09,72,711
Current Liabilities and Provisions	III	13,66,250	11,36,004
		55,89,54,169	60,35,96,336
<b><u>ASSETS</u></b>			
Fixed Assets	IV	11,32,38,422	9,72,68,677
Investments	V	21,66,82,061	20,03,23,634
Current Assets	VI	22,90,33,686	30,60,04,025
		55,89,54,169	60,35,96,336

As per report of even date  
For N R S M & Associates  
Chartered Accountants

(CA Nalini Ray)  
Partner  
Mem. No. 055448



Joe Madiath  
(Joe Madiath)  
Chairman

R. Sankar  
(R. Sankar)  
Treasurer

(Debiprasad Mishra)  
Executive Director

Camp : Bhubaneswar  
Date : 22.07.2016



## GRAM VIKAS

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Year ending 31.03.2016 (in Rupees)	Year ending 31.03.2015 (in Rupees)
<b><u>INCOME</u></b>		
Grants in Aid	13,91,56,307	20,03,09,022
Interest Income	99,70,907	1,32,62,777
Income from Investments	1,85,87,201	3,14,11,600
Profit on sale of Assets	86,682	1,98,266
Contributions	7,50,461	16,79,703
Reimbursements	12,24,611	27,23,124
Miscellaneous Income	27,34,752	12,34,737
<b>Total</b>	<b>17,25,10,921</b>	<b>25,08,19,229</b>
<b><u>EXPENDITURE</u></b>		
<b><u>Relief of the Poor, Education, Medical Relief &amp; Preservation of Environment</u></b>		
Education & Empowerment	3,74,15,255	88,20,469
Community Health	23,868	3,66,607
Rural Sanitation & Drinking Water Supply Systems	9,51,35,639	10,47,79,421
Natural Resources Management	83,36,020	1,13,61,059
Sustainable Livelihood Programmes	32,88,131	64,22,720
Livelihood Enabling Rural Infrastructure	3,98,85,297	5,88,85,708
Technology Development and Demonstration	-	8,10,176
Programme Planning, Documentation & Dissemination	42,45,795	58,96,034
Programme Coordination & Monitoring	1,29,92,920	1,45,06,958
Grants	23,04,584	21,42,908
Depreciation	1,37,96,948	82,68,235
<b>Total</b>	<b>21,74,24,457</b>	<b>22,22,60,295</b>
<b>Excess of Expenditure over income</b>	<b>4,49,13,536</b>	<b>(2,85,58,934)</b>

As per report of even date  
For N R S M & Associates  
Chartered Accountants

( CA Nalini Ray )  
Partner  
Mem. No. 055448

Camp : Bhubaneswar  
Date : 22.07.2016



*Joe Madiath*  
( Joe Madiath )  
Chairman

*R. Sankar*  
( R. Sankar )  
Treasurer

*Debiprasad Mishra*  
( Debiprasad Mishra )  
Executive Director




**GRAM VIKAS**


**RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016**


Particulars	Year ending 31.03.2016 (in Rupees)	Year ending 31.03.2015 (in Rupees)
Opening Cash & Bank Balances	1,73,34,711	1,83,30,733
<b>RECEIPTS</b>		
Grants in Aid	13,43,10,750	19,72,21,707
Interest Income	1,05,54,512	1,51,52,018
Income from Investments	1,50,68,877	2,71,16,565
Contributions	6,97,968	16,79,703
Reimbursements	12,75,780	26,56,518
Miscellaneous Income	24,47,500	12,01,041
Sale of assets	1,10,000	2,75,000
Water Towers & Water Supply Systems receipts	49,67,441	1,45,26,081
Stock, Spares & Stores realised	6,61,520	30,27,697
Investments, Bonds and Mutual Funds realised	5,26,65,000	5,22,74,048
Fixed Deposits realised	5,28,25,108	10,18,79,400
Programme advances realised	1,14,92,224	2,15,44,750
Capital Expenditure advances realised	2,19,69,195	-
Other Advances & receivables realised	5,73,063	8,72,474
Total	30,96,18,938	43,94,27,002
<b>PAYMENTS</b>		
<u>Relief of the Poor, Education, Medical Relief &amp; Preservation of Environment</u>		
Social Education & Empowerment	3,74,12,475	88,48,891
Community Health	23,868	3,66,482
Rural Sanitation & Drinking Water Supply Systems	9,50,87,226	10,46,78,682
Natural Resources Management	83,04,792	1,12,93,119
Sustainable Livelihood Programmes	32,88,131	64,22,720
Livelihood Enabling Rural Infrastructure	3,98,08,107	5,88,65,301
Technology Development & Demonstration	-	8,10,176
Programme Planning, Documentation & Dissemination	42,44,570	59,00,729
Programme Coordination & Monitoring	1,31,97,999	1,44,05,668
Grants & Donations	23,04,584	21,42,908
Capital Expenses	2,97,90,011	4,14,70,505
CWIP advances	-	49,25,005
Water Towers & Water Supply Systems - Govt.	79,64,299	5,23,43,731
Other Programme Advances	15,08,737	-
Investments, Bonds and Mutual Funds	5,21,73,427	1,55,22,846
Fixed Deposits	2,36,65,094	11,21,67,050
Other Advances & payables paid	8,30,330	2,59,211
Total	31,96,03,650	44,04,23,024
Closing Cash & Bank Balances	<u>73,49,999</u>	<u>1,73,34,711</u>

As per report of even date  
For **N R S M & Associates**  
Chartered Accountants

  
( CA Nalini Ray )  
Partner  
Mem. No. 055448

  
( Joe Madiath )  
Chairman

  
( R. Sankar )  
Treasurer

  
( Debiprasad Mishra )  
Executive Director

Camp : Bhubaneswar  
Date : 22.07.2016



**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2016**

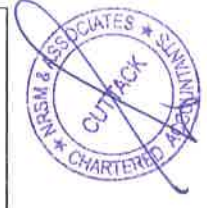
<b>GENERAL FUNDS</b>		<b>SCHEDULE - I</b>	
Particulars	As at 31.03.2016 (in Rupees)	As at 31.03.2015 (in Rupees)	
Opening Balance	48,13,25,070	45,27,66,136	
Less: Excess of Expenditure over income	4,49,13,536	(2,85,58,934)	
	<u>43,64,11,534</u>	<u>48,13,25,070</u>	
Less : Project Funds	1,93,20,803	6,48,88,921	
Net General Fund	<u><u>41,70,90,731</u></u>	<u><u>41,64,36,149</u></u>	

<b>OTHER FUNDS</b>		<b>SCHEDULE - II</b>	
Particulars	As at 31.03.2016 (in Rupees)	As at 31.03.2015 (in Rupees)	
Shelter Subsidy Fund	7,28,57,068	7,28,57,068	
Housing Revolving Fund	7,50,000	7,50,000	
Drinking Water Subsidy Fund	46,21,480	47,41,390	
SHG Revolving Fund	11,00,000	11,00,000	
Arghyam Water Revolving fund	1,21,15,478	1,21,15,478	
Housing Loan Subsidy Fund	2,28,98,258	2,28,98,258	
G.V.Employees Welfare Fund	16,24,177	16,27,510	
Health Assurance Fund	14,55,045	14,76,025	
Sinking Fund for Vehicles	35,74,328	34,06,982	
	<u>12,09,95,834</u>	<u>12,09,72,711</u>	

<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>SCHEDULE - III</b>	
Particulars	As at 31.03.2016 (in Rupees)	As at 31.03.2015 (in Rupees)	
Advance for sale of assets	2,47,231	1,96,169	
Outstanding Expenses	6,00,913	6,25,243	
Village Committee Water & Sanitation Program Payables	44,509	29,408	
Supplier/Party Payables	62,421	42,559	
Other payables	4,11,176	2,42,625	
	<u>13,66,250</u>	<u>11,36,004</u>	



GRAM VIKAS																					
FIXED ASSETS AS AT 31.03.2016																					
Particulars	Gross Block						Depreciation						Net Block								
	Original cost as on 01.04.15		Additions during the year (> 6 months)		Additions during the year (< 6 months)		Deletions during the year		Total as on 31.03.16		Till 31.03.15		For the year		Total as on 31.03.16		W.D.V as on 31.03.16		W.D.V as on 31.03.15		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rate	Amount (> 6 months)	Rate	Amount (< 6 months)	Rs.	%	Rs.	%	Rs.	Rs.	Rs.	Rs.	
Land	65,57,905	-	-	-	-	65,57,905	-	0%	-	0%	-	-	-	-	-	-	-	65,57,905	-	65,57,905	-
Leasehold Property *	3,99,812	-	-	-	-	3,99,812	-	1%	3,998	0.5%	-	-	-	-	-	-	-	3,11,928	-	3,11,928	-
Buildings	10,62,71,197	13,85,222	12,64,916	-	10,89,21,335	4,21,89,567	-	10%	65,46,685	5%	63,246	-	-	-	-	-	-	6,01,21,837	-	6,40,81,630	-
Work-in-Progress	1,13,57,593	4,17,152	1,59,668	-	1,19,34,413	-	-	0%	-	0%	-	-	-	-	-	-	-	1,19,34,413	-	1,13,57,593	-
Vehicles	1,05,03,188	9,22,902	5,43,000	4,24,237	1,15,44,853	77,88,083	(4,00,919)	15%	5,42,204	7.5%	40,725	-	-	-	-	-	-	35,74,760	-	27,15,105	(23,318)
Electrical Fittings	10,28,193	2,44,400	13,132	-	12,85,725	7,99,357	-	10%	47,324	5%	657	-	-	-	-	-	-	4,38,387	-	2,28,836	-
Furniture & Fittings	45,75,449	26,102	1,71,077	-	47,72,628	19,91,427	-	10%	2,61,013	5%	8,554	-	-	-	-	-	-	25,11,634	-	25,84,022	-
Computer & Peripherals	19,86,766	11,64,425	11,68,925	-	43,20,116	8,82,275	-	60%	13,61,350	30%	3,50,678	-	-	-	-	-	-	17,25,813	-	11,04,491	-
Equipments	2,49,84,628	2,19,84,740	3,24,350	-	4,72,93,718	1,66,90,180	-	15%	45,41,879	7.5%	24,327	-	-	-	-	-	-	2,60,37,332	-	82,94,448	-
Cycles	1,17,410	-	-	-	1,17,410	88,689	-	15%	4,308	7.5%	-	-	-	-	-	-	-	24,413	-	28,721	-
	16,77,82,141	2,61,44,943	36,45,068	4,24,237	19,71,47,915	7,05,13,464	(4,00,919)		1,33,08,761		4,88,187							11,32,38,422		9,72,68,677	(23,318)
* Depreciation has been charged on Straight Line Method																					





**INVESTMENTS****SCHEDULE -V**

(Valued at Cost)

Particulars	As at	As at
	31.03.2016 (in Rupees)	31.03.2015 (in Rupees)
Investments in :		
Fixed Deposits	7,02,11,238	3,47,91,238
RBI Bonds (8% Taxable)	4,00,00,000	6,00,00,000
Mutual Funds	10,64,70,823	10,55,32,396
	<u>21,66,82,061</u>	<u>20,03,23,634</u>

**CURRENT ASSETS****SCHEDULE -VI**

Particulars	As at	As at
	31.03.2016 (in Rupees)	31.03.2015 (in Rupees)
<u>Programme Advances</u>		
Project Advances	4,40,18,895	5,54,15,510
Water Tower & Water Supply System Advances	6,01,96,642	5,72,68,658
Jeet Fly Ash products	11,01,875	
S.R.Distributors	1,80,000	
Subhadra Consultants	50,000	
	<u>10,55,47,412</u>	
<u>Advance towards Capital WIP</u>		
Solar power pack advances - Thrive Technologies	-	2,19,09,250
Casa Infratech Pvt Ltd. (Aryans & Utkal Build.payment)	-	59,945
DLF Cybercity, Bhubaneswar	1,01,56,707	1,01,56,707
PGL Furnitures Pvt. Ltd.	1,13,930	1,13,930
	<u>1,02,70,637</u>	
TDS Deducted & Receivable	2,37,49,154	1,70,71,273
Service Tax Receivable	6,25,943	-
Rent Receivable	83,600	-
Sundry Advances	46,663	1,56,252
Deposits	2,53,079	2,51,026
Receivables	9,70,642	10,37,125
Interest Accrued on Deposits & Bonds	2,08,41,146	1,94,16,025
Stock, Spares & Stores	6,21,857	11,30,045
<u>Cash and bank balances</u>		
Cash on hand	12,336	66,116
Cash at Bank :		
In fixed Deposits with banks	5,86,73,554	10,46,83,568
In Savings Bank	73,37,663	1,72,68,595
	<u>6,60,23,553</u>	
	<u>22,90,33,686</u>	<u>30,60,04,025</u>



## GRAM VIKAS

MOHUDA, BERHAMPUR - 760 002, ODISHA

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016.

1. Mercantile system of accounting is being followed for recording the transactions and is consistent throughout the financial year.

The Accounts of GRAM VIKAS are prepared under historical cost convention method and on going concern concept. Items of Income and Expenses are accounted for on accrual basis unless for the cases where there is specific grant condition to make provision for the expenses and is as per the generally accepted accounting principles and practices and Accounting Standards issued by the Institute of Chartered Accountants of India for NGOs, where applicable, except otherwise stated.

2. The stock and stores have been valued, verified and certified by the management as per generally accepted accounting principles. The Management had valued the stock and stores at cost.
3. Depreciation has been charged on the fixed assets on the historical cost and also on the fixed assets acquired and put into use during the year.

**a) Fixed Assets & Depreciation:**

- i) Fixed Assets are stated at cost less depreciation. Cost includes all the expenses incurred to bring the assets to its present location and condition.
- ii) Depreciation on fixed assets is calculated as per written down value method on the basis of rates prescribed under the Income Tax Act, 1961. For Assets put to use for less than 180 days during the previous year 50% of the normal depreciation is provided. In other cases 100% depreciation is provided.



4. As per decision of management, the following funds have been created for specified purposes stated below for strengthening the organisation goal.

Sl. No.	Details of Funds	Specified Purposes
a.	Health Assurance Fund	To meet the contingencies towards medical expenses of staff and volunteers.
b.	Sinking Fund for Vehicles	To meet the contingencies towards the first party assurance for vehicles.
c.	G.V.Employees' Welfare Fund	For support and relief in the event of emergence needs of the staff.

5. "Project funds" consists of funds received in advance and unutilised portion of funds received for various on-going projects.

**b) Revenue Recognition:**

- i) Grants received from funding agencies are accounted on receipt basis.
- ii) Other Income generated is accounted for on receipt basis.

**c) Transactions in Foreign Currency:** Grants received in foreign currency after conversation into Indian rupees have been accounted at the rate as per the advice received from the bankers.


6. Investments in mutual funds have been valued at cost. However, the present values of such investments are not ascertained at the end of the financial year as all the investments are held on long term basis. Profit / Loss on investments are recognised in the accounts on realisation basis only.

7. Project Advances under Current Assets represent advances given to various Gram Vikas field projects across Orissa remaining unsettled as on 31.03.2016 and it includes project cash and bank balances, project stock and field programme advances for implementation of programmes at field level.




8. Previous year figures have been regrouped and/or reclassified / rearranged where ever considered necessary to confirm current year's presentation.

As per report of even date  
For N R S M Associates  
Chartered Accountants



( CA N R Ray )  
Partner  
M. No. 055448



( Joe Madiath )  
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Camp : Bhubaneswar  
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