

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

**Chartered Accountants**

Firm Regd. No. 311037E



Old Usha Co. Godown Campus  
Meria Bazar, Buxi Bazar  
Cuttack, Odisha – 753001  
Tel, FAX: 0671-2430605  
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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, 2017, Income and Application Account and the Project Fund 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 31.03.2017 subject to our following observation:

Emphasis on Matters: NIL

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 Application Account and the Project Fund Account dealt in this report are in agreement with the relevant books of account maintained for the preparation of the Financial Statements.
- 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 Application Account and the Project Fund 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 31.03.2017 ;
- (ii) in the case of the Income and Application Account, of the excess of Income over Application for the year ended on 31.03.2017 and ;
- (iii) in the case of the Project Fund Account of the of the Project Funds for the year ended 31.03 2017.

PLACE: CUTTACK

DATE: 29.07.2017

FOR. N R S M & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Regd. No: 311037E



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

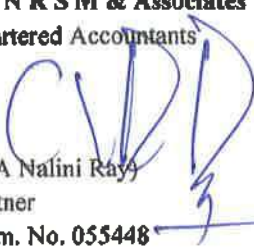
A handwritten signature in blue ink, appearing to be "N. R. Ray", written over the printed name and next to the circular stamp.

# GRAM VIKAS


## BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Sch.	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)
<b>LIABILITIES</b>			
General Fund	I	33,13,71,863	32,07,46,935
Project Funds	II	6,45,90,660	24,02,859
Capital Asset Fund	III	10,39,22,672	11,32,61,740
Dairy Development Fund		1,80,551	1,80,551
Other Funds	IV	12,13,92,344	12,09,95,834
Current Liabilities and Provisions	V	26,38,664	13,66,250
		<u>62,40,96,754</u>	<u>55,89,54,169</u>
<b>ASSETS</b>			
Fixed Assets	VI	10,37,52,090	11,32,38,422
Investments	VII	21,90,03,631	21,66,82,061
Current Assets	VIII	30,13,41,033	22,90,33,686
		<u>62,40,96,754</u>	<u>55,89,54,169</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 : 29.07.2017



**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2017**

<b>GENERAL FUNDS</b>		<b>SCHEDULE - I</b>	
Particulars	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)	
Opening Balance	32,07,46,935	42,17,74,553	
Add: Excess of Income over Application	1,21,17,680	(30,64,786)	
Add: Prior Year adjustments - Depreciation	34,544	-	
Less: Interest income reported to donor agencies	1,85,981	6,94,155	
Less: Project receivables reimbursed	13,41,315	-	
Less: Transferred to Capital Asset Fund	-	9,72,68,677	
<b>Net General Fund</b>	<b>33,13,71,863</b>	<b>32,07,46,935</b>	

<b>PROJECT FUNDS</b>		<b>SCHEDULE - II</b>	
Particulars	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)	
Opening Balance	24,02,859	5,90,01,322	
Add: Project funds received	11,22,45,811	13,33,83,923	
Add: Bank Interest earned on project funds (Donor agency)	1,85,981	6,94,155	
Add: Receivables from OSDMA, Bhubaneswar - ODRP	4,31,40,996	-	
Add: TDS receivables	20,92,932	48,45,557	
Add: Donor Projects receivables reimbursed	13,41,315	-	
Less : Project Expenses	9,68,19,234	19,55,22,098	
	<b>6,45,90,660</b>	<b>24,02,859</b>	

<b>CAPITAL ASSET FUND</b>		<b>SCHEDULE - III</b>	
Particulars	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)	
Tranferred from General Fund	11,32,61,740	9,72,68,677	
Add: Assets purchased during the year	34,15,720	2,97,90,011	
Less: Depreciation for the year 2016-17	1,27,54,788	1,37,96,948	
	<b>10,39,22,672</b>	<b>11,32,61,740</b>	



**OTHER FUNDS****SCHEDULE - IV**

Particulars	As at	As at
	31.03.2017	31.03.2016
	(in Rupees)	(in Rupees)
Arghyam Water Revolving fund	1,21,15,478	1,21,15,478
Sustainability & Maint. Rev. fund for Chlorinaotors	5,30,000	-
G.V.Employees Welfare Fund	17,69,100	16,24,177
Health Assurance Fund	13,95,861	14,55,045
Sinking Fund for Vehicles	37,40,124	35,74,328
Shelter Subsidy Fund	7,28,57,068	7,28,57,068
Housing Revolving Fund	7,50,000	7,50,000
Drinking Water Subsidy Fund	42,36,455	46,21,480
SHG Revolving Fund	11,00,000	11,00,000
Housing Loan Subsidy Fund	2,28,98,258	2,28,98,258
	<u>12,13,92,344</u>	<u>12,09,95,834</u>

**CURRENT LIABILITIES & PROVISIONS****SCHEDULE - V**

Particulars	As at	As at
	31.03.2017	31.03.2016
	(in Rupees)	(in Rupees)
Advance for sale of assets	2,70,126	2,47,231
Outstanding Expenses	6,13,163	6,00,913
Village Committee Water & Sanitation Program Payables	6,37,680	44,509
Supplier/Party Payables	62,421	62,421
Project Recoveries to be written back	6,50,281	-
Other payables	4,04,993	4,11,176
	<u>26,38,664</u>	<u>13,66,250</u>





GRAM VIKAS														
FIXED ASSETS AS AT 31.03.2017														
Particulars	Original cost as on 01.04.16	Gross Block						Depreciation						Net
		Additions during the year - (> 6 months)		Additions during the year - (< 6 months)		Deletions during the year	Total as on 31.03.17		For the year		Total as on 31.03.17		W.D.V as on 31.03.17	
		Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rate	Amount (> 6 months)	Rate	Amount (< 6 months)		
Land	65,57,905	-	10,858	-	65,68,763	-	-	0%	-	0%	-	-	-	65,68,763
Leasehold Property *	3,99,812	-	-	-	3,99,812	-	87,884	1%	3,998	0.5%	-	-	91,882	3,07,930
Buildings	10,89,21,335	-	-	1,81,808	10,87,39,527	4,87,99,498	(34,544)	10%	59,97,458	5%	-	-	5,47,62,412	5,39,77,115
Work-in-Progress	1,19,34,413	5,905	-	-	1,19,40,318	-	-	0%	-	0%	-	-	-	1,19,40,318
Vehicles	1,15,44,853	-	63,168	-	1,16,08,021	-	79,70,093	15%	5,36,214	7.5%	4,738	85,11,045	30,96,976	
Electrical Fittings	12,85,725	17,173	27,685	-	13,30,583	-	8,47,338	10%	45,556	5%	1,384	8,94,278	4,36,305	
Furniture & Fittings	47,72,628	84,738	2,31,951	-	50,89,317	-	22,60,994	10%	2,59,638	5%	11,598	25,32,230	25,57,087	
Computer & Peripherals	43,20,116	11,14,000	5,91,100	-	60,25,216	-	25,94,303	60%	17,03,888	30%	1,77,330	44,75,521	15,49,695	
Equipments	4,72,93,718	1,13,834	11,55,308	-	4,85,62,860	-	2,12,56,386	15%	39,22,675	7.5%	86,649	2,52,65,710	2,32,97,150	
Cycles	1,17,410	-	-	-	1,17,410	-	92,997	15%	3,662	7.5%	-	96,659	20,751	
	19,71,47,915	13,35,650	20,80,070	1,81,808	20,03,81,827	8,39,09,493	(34,544)		1,24,73,089		2,81,699	9,66,29,737	10,37,52,090	
* Depreciation has been charged on Straight Line Method														



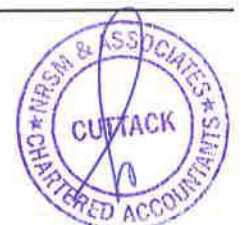
**INVESTMENTS****SCHEDULE -VII**

(Valued at Cost)

Particulars	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)
Investments in :		
Fixed Deposits	5,02,60,000	7,02,11,238
RBI Bonds (8% Taxable)	6,50,00,000	4,00,00,000
Mutual Funds	10,37,43,631	10,64,70,823
	<u>21,90,03,631</u>	<u>21,66,82,061</u>

**CURRENT ASSETS****SCHEDULE -VIII**

Particulars	As at 31.03.2017 (in Rupees)	As at 31.03.2016 (in Rupees)
<u>Programme Advances</u>		
Project Advances	77,21,500	1,53,62,515
Toilet & Bathing room Advances	5,20,94,509	2,86,56,380
Piped Water Supply System Advances - Net	7,52,81,510	6,01,96,642
Jeet Fly Ash products	1,49,210	11,01,875
S.R.Distributors	-	1,80,000
Subhadra Consultants	-	50,000
	<u>13,52,46,729</u>	
<u>Advance towards Capital WIP</u>		
DLF Cybercity, Bhubaneswar	1,13,16,228	1,01,56,707
PGL Furnitures Pvt. Ltd.	1,13,930	1,13,930
	<u>1,14,30,158</u>	
OSDMA, Bhubaneswar - ODRP Project receivables	4,31,40,996	-
TDS Deducted & Receivable	2,65,91,557	2,37,49,154
Service Tax Receivable	4,99,377	6,25,943
Rent Receivable	1,46,700	83,600
Siverpine Hospitality Pvt. Ltd.	14,91,111	-
Sundry Advances	2,28,566	46,663
Deposits	4,76,108	2,53,079
Receivables	16,18,283	9,70,642
Interest Accrued on Deposits & Bonds	39,77,124	2,08,41,146
Stock, Spares & Stores	4,67,505	6,21,857
<u>Cash and bank balances</u>		
Cash on hand	66,751	12,336
Cash at Bank :		
In fixed Deposits with banks	4,56,64,915	5,86,73,554
In Savings Bank	3,02,95,153	73,37,663
	<u>7,60,26,819</u>	
	<u>30,13,41,033</u>	<u>22,90,33,686</u>







## GRAM VIKAS

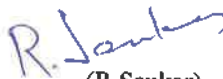
### INCOME AND APPLICATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

Particulars		Year ending 31.03.2017 (in Rupees)	Year ending 31.03.2016 (in Rupees)
<b><u>INCOME</u></b>			
Donations		5,15,400	9,26,827
Interest Income	78,89,182		92,76,752
Add: Interest income reported to donor agencies	<u>1,85,981</u>		<u>6,94,155</u>
		80,75,163	99,70,907
Income from Investments		2,35,32,798	1,87,57,638
Profit on sale of assets		-	86,682
Contributions		75,172	6,97,968
Reimbursements		24,59,320	12,77,104
Miscellaneous Income		38,42,391	27,34,752
Overhead recoveries from the projects		27,71,328	42,81,719
<b>Total</b>		<u>4,12,71,572</u>	<u>3,87,33,597</u>
<b><u>APPLICATION</u></b>			
<b><u>Application - Programme - Revenue</u></b>			
Social Education & Empowerment	Annex - 1	26,89,469	18,14,822
Community Health	Annex - 2	2,65,520	-
Rural Sanitation & Drinking Water Supply Systems	Annex - 3	1,42,40,006	52,11,483
Natural Resources Management	Annex - 4	12,80,933	7,07,283
Sustainable Livelihood Programmes	Annex - 5	7,61,306	-
Livelihood Enabling Rural Infrastructure	Annex - 6	6,35,606	4,20,481
Programme Planning, Documentation & Dissemination	Annex - 7	16,98,126	5,77,450
Programme Coordination & Monitoring	Annex - 8	72,95,260	60,78,713
<b><u>Application - Programme - Capital</u></b>			
Capital Expenses	Annex - 9	2,87,666	2,69,88,151
<b>Total</b>		<u>2,91,53,892</u>	<u>4,17,98,383</u>
<b>Excess of Income over Application</b>		<u>1,21,17,680</u>	<u>(30,64,786)</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 : 29.07.2017

Activities are under the limbs " Relief of the Poor, Education, Medical Relief & Preservation of Environment "

## GRAM VIKAS

MOHUDA, BERHAMPUR - 760 002, ODISHA

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.

1. Overview of the Society's Operations:

Gram Vikas is a voluntary non-partisan organisation working in partnership with marginalised people in rural and tribal areas in Orissa to help them attain a self-sufficient and dignified quality of life. Gram Vikas is involved in community development of communities and social transformation.

**Vision:**

*An equitable and sustainable society where people live in peace with dignity*

**Mission:**

*To promote processes, which are sustainable, socially inclusive, and gender equitable, to enable critical masses of poor and marginalized rural people or communities to achieve a dignified quality of life.*

2. Significant Accounting Policies:

2.1 **Basis of Accounting:** The Accounting Standards issued by the Institute of Chartered Accountants of India are applicable to non-profit entities only if any part of the activities of the entity is considered to be commercial, industrial or business in nature. The Society is not carrying on any activity in the nature of commercial, industrial or business. Therefore, the accounting Standards are not mandatory and have been followed to the extent of practicable or relevant. The Accounts of GRAM VIKAS are prepared under the historical cost convention and on going concern concept. Items of Income and Expenses are recorded and accounted for on accrual basis and is as per the Generally Accepted Accounting Principles and except stated otherwise. The accounting policies have been consistently applied by the Society.

2.2 **Revenue / Expenditure recognition:** All grants are accounted on receipt and expenditure and liabilities are recognised on accrual basis. In the case of a programme undertaken with the support of some government and other agencies, though the funds received against the bills raised on them as per the guidelines as underlined under a MoU, the same is reported as grant in view of the restriction on the expenditure and its nature as reimbursement of expenses.

The Society accepts grants from donor agencies towards implementation of various programmes for carrying out specific purposes of rural development which includes improvement in the lives of rural and tribal poor. These grants are to be spent in accordance with the directions of the donor agencies and Society cannot utilise these grants according to its own free-will. Unspent balances, if any, are to be transferred back to donor agency or to be dealt with in accordance with the instructions of donor agency.



Keeping in view the legal restrictions attached to the tied-up grants/restricted grants specified in the Grant Award, or MoU/working arrangements with the Society, such grants are accounted as Restricted Grants, in the nature of committed liability. Such grants do not form part of the income statement. However, details of receipts and application of such tied-up restricted grants are given in Schedule – 1 to the Balance sheet.

- 2.3. **Treatment of stock and stores:** 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.
- 2.4. **Treatment of Fixed Assets:** 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.

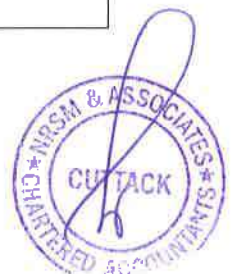
**Fixed Assets & Depreciation:**

- 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.

**Capital Asset Fund:** Acquisitions of assets, though, charged to the Funding Agency's grants, are retained in the books by creating Capital Asset Fund. Similarly, for assets acquisition is out of own funds, are also retained in the books by transferring to Capital Asset Fund. Depreciation charge is met from the Capital Asset Fund created. All assets are charged to Income and Application account are shown at a token value or capitalised by Creation of the Capital Asset Fund. However, all other assets are reflected at written down book value.

- 2.5. 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 emergent needs of the staff.



- 2.6. **"Project funds"** (restricted grant funds) consists of funds received in advance and unutilised portion of funds received for various on-going projects.
- a) **Transactions in Foreign Currency:** Grants are received in foreign currency by the bank under intimation to us and are converted at the rate as per the advice received from the bankers on issuance of the disposal instructions. After conversation into Indian rupees funds have been credited to our bank account and duly accounted for in the books of account.
- 2.7. **Treatment of Investments:** The entire investment portfolio is considered long-term by the Management and valued at cost. 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.
- 2.8. **Project Advances:** Project Advances under Current Assets represent advances given to various Gram Vikas field projects across Orissa remaining unsettled as on 31.03.2017 and it includes project cash and bank balances, project stock and field programme advances for implementation of programmes at field level.
- 2.9. 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 )  
Chairman

( Debiprasad Mishra )  
Executive Director

  
( R. Sankar )  
Treasurer

Camp : Mohuda  
Date : 29.07.2017

