

**Report of an Auditor Relating to Accounts Audited
under Sub-Section(2) of Section 33 & 34 and Rule 19 of the Bombay Public Trust Act
Registration No. 798-1984-GBSD-F 10200**

Name of the Public Trust: **SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES**
For the year ending **31st March, 2016**

(a)	Whether accounts are maintained regularly and in accordance with the provisions of the Act and the rules;	The books of Accounts have been maintained in the required manner and that such maintenance is in conformity with the applicable provisions of the Bombay Trust Act.
(b)	Whether receipts and disbursements are properly and correctly shown in the accounts;	The receipts and disbursements have been properly and correctly accounted in the Books of Account.
(c)	Whether the cash balance and vouchers in the custody of the manager or trustee on the date of audit were in agreement with the accounts;	The cash balance was physically verified on 31st March 2016 along with vouchers and the same was in agreement with the books.
(d)	Whether all books, deeds, accounts, vouchers or other documents or records required by the auditor were produced before him;	The required financial records and other related agreements, documents, evidences etc were made available for the audit.
(e)	Whether a register of movable and immovable properties is properly maintained, the changes therein are communicated from time to time to the regional office, and the defects and inaccuracies mentioned in the previous audit report have been duly complied	The Fixed Assets Register with all the relevant details like Nature of Asset, its Location, Source of purchase, Cost details, depreciation charged, details of assets sold was made available during audit.
(f)	Whether the manager or trustee or any other person required by the auditor to appear before him did so and furnished the necessary information required by him;	Yes The Manager, Trustee or any other person required by the auditor to appear before him did so and furnished the necessary information required during the course of audit.
(g)	Whether any property or funds of the Trust were applied for any object or purpose other than the object or purpose of the Trust;	To the best of our knowledge and based on the documents verified and information and explanations given to us, we did not notice usage of the property or the funds for any purpose other than for objects of the Trust.
(h)	The amounts of outstanding for more than one year and the amounts written off, if any;	The Trust advance funds for executing projects / Programmes and also to societies which are undertaken for the relief of poor. Such advances will be adjusted only on receipts of Grants and subsidies (including sales of Transferable Development Rights). Hence the advances, though outstanding for a period exceeding more than one year amounts to Rs.24,39,21674/-, have not been considered for write off. Hence the amounts written off during the year is NIL.
(i)	Whether tenders were invited for repairs or construction involving expenditure exceeding Rs. 5000/-;	The Trust as a policy undertakes Projects/repairs by awarding contracts to persons on self-negotiated basis to get the best beneficial rates. The Trust ensures that contracts are neither given to any person related to the Trustees (or) to persons who have in any manner failed to meet the obligations earlier.
(j)	Whether any money of the public trust has been invested contrary to the provisions of Section 35;	No. The funds have been invested only in the prescribed institutions or instruments.
(k)	Alienation's, if any, of the immovable property contrary to the provisions of Section 36 which have come to the notice of the auditor;	Not applicable since the Trust does not own any immovable property.



(l)	All cases of irregular, illegal or improper expenditure, or failure or omission to recover monies or other property belonging to the public trust or of loss or waste of money or other property thereof, and whether such expenditure, failure, omission,	Based on the books of account, documents, vouchers and other related records verified by us, we did not notice any irregular, illegal (or) improper expenditure.
(m)	Whether the budget has been filed in the form provided by rule 16A;	Yes. The Budget for the year 2016-17 was filed on 09.02.2016
(n)	Whether the maximum and minimum number of the trustees is maintained;	As per the Provisions of Clause 6.2 of Memorandum of Association of The Society the Governing Body will have Three members at the minimum and Ten members at the maximum. During the financial year Governing Body had six members. This confirms that the Society has maintained maximum /minimum numbers of Trustees.
(o)	Whether the meetings are held regularly as provided in such instrument;	The Trust has to meet Once in three months at the minimum in a year, and based on the Attendance Register and Minutes produced to us, the Trust has met 4 times during 2015-16 (09.06.2015, 30.08.2015, 23.11.2015 & 01.03.2016).
(p)	Whether the minute books of the proceedings of the meeting is maintained;	The Minutes book furnished to us for verification during our audit confirmed that minutes of meetings are maintained.
(q)	Whether any of the trustees has any interest in the investment of the trust;	Based on nature of investments made by the Trust and also based on the information and explanations furnished to us, the Trustees appear to have no interest in the investments made by the Trust.
(r)	Whether any of the trustees is a debtor or creditor of the trust;	None of the Trustees is either a creditor (or) debtor in the books of the Trust.
(s)	Whether the irregularities pointed out by the auditors in the accounts of the previous year have been duly complied with by the trustees during the period of audit;	Yes, The irregularities pointed out during the audit were rectified.
(t)	Any special matter which the auditor may think fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner.	NONE

Dated 20 June 2016 at Mumbai



FOR KRISHAAN & CO.

Chartered Accountants

Firm Reg.No.0014535

V. Krishnan
V. Krishnan
Partner

Mem.No.010970

SCHEDULE - IXC

(Vide Rule 32)

Statement of income liable to contribution for the year ending 31st March, 2016

Name of Public Trust : SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES

Registration No. 798-1984-GBBSD

	Rs.	Rs.
I. Income as shown in the Income and Expenditure Account		
Account (as per accounting policy consistently followed)		131,128,222
II. Items not chargeable to Contribution under Section 58 and		
Rules 32:		
(i) Donations received from other Public Trusts and Dharmadas (Annexure)	130,349,734	
(ii) Grants received from Government and Local authorities (Annexure)	358,082	
(iii) Interest on Sinking or Depreciation Fund		
(iv) Amount spent for the purpose of secular education		
(v) Amount spent for the purpose of medical relief		
(vi) Amount spent for the purpose of veterinary treatment of animals		
(vii) Expenditure incurred from donations for relief of distress caused by scarcity, drought, flood, fire or other natural calamity		
(viii) Deductions out of income from lands used for agricultural purposes -		
a) Land Revenue and Local Fund Cess		
b) Rent payable to superior landlord		
c) Cost of production, if lands are cultivated by trust		
(ix) Deductions out of income from lands used for non agricultural purposes -		
a) Assessment, cesses and other Government or Municipal Taxes		
b) Ground rent payable to the superior landlord		
c) Insurance premia		
d) Repairs at 10 per cent of gross rent of building		
e) Cost of collection at 4 per cent of gross rent of building let out		
(x) Cost of collection of income or receipts from securities, stocks, etc. at 1 per cent of such income		
(xi) Deductions on account of repairs in respect of buildings not rented and yielding no income, at 10 per cent of the estimated gross annual rent		
Gross Annual Income chargeable to contribution		420,406

Certified that while claiming deductions admissible under the above Schedule, the Trust has not claimed any amount twice, either wholly or partly, against any of the items mentioned in the Schedule which have the effect of double-deduction.

Trust Address:

Contribution @2%

8,408

Dated: 20th June 2016



(Signature)

Chartered Accountants
Auditors

Dated: 20th June 2016

(Signature)

Trustee



FUNDS AND LIABILITIES		RS.	RS.	PROPERTY AND ASSETS		RS.	RS.
Trusts Funds or Corpus:- Balance as per last Balance Sheet Adjustment during the year (give details)			1,885,959.00	Immovable Properties:- (At Cost)			NIL
				Investments (SCHEDULE I)		47,599,394.70	
				Fixed Assets (SCHEDULE II)		166,950.67	
Other Earned Funds:- (Created under the provisions of the trust deed or scheme or out of the Income) Depreciation Fund Sinking Fund Reserve Fund Any other Fund				Loans (Secured or Unsecured) : Good / Doubtful Loans Scholarships (SCHEDULE III A) Other Loans		287,776,540.82	
				Advances:- To Trustee (Against expenses) To Employees (Against expenses/salary) To Contractors To Lawyers To Others		105,107.42 NIL NIL NIL 13,061,356.29	
Loans (Secured or Unsecured):- From Trustees From Others (Residuary/Mobile Koshi)				Income Outstanding :- Rent Interest Other Income		NIL NIL 40,058,492.39 NIL	
Liabilities:- For Expenses For Sundry Credit Balances For Advances For Rent and Other Deposits Funder Balances				Cash and Bank Balances :- (a) In Current/Savings Account (SCHEDULE IV) (b) In Fixed Deposit Account (IV) (c) Cash Balance		21,959,754.95 104,427,990.00 43,649.16	126,431,395.11
Income and Expenditure Account:- Balance as per last Balance Sheet Less: Appropriation, if any Add(Less): Surplus/(Deficit) as per Income and Expenditure Account							
			22,790,682.34				
			251,563.39				
Total			515,199,237.40	Total		515,199,237.40	

As per true report of even date
FOR KRISHAAN & CO.
Chartered Accountants
Firm Reg. No. J014535
V/Krishnan
Partner (Mem. No. 010970)
Mumbai, Dated: 31/06/2016



Muralidhar
TRUSTEE

For Society for Promotion of Area Resource Centres

EXPENDITURE		INCOME		Rs.	Rs.
To Expenditure in respect of properties:-					
Rents, Taxes, Concessions	NIL	By Rent			NIL
Repairs and maintenance	NIL				
Salaries	NIL	By Interest			
Insurance	NIL	On Deposits			
Depreciation (by way of provision of adjustments)	NIL				
Other Expenses	NIL				
To Establishment Expenses	NIL				
To Remuneration to Trustees	903,792.00	On Income Tax Refund		216,897.00	
To Remuneration (in the case of a matn) to the head of the matn, including his household expenditure, if any	NIL	On Bank Accounts (Realised)		203,509.00	
To Legal Expenses	NIL				
To Audit Fees	316,500.00	By Dividend			
To Contribution and Fees	NIL	By Donation in Cash or Kind			
To Amount written off:-		Grants			
(a) Loans Written off	NIL	Public Trust		130,349,734.39	
(b) Loan Scholarship	NIL	Government and Local Authorities/Multilaterals		359,082.00	
(c) Irrecoverable Rents	NIL	Others			
(d) Other Items - Sundry Balances Written Off		By Income from other sources (in details as far as possible)			
(d) Loss on Sales of Investments		Income from Investments			
To Miscellaneous Expenses	NIL	Miscellaneous Income			
To Depreciation (Net of Rs. 61,307,76/- withdrawn from Fixed Assets Grant Fund)	3,466.11	LTI Agency Commission			
To Amount transferred to Reserve or specified fund	NIL				
To Expenditure on Objects of the Trust (Schedule IX)		By Transfer from Reserve			
(a) Religious					
(b) Educational					
(c) Medical Relief					
(d) Relief of Poverty					
(e) Other charitable objects					
To Surplus carried over to Balance Sheet	251,563.39	By Deficit carried over to Balance Sheet			
Total	131,128,272.39	Total			131,128,272.39

As per our report of even date

FOR KRISHNAN & CO.
Chartered Accountants
Firm Reg. No. M/14535

V. Krishnan
Partner (Mem. No. 01/0970)
Mumbai. Dated: 20/06/2016



For Society for Promotion of Area Resource Centre
TRUSTEE
Shelkar Patel

SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)

Schedules to the Annual Accounts for the year ended 31st March, 2016

②

MUTUAL FUND UNITS OF RS. 100/- EACH :-	Folio No.	No. of Units	AMOUNT		NAV AS ON 31/03/2016	MARKET VALUE
			AMOUNT	AMOUNT		
Biral Sun life Cash Plus -Retail-Growth	1014948432	29,868.057	7,000,000.00	11,688,193.88	393.9656	11,688,193.88
Biral Sun life Cash Plus -Retail-Growth	1014953524	50,320.916	11,900,000.00	19,824,709.86	393.9656	19,824,709.86
Biral Sun life Cash Plus -Retail-Growth	1014953525	10,414.270	2,457,185.54	4,102,864.13	393.9656	4,102,864.13
DHL Premenica Insta Cash Plus Fund-Growth	9041914196	134,438.930	26,242,209.16	26,402,044.70	196.3869	26,402,044.70
TOTAL			47,599,394.70	62,017,812.57		



SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)

Schedules to the Annual Accounts for the year ended 31st March, 2016

SCHEDULE II FIXED ASSETS (MOVABLE)						
Particulars	Opening Balance	Additions	Total	Depreciation for the Year	Closing Balance	
Furniture and Fixtures	18,900.35	-	18,900.35	1,875.76	17,024.59	
Camera	9,649.05	-	9,649.05	1,475.56	8,173.49	
Computers	62,223.14	136,647.00	198,870.14	57,841.66	141,028.48	
Fax	838.88	-	838.88	114.78	724.10	
TOTAL	91,611.42	136,647.00	228,258.42	61,307.76	166,950.67	



PARTICULARS		AMOUNT
Schedule III A		
LOANS GIVEN (Considered Good by the Management)		
[Refer Note B (1)]		
COMMUNITY LOAN FROM		
a) Revolving Fund		35,326,498.12
Less: Provision for Loan Loss		35,326,498.12
Less: Saving Funds Accumulated thereagainst		19,947,225.00
Total (1)		5,030,251.00
		10,349,022.12
2. HOUSING AND INFRASTRUCTURE LOANS FUND		
USED FROM [Refer Note B (1) and B (2)]		
1	SDI	63,866,044.06
2	Tata Power Ltd	250,000.00
3	Rajiv Indira	19,692,510.00
4	Milan Nagar	41,345,587.37
5	General Fund	4,334,713.00
6	CHF FUND LOAN	8,548,542.98
7	Rockefeller Foundation	4,079,952.50
8	Miserier Project No-1287	4,270,291.38
9	HI-064 DEMO TOILET CAPITAL	12,942,916.28
10	iled Hyderabad fund	39,711,431.64
11	PROFIT ON INVESTMENT	1,895,701.00
12	Sida fund loan	5,787,262.00
13	UNCHS-2003 Nairobi fund	90,000.19
14	SPPL fund loan	1,194,581.00
15	PILOT LIGHT FUND LOAN	169,453.16
16	IYSH FUND LOAN	1,010,172.00
17	BMRDA fund loan	2,082,084.80
18	Jan Kalyan Fund loan	400,000.00
19	Bmc balgan fund loan(mmrda)	23,625.50
20	MMRDA BSES fund loan	17,287,377.47
21	local source fund loan:	977,191.82
22	CAF CITI BRIDGE (F)HSG LOAN	3,550,000.00
23	ford foundation fund loan:	18,641,188.46
24	SELAVIP HSG LOAN	21,740,516.48
25	BILANCE HSG LOAN	3,430,046.61
Total (2)		277,321,189.70
3. FLOOD RELIEF LOANS FUND USED FROM		
a) Miserior		106,329.00
Total (3)		106,329.00
TOTAL SCHEDULE III A - (1 + 2 + 3)		287,776,540.82



Schedule III B**ADVANCES TO OTHERS****a) Deposits**

Deposit With Nanded Municipal Corporation	1,215,952.00
Security Deposit	6,480.00
Total (a)	1,222,432.00

b) Advance for Expenses

Field Members, etc.	393,309.63
Advance for Expenses	4,204,746.11
Centres for Community Loans	5,444,887.14
Total (b)	10,042,942.88

c) Tax Deducted At Source Recoverable

1,313,533.41

d) Others

482,448.00

TOTAL SCHEDULE III B - (a to d)**13,061,356.29****Schedule III C****INTEREST INCOME OUTSTANDING ON LOANS****[Refer Note B (1)]****1. COMMUNITY LOANS****a) Revolving Fund**

54,797,613.21

54,797,613.21

Less: Provision for Interest doubtful of recovery
(Net of amount realised during the year)

53,000,227.00

[This includes Provision made during the year amounting to
Rs.4,803,503/-]**Total (1)****1,797,386.21****2. HOUSING AND INFRASTRUCTURE LOANS**

1	SDI	2,811,862.22
2	General Funds	105,970.28
3	CHF FUND LOAN	1,364,443.65
4	IIED Contract No. 727	3,751,259.78
5	Miserier Project No-1287	3,974.52
6	HI-064 DEMO TOILET CAPITAL	6,294,785.91
7	PROFIT ON INVESTMENT	225,517.85
8	Sida fund loan	542,755.00
9	UNCHS-2003 Nairobi fund	63,090.42
10	SPPL fund loan	830,367.18
11	BMRDA	19,451.52
12	MMRDA	47,667.12
13	local source fund loan	476,680.80
14	ford foundation fund loan	7,566,026.80
15	SELAVIP HSG LOAN	11,561,115.44
16	BILANCE HSG LOAN	2,596,137.69
	Total (2)	38,261,106.18

TOTAL SCHEDULE III C (1+2)**40,058,492.39**

PARTICULARS	AMOUNT
Schedule IV	
<u>BANK BALANCES</u>	
<u>A] In Savings Accounts with :</u>	
Bank of Baroda	10,404,057.63
Axis Bank Ltd	11,555,698.32
Total Savings Accounts	21,959,755.95
<u>BI In Fixed Deposit Accounts with :</u>	
Bank of Baroda	68,308,479.00
Axis Bank Ltd	8,406,901.00
Axis Bank Ltd (The Guarantees issued by the bank have been secured by Lien marked on the deposits)	27,712,610.00
Total Fixed Deposit Accounts	104,427,990.00
Note: All the above Balances are in the name of the Trust.	



SCHEDULE V	PARTICULARS	AMOUNT
	RESERVE FUND	
	1. RESTRICTED FUNDS	
	Foreign Contribution Revolving Funds	230,089,511.41
	Flood Relief revolving Fund	112,433.00
	Micro Credit Revolving Fund	16,801,854.40
		247,003,798.81
	2. DESIGNATED FUNDS	
	General Fund	6,470,412.86
	Indian Funders Revolving Fund	65,644,596.17
	Indian Funders Revolving Fund (MMR)	4,296,224.00
	Housing Reserve (mandated)	15,070,121.67
		91,481,354.70
TOTAL SCHEDULE V		338,485,153.51
SCHEDULE VI		
	SUNDRY CREDIT BALANCES	
	Tax Deducted at Source Payable	122,685.00
	Redemption Proceeds for Members of UTI Scheme	130,942.00
	Redemption Proceeds for Members of HDFC Scheme	1,004,504.50
	Others	3,321,146.52
TOTAL SCHEDULE VI		4,579,278.02
SCHEDULE VII		
	OTHER DEPOSITS	
	(From Communities for Housing, Infrastructure, Community Loan etc.)	3,789,172.00
TOTAL SCHEDULE VII		3,789,172.00
SCHEDULE VIII		
	1. FUNDER / DONOR BALANCE	
	OPENING BALANCES	98,020,365.29
	Add: Receipts	
	Grants Received during the year	49,722,219.00
	Other Income	708,256.96
	Transfer from Income & Expenditure Account	-
	Income earned on Earmarked Funds	1,747,262.00
	Mandated Projects (Deficit) [Refer Note B (5)]	103,481,936.93
	Repayments Received	20,495,865.00
		176,155,539.89
	Less: Withdrawals for the Year	
	Grants Utilised for Projects [Refer Note B(5)]	63,171,026.02
	Disbursement for expenses	67,736,791.37
		130,907,817.39
	Total (1)	143,268,087.79
	2. FIXED ASSETS GRANT FUND	
	Opening Balance	70,536.00
	Amount Transferred from Funder/Donor Balance	136,647.00
	Less : Depreciation for the Year transferred to Income and Expenditure	57,841.65
	Total (2)	149,341.35
TOTAL SCHEDULE VIII (1 + 2)		143,417,429.14



Schedules to the Annual Accounts for the year ended 31st March, 2016

	PARTICULARS	AMOUNT
	SCHEDULE IX :	
	<u>Expenditure on Charitable objects:- (Relief to Poor)</u>	
I	Core Expenses	
	a) Establishment Expenses	4,033,213.00
	b) Programme Administration	1,660,822.00
II	Programme & Process	
	a) Housing Capacity Building Activity	11,516,000.37
	b) National/Intl. Community Exchanges	1,266,380.00
	c) Research and Documentation	1,288,907.00
	c) Support to other NGO	300,000.00
	d) Advocacy Meeting, workshop, Seminar	1,484,537.52
	e) Community Savings Support	6,771,096.00
	f) Infrastructure and Sanitation Support	1,705,962.98
	g) Housing Exhibitions and Other Events	10,999.00
	h) Rehab & Resettlement	39,032,938.00
	i) Street Childrens Welfare Programme	402,880.00
	j) Survey & Enumeration activity	10,203,971.00
	j) Energy Study and Research	209,601.00
III	Construction and Other Related Activity	
	a) Contract, Project Etc.	50,669,385.02
IV	Statutory Audit fees	
	Statutory Audit fees	256,500.00
	Statutory Audit fees (Certification Charges)	60,000.00
V	Depreciation (Net of Rs.57841.66 Withdrawn from Fixed Assets Grant Fund)	3,466.11
	Total	130,876,659.00 #
	Less: Figures Shown Separately in Income And Expenditure Account	
1	Contribution to Charity Commissioner	-
2	Sundry Balances Written off	
3	Depreciation	3,466.11
4	Statutory Audit fees (including Certification Charges and out of Pocket Expenses)	316,500.00
5	Remuneration to Trustee	903,792.00
		1,223,758.11
	SCHEDULE IX - Total Expenses	129,652,900.89

Includes amounts reimbursed to Trustees by way of Travelling and Communication Expenses amounting to Rs.15,81,170/-



SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES

Schedules to the Annual Accounts for the year ended 31st March, 2016

SCHEDULE X

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE TRUST AND NOTES FORMING PART OF THE ACCOUNTS

OBJECTIVES- Society for Promotion of Area Resource Centre is a duly registered society both under the Bombay Trust Act, 1950 and Society registration Act, 1860 to promote social, economic and cultural development of poor and to do all things necessary for the social and economic uplift of poor, to collaborate and to co-equate with persons associations having similar aims and objectives for the achievement of various projects and schemes.

A. Statement of Significant Accounting Policies

1. System of Accounting:

- a) The Trust follows the cash system of accounting and recognizes income and expenditure on cash basis, except for income relating to Housing / Infrastructure and Micro Credit loans, which is accounted on accrual basis.
- b) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

2. Fixed Assets and Depreciation:

- a) Fixed Assets, including assets purchased from Earmarked Grants, are stated at Cost of Acquisition, less Accumulated Depreciation. The assets purchased from Earmarked Grants are shown as utilisation of the Earmarked Grants and transferred to a separate Fixed Assets Grant Fund. However, assets purchased at Centers allocated to the Trust funds, are accounted as revenue expenditure.
- b) Depreciation on Fixed Assets is provided at the rates prescribed under the Income Tax Rules, 1962, as per the Written Down Value (WDV) Method. Depreciation is provided on the WDV of the block of assets, outstanding at the end of the year which comprises, the Opening WDV as increased by cost of assets acquired, and reduced by the sale proceeds of assets sold, during the year. However, in case assets acquired are put to use for less than 6 months during the year, depreciation is provided on such additions, at fifty percent of the applicable rate. Depreciation on Fixed Assets purchased from Earmarked Grants is withdrawn from the Fixed Assets Grant Fund and credited to Income and Expenditure Account.

3. Investments:

Long Term Investments and Current Investments are stated at cost of acquisition.

4. Grants:

- a) SPARC receives funds for its activities from various donors for executing specific projects. The expenses incurred by the Trust are allocated to various projects as per agreement with the Donors.
- b) Grants received from Donors for Specific Projects etc. are classified as liabilities and the same are transferred as Income to the Income and Expenditure Account, only to the extent of expenditure incurred during the year.



- c) Income earned on temporary investment out of such grants is transferred to the grant funds by allocating such income to each fund, to the extent possible.

5. **Revolving Funds (Restricted Funds):**

Certain Donors have granted Funds to the organization with a mandate to use the funds for housing, infrastructure and micro credit financing activities, on a revolving basis. The interest income earned on such funds utilised, and income that is transferred to the Revolving Fund, is accumulated as a part of such funds only and no cognizance is taken of such Income in the Income and Expenditure Account.

6. **Designated Funds:**

- a) The surplus funds after execution of specific Project Funds given by Donors have been treated as Designated funds by the organisation. These funds are used for the activities of the organisation and Interest earned on such funds is accumulated and added to the funds.
- b) Similarly, Award money or specific consultancy money have been treated as Designated Funds by the organisation. These funds are used for the activities of the organisation and Interest on such funds are being accumulated and added to the funds.

7. **Mandated Projects:**

In cases, where Sanitation or other community related Projects undertaken, are mandated by the Government, State or Local Authorities, the costs relating to these projects are accumulated separately. The same is financed by either reimbursement from the funding agency or from Restricted / Designated funds. Amounts utilised for projects undertaken by the Trust, are treated as bridge loans advanced in favour of the projects and accordingly disclosed as (interest bearing) loans recoverable from the respective project. The amounts received against project expenses in the form of realisation of Saleable Units / Transfer of Development Rights or receipts from Government Agencies, etc., as the case may be, will be utilised to repay the loans and interest accrued thereon only after utilising the same to first incur additional expenditure on the project (which is treated as a revenue expenditure) and subsequently to repay any loan liability incurred in connection with the project. Till such time, the amounts received (net of additional expenditure and other payments), are disclosed under Funder / Donor Balances.

8. **Retirement Benefits:**

- a) The Trust is not liable to be registered under Employees Provident Fund Act.
- b) Payment of Gratuity Liability is accounted on accrual basis but the amount has not been ascertained on actuarial basis.

B. **Notes forming part of the Accounts**

1. Balances of Loans and Advances disclosed under Schedules III A and III B and Interest outstanding on such loans disclosed under Schedule III C are subject to reconciliation/confirmation and subsequent adjustments, if required. These balances are therefore as per books of account only. Further advances to various projects/societies would be recovered from sales of Transferable Development Rights, Subsidy and Grant from Government Agencies and hence a particular advance to be classified as doubtful of recovery does not arise.



2. The Trust has delegated disbursements for certain transactions and for various purposes, in the course of carrying out its activities, to various Centers, who are responsible for propriety compliances including statutory compliances relating to such payments. The Auditors have placed reliance on the information, explanations and representations made by the Management in support of such payments, its allocations to respective Funder / Project / Activity and the propriety of such transactions.
3. Expenses withdrawn from Earmarked Funds as Grants Utilised disclosed under Schedule VIII are net of reimbursements received (in the Foreign Contribution Bank Account) during the year aggregating Rs.13,07,432/-
4. Payment for the Projects are based on certification by Architects/Engineers to the extent payable, therefore no further Liability needs to be accounted in respect of Bills raised by contractors.
5. Funder / Donor Balances disclosed under Schedule VIII include amounts received (net of additional expenditure and other payments), from Government Agencies, etc., with respect to the Mandated Projects pending completion, aggregating Rs.103,481,937/- as at the close of the year (Previous year Rs.(-)26,382,454/-). (Refer Accounting Policy disclosed in Note No. A (7)). Certain amounts included in the Mandated Project balance as disclosed above are subject to confirmation and subsequent adjustment, if any and such balances are therefore as per books of account only.
6. The Trust awards contracts in connection with Projects undertaken, for sale of Development Rights released by the Government agency's on a self negotiated basis without resorting to external tendering process to achieve the most beneficial rates in such transactions. The auditors, therefore, have no external evidence for validation; Reliance is placed on the information, explanations and representations made by the Management in support of such contracts and sale, and the propriety of such transactions.
7. For the projects undertaken by the Trust Performance Guarantees have been issued by the bankers for Rs. 26.36 lacs for which margin of Rs. 14.97 lacs has been provided. The Guarantees are secured by lien of fixed deposits with the bank.

As per our Report of even date
FOR KRISHAAN & CO.

Chartered Accountants
Firm Reg No.001453S

Partner
Mem No.010970

Mumbai:



For SOCIETY FOR PROMOTION OF
AREA RESOURCE CENTRES

Jhulla Patel

(Trustee)

