

Report of an Auditor Relating to Accounts Audited
under Sub-Section(2) of Section 33 & 34 and Rule19 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, 2017**

(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 2017 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.27,34,57,638/-, 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 06.01.2017
(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 2016-17 (20.06.2016, 10.08.2016, 24.12.2016 & 15.02.2017).
(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 _____ at Mumbai

260617

FOR KRISHAAN & CO.
Chartered Accountants
Firm Reg.No.0014535

(Signature)
V. Krishnan
Partner
Mem.No.010970



The Bombay Public Trusts Act, 1950

SCHEDULE - IXC

(Vide Rule 32)

Statement of income liable to contribution for the year ending 31st March, 2017

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)		8,96,98,345
II. Items not chargeable to Contribution under Section 58 and Rules 32:		
(i) Donations received from other Public Trusts and Dharmadas (Annexure)	8,93,12,017	
(ii) Grants received from Government and Local authorities (Annexure)	3,07,899	
(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		78,428

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%

1,569

Dated: 200617



Chartered Accountants
Auditors

Dated:

Shri. Patel
Trustee

FUNDS AND LIABILITIES		PROPERTY AND ASSETS	
Rs.	Rs.	Rs.	Rs.
Trusts Funds or Corpus:- Balance as per last Balance Sheet Adjustment during the year (give details)	18,85,959.00	Immovable Properties:- (at Cost) Investments (SCHEDULE 1) Fixed Assets (SCHEDULE II)	NIL 5,82,45,690.77 1,31,551.51
Other Earmarked 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	NIL NIL NIL 36,94,75,414.60 NIL	Loans (Secured or Unsecured) : Good / Doubtful Loans Scholarships (SCHEDULE III A) Other Loans Advances:- To Trustee (Against expenses) To Employees (Against expenses/salary) To Contractors To Lawyers To Others (SCHEDULE III B)	31,57,81,261.63 8,764.00 NIL NIL 1,06,75,611.05
Loans (Secured or Unsecured):- From Trustees From Others (Rashtriya Matlika Kosh)	NIL NIL	Income Outstanding :- Rent Interest (SCHEDULE III C) Other Income	NIL 4,01,43,926.58 NIL
Liabilities:- For Expenses For Sundry Credit Balances For Advances For Rent and Other Deposits Funder Balances	NIL 48,18,600.52 NIL 1,88,76,117.00 8,41,77,840.44	Cash and Bank Balances :- (a) In Current/Savings Account (SCHEDULE IV) (b) In Fixed Deposit Account (c) Cash Balance	3,11,63,148.96 4,60,99,085.00 31,615.81
Income and Expenditure Account:- Balance as per last Balance Sheet Less: Appropriation, if any Add/(Less): Surplus/(Deficit) as per Income and Expenditure Account	2,30,42,245.73 4,478.02		7,72,93,849.77
Total	50,22,80,655.31	Total	50,22,80,655.31

As per our report if even date
FOR KRISHAAN & CO
Chartered Accountants
Firm Reg.No.0014535



TRUSTEE	TRUSTEE
VIJAY AGARWAL	SHEELA PATEL

TRUSTEE
SHEELA PATEL

SCHEDULE IX
(Vide Rule 17(1))

Name of the Public Trust : **SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES**
Income and Expenditure Account for the year ended 31st March, 2012

Registration No. 798-1984-CRSD

EXPENDITURE		INCOME	
To Expenditure in respect of properties:-	Rs.		Rs.
Rates, Taxes Cesses	NIL	By Rent	NIL
Repairs and maintenance	NIL		
Salaries	NIL		
Insurance	NIL		
Depreciation (by way of provision of adjustments)	NIL	By Interest	
Other Expenses	NIL	On Deposits	NIL
To Establishment Expenses	NIL	On Income Tax Refund	11,109.00
To Remuneration to Trustees	75,317.00	On Bank Accounts (Realised)	11,109.00
To Remuneration (in the case of a math) to the head of the math, including his household expenditure, if any	NIL		
To Legal Expenses	NIL		
To Audit Fees	3,39,250.00	By Dividend	NIL
To Contribution and Fees	NIL	By Donation in Cash or Kind	
To Amount written off:		Grants	
(a) Loans Written off	NIL	Public Trust	8,93,12,017.44
(b) Loan Scholarship	NIL	Government and Local Authorities/Multilaterals	3,07,899.00
(c) Irrecoverable Dents	NIL	Others	67,319.32
(d) Other Items - Sundry Balances Written Off	3,591.00	By Income from other sources (in details as far as possible)	8,96,87,238.76
To Miscellaneous Expenses	-	Income from Investments	
To Depreciation (Net of Rs. 32,359/- withdrawn from Fixed Assets Grant Fund)	NIL	Miscellaneous Income	NIL
To Amount transferred to Reserve or specified fund	3,039.98	UTI Agency Commission	
To Expenditure on Objects of the Trust (Schedule IX)			
(a) Religious		By Transfer from Reserve	
(b) Educational			
(c) Medical Relief			
(d) Relief of Poverty	8,92,72,668.76		
(e) Other charitable objects.			
To Surplus carried over to Balance Sheet	4,478.02	By Deficit carried over to Balance Sheet	
Total	8,96,98,344.76	Total	8,96,98,344.76

As per our report of even date
FOR KRISHNAN & CO.
Chartered Accountants
Firm Reg. No. 0014538
V. Krishnan
Partner (Member No. 010970)
Member, Dated :



For Society for Promotion of Area
Resource Centres
TRUSTEE
VIJAY AGARWAL
TRUSTEE
SHEELA PATEL

Sheela Patel

SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)

Schedules to the Annual Accounts for the year ended 31st March, 2017

SCHEDULE I INVESTMENTS - Current (at cost)		Folio No.	No. of Units	AMOUNT	NAV AS ON 31-03-2017	MARKET VALUE AMOUNT
Mutual Fund Units of Rs. 100/- each :-						
Biral Sun life Cash Plus -Retail-Growth		1014948432	29,668.057	70,00,000.00	422.7529	1,25,42,257.13
Biral Sun life Cash Plus -Retail-Growth		1014953524	50,320.916	1,19,00,000.00	422.7529	2,12,73,313.17
Biral Sun life Cash Plus -Retail-Growth		1014953525	10,414.270	24,57,185.54	422.7529	44,02,662.84
DHL Premierica Insta Cash Plus Fund-Growth		9042323951	1,05,686.330	2,20,00,000.00	210.7286	2,22,71,132.36
DHL Premierica Insta Cash Plus Fund-Growth		9041914196	76,273.860	1,48,88,505.23	210.7286	1,60,73,083.73
TOTAL				5,82,45,690.77		7,65,62,449.24



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SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)

Schedules to the Annual Accounts for the year ended 31st March, 2017

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SCHEDULE II FIXED ASSETS (MOVABLE)

Particulars	Opening Balance	Additions	Total	Depreciation for the Year	Closing Balance
Furniture and Fixtures	17,024.59	-	17,024.59	1,688.19	15,336.40
Camera	8,173.49	-	8,173.49	1,254.23	6,919.26
Computers	1,41,028.48	-	1,41,028.48	32,359.18	1,08,669.30
Fax	724.10	-	724.10	97.56	626.54
TOTAL	1,66,950.66	-	1,66,950.66	35,399.16	1,31,551.51



SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)
Schedules to the Annual Accounts for the year ended 31st March, 2017

PARTICULARS		AMOUNT
Schedule III A		
<u>LOANS GIVEN (Considered Good by the Management)</u>		
<u>[Refer Note B (1)]</u>		
<u>COMMUNITY LOAN FROM</u>		
a) Revolving Fund		3,41,82,368.12
		3,41,82,368.12
Less: Provision for Loan Loss		2,05,82,423.00
Less: Saving Funds Accumulated thereagainst		60,45,305.00
Total (1)		75,54,640.12
<u>2. HOUSING AND INFRASTRUCTURE LOANS FUND</u>		
<u>USED FROM [Refer Note B (1) and B (2)]</u>		
1	SDI	6,57,22,311.39
2	Tata Power Ltd	5,50,000.00
3	Rajiv Indira	4,77,03,592.00
4	Milan Nagar	4,36,44,577.00
5	General Fund	43,00,000.00
6	CHF FUND LOAN	85,48,543.00
7	Rockefeller Foundation	40,79,953.00
8	Miserior Project No-1287	42,72,491.38
9	HI-064 DEMO TOILET CAPITAL	1,20,42,916.28
10	Iled Fund	3,81,44,385.36
11	SPARC General Fund(Profit on Investment)	19,30,414.00
12	Sida fund loan	57,52,434.76
13	UNCHS-2003 Nairobi fund	-
14	SPPL fund loan	11,94,581.00
15	PILOT LIGHT FUND LOAN	1,69,453.00
16	IYSH FUND LOAN	10,10,172.00
17	BMRDA fund loan	18,37,119.88
18	Jan Kalyan Fund loan	4,00,000.00
19	Bmc baigan fund loan(mmrda)	23,626.00
20	MMRDA BSES fund loan	1,75,62,736.91
21	local source fund loan	9,77,192.00
22	CAF CITI BRIDGE (F)HSG LOAN	35,50,000.00
23	ford foundation fund loan	1,86,41,188.46
24	SELAVIP HSG LOAN	2,26,32,558.48
25	BILANCE HSG LOAN	34,30,046.61
Total (2)		30,81,20,292.51
<u>3. FLOOD RELIEF LOANS FUND USED FROM</u>		
a) Miserior		1,06,329.00
Total (3)		1,06,329.00
TOTAL SCHEDULE III A - (1 + 2+ 3)		31,57,81,261.63

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SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)
Schedules to the Annual Accounts for the year ended 31st March, 2017

Schedule III B	
<u>ADVANCES TO OTHERS</u>	
a) Deposits	
Deposit With Nanded Municipal Corporation	12,74,182.00
Security Deposit	2,06,480.00
Total (a)	14,80,662.00
b) Advance for Expenses	
Field Members, etc.	69,553.00
Advance for Expenses	18,05,619.50
Centres for Community Loans	54,19,350.14
Total (b)	72,94,522.64
c) Tax Deducted At Source Recoverable	14,12,219.41
d) Others	4,88,207.00
TOTAL SCHEDULE III B - (a to d)	1,06,75,611.05
Schedule III C	
<u>INTEREST INCOME OUTSTANDING ON LOANS</u>	
<u>[Refer Note B (1)]</u>	
<u>1. COMMUNITY LOANS</u>	
a) Revolving Fund	6,04,95,219.21
	6,04,95,219.21
Less: Provision for Interest doubtful of recovery (Net of amount realised during the year) [This includes Provision made during the year amounting to Rs.4,803,503/-]	5,84,23,369.00
Total (1)	20,71,850.21

<u>2. HOUSING AND INFRASTRUCTURE LOANS</u>	
1 SDI	28,68,099.11
2 General Funds	28,405.47
3 CHF FUND LOAN	13,64,443.65
4 IIED Contract No. 727	34,62,038.06
5 Miserier Project No-1287	3,974.52
6 HI-064 DEMO TOILET CAPITAL	62,94,785.92
7 PROFIT ON INVESTMENT	2,52,604.95
8 Sida fund loan	5,77,582.24
9 UNCHS-2003 Nairobi fund	63,090.42
10 SPPL fund loan	8,30,367.18
11 BMRDA	-
12 MMRDA	1,26,724.12
13 local source fund loan	4,76,680.80
14 ford foundation fund loan	75,66,026.80
15 SELAVIP HSG LOAN	1,15,61,115.44
16 BILANCE HSG LOAN	25,96,137.69
Total (2)	3,80,72,076.37
TOTAL SCHEDULE III C (1 + 2)	4,01,43,926.58

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SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)
Schedules to the Annual Accounts for the year ended 31st March, 2017

PARTICULARS		AMOUNT
Schedule IV		
<u>BANK BALANCES</u>		
<u>A] In Savings Accounts with :</u>		
Bank of Baroda		1,61,26,132.61
Axis Bank Ltd		1,50,37,016.35
Total Savings Accounts		3,11,63,148.96
<u>B] In Fixed Deposit Accounts with :</u>		
Bank of Baroda		2,97,18,026.00
Axis Bank Ltd		89,49,114.00
Axis Bank Ltd (The Guarantees issued by the bank have been secured by Lien marked on the deposits)		74,31,945.00
Total Fixed Deposit Accounts		4,60,99,085.00
Note: All the above Balances are in the name of the Trust.		

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SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)
Schedules to the Annual Accounts for the year ended 31st March, 2017

SCHEDULE V	PARTICULARS	AMOUNT
	<u>RESERVE FUND</u>	
	<u>1. RESTRICTED FUNDS</u>	
	Foreign Contribution Revolving Funds	23,00,89,511.50
	Flood Relief revolving Fund	1,12,433.00
	Micro Credit Revolving Fund	1,71,82,043.40
		24,73,83,987.90
	<u>2. DESIGNATED FUNDS</u>	
	General Fund	64,70,412.86
	Indian Funders Revolving Fund	9,62,54,668.17
	Indian Funders Revolving Fund (MMR)	42,96,224.00
	Housing Reserve (mandated)	1,50,70,121.67
		12,20,91,426.70
TOTAL SCHEDULE V		36,94,75,414.60
SCHEDULE VI	<u>SUNDRY CREDIT BALANCES</u>	
	Tax Deducted at Source Payable	57,950.00
	Redemption Proceeds for Members of UTI Scheme	1,30,942.00
	Redemption Proceeds for Members of HDFC Scheme	10,04,504.50
	Others	36,25,204.02
TOTAL SCHEDULE VI		48,18,600.52
SCHEDULE VII	<u>OTHER DEPOSITS</u>	
	(From Communities for Housing, Infrastructure, Community Loan etc.)	1,88,76,117.00
TOTAL SCHEDULE VII		1,88,76,117.00
SCHEDULE VIII	<u>1. FUNDER / DONOR BALANCE</u>	
	OPENING BALANCES	14,32,68,087.79
	<u>Add: Receipts</u>	
	Grants Received during the year	2,20,82,438.00
	Other Income	23,84,699.00
	Transfer from Mandated	5,56,12,378.75
	Mandated Projects (Deficit) [Refer Note B (5)]	(5,32,32,362.01)
	Repayments Received	38,63,552.00
		3,07,10,705.74
	<u>Less: Withdrawals for the Year</u>	
	Grants Utilised for Projects [Refer Note B(5)]	5,52,04,575.76
	Refund of Unutilised Grant	2,30,699.00
	Disbursement for expenses	3,44,82,660.00
		8,99,17,934.76
	Total (1)	8,40,60,858.77
	<u>2. FIXED ASSETS GRANT FUND</u>	
	Opening Balance	1,49,340.85
	Amount Transferred from Funder/Donor Balance	
	Less : Depreciation for the Year transferred to Income and Expenditure	32,359.18
	Total (2)	1,16,981.67
TOTAL SCHEDULE VIII (1 + 2)		8,41,77,840.44



SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES (SPARC)

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Schedules to the Annual Accounts for the year ended 31st March, 2017

	PARTICULARS	AMOUNT
	<u>SCHEDULE IX :</u>	
	<u>Expenditure on Charitable objects:- (Relief to Poor)</u>	
I	<u>Core Expenses</u>	
	a) Establishment Expenses	62,73,498.68
	b) Programme Administration	8,91,736.00
II	<u>Programme & Process</u>	
	a) Housing Capacity Building Activity	40,92,287.84
	b) National/Intl. Community Exchanges	8,51,030.00
	c) Research and Documentation	5,27,333.00
	c) Support to other NGO	19,93,402.00
	d) Advocacy Meeting, workshop, Seminar	8,15,358.00
	e) Community Savings Support	1,26,01,872.83
	f) Infrastructure and Sanitation Support	41,98,667.41
	g) Housing Exhibitions and Other Events	-
	h) Rehab & Resettlement	4,75,64,233.15
	i) Street Childrens Welfare Programme	4,18,483.00
	j) Survey & Enumeration activity	31,98,770.91
	j) Energy Study and Research	1,32,838.00
III	<u>Construction and Other Related Activity</u>	
	a) Contract, Project Etc	57,88,474.94
IV	<u>Statutory Audit fees</u>	
	Statutory Audit fees	2,58,750.00
	Statutory Audit fees (Certification Charges)	80,500.00
V	Depreciation (Net of Rs.32359.18 Withdrawn from Fixed Assets Grant Fund)	3,039.98
VI	Miscellaneous Expenses	3,591.00
	Total	8,96,93,866.74 #
	Less: Figures Shown Separately in Income And Expenditure Account	
1	Contribution to Charity Commissioner	-
2	Sundry Balances Written off	3,591.00
3	Depreciation	3,039.98
4	Statutory Audit fees (including Certification Charges and out of Pocket Expenses)	3,39,250.00
5	Remuneration to Trustee	75,317.00
		4,21,197.98
	SCHEDULE IX - Total Expenses	8,92,72,668.76

Includes amounts reimbursed to Trustees by way of Travelling and Communication Expenses amounting to Rs.1,08,853/-

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SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES

Schedules to the Annual Accounts for the year ended 31st March, 2017

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.39,15,825/-
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 Deficit of Rs.5,21,81,662/- as at the close of the year (Previous year Rs.103,481,937/-). (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.
8. Claims against or by the Trust in respect of Projects undertaken by the Trust are pending investigation and negotiation, amount indeterminable.

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

Sheela Patel
(Trustee)