13, (Basement), Community Centre
East of Kailash, New Delhi-110 065
Ph: 011-26236154-55 Fax: 26235842
kumarmittalco@gmail.com

KUMAR MITTAL & CO.
Chartered Accountants

AUDITORS' REPORT

We have audited the attached Financial Statements comprising the Balance Sheet of **REACH INDIA TRUST, Kolkata** as at 31st March, 2012 and the Income and Expenditure Account and the Receipt and Payment Account for the year ended on that date.

The Financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that audit provides a reasonable basis for our opinion.
We report that:

i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for purpose of the audit and have found them to be satisfactory.

ii) The said financial statements are in agreement with the books of accounts maintained by Trust.

iii) In our opinion, proper books of account as required by law have been kept by the Trust so far as appears from our examination of those books.

iv) In our opinion and to the best of our information and according to explanations given to us, the said accounts subject to Accounting Policies and Notes to the accounts given in Schedule – 18 give a true and fair view :

   i) In the case of the Balance Sheet, of its state of affairs as at 31st March, 2012.

   ii) In the case of the Income and Expenditure Account, of the excess of Income over expenditure for the year ended 31st March, 2012.

   iii) In the case of Receipt and Payment Account of total Receipts and Payments for the year ended 31st March, 2012.

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN No. 10500N

(Sanjay Dewan)
Partner
Membership No.90045

Place : New Delhi
Dated : 30.06.2012

KUMAR MITTAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

REACH INDIA TRUST, KOLKATA

BALANCE SHEET AS AT 31ST MARCH, 2012

	Schedule No.	Amount (Rs.)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
LIABILITIES			
FUNDS:			
GENERAL FUND	1	1,066,731	211,040
CORPUS FUND	2	2,014,512	1,682,143
RESTRICTED GRANT / CONTRIBUTION FUND	3	3,037,180	1,439,653
ASSET ACQUISITION FUND	4	1,558,858	1,168,279
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES	5	289,295	241,499
UNRESTRICTED FUND / CONTRIBUTION RECEIVED IN ADVANCE		146,028	500,000
Total		**8,112,604**	**5,242,614**
ASSETS			
FIXED ASSETS	6	1,558,858	1,168,279
CURRENT ASSETS, LOAN & ADVANCES			
LOAN & ADVANCES	7	453,679	375,548
UNRESTRICTED FUND / CONTRIBUTION RECEIVABLE	8	340,000	-
CASH and BANK BALANCES	9	1,938,592	1,625,033
FIXED DEPOSITS WITH SCHEDULE BANKS	10	3,821,475	2,073,754
Total		**8,112,604**	**5,242,614**

Significant accounting policies and Notes
Forming an intergral part of accounts -Schedule-18

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN No. 10500N

(Sanjay Dewan)
Partner
Membership No.90045

(Trustee)

For & on Behalf of
REACH INDIA TRUST

(Trustee) (Chief Executive Officer)

Reach India Trust ★ Kolkata ★

Place : New Delhi
Dated : 30.06.2012

KUMAR MITTAL & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REACH INDIA TRUST, KOLKATA
INCOME AND EXPENDITURE ACCOUNT
For the Year ended 31st March, 2012

	Schedule No.	Current Year (Rs.)	Previous Year (Rs.)
INCOME			
Restricted Fund / Contribution recognised during the year	11	12,368,760	12,190,521
Unrestricted Fund / Contribution recognised during the year	12	1,023,483	-
Grants in kind	13	565,078	-
Interest on Fixed Deposits & Savings A/C	14	417,212	4,709
Miscellaneous Receipt	15	319,280	246,714
Total Income		**14,693,813**	**12,441,944**
EXPENDITURE			
Programme Expenses	16	8,758,453	7,658,569
Operating Expenses	17	5,079,669	4,698,161
Total Expenditure		**13,838,122**	**12,356,730**
Excess of Income over Expenditure transferred to General fund		**855,691**	**85,214**

Significant accounting policies and Notes
Forming an intergral part of accounts -Schedule-18

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN No. 10500N

(Sanjay Dewan)
Partner
Membership No.90045

Reach India Trust ★ Kolkata ★

For & On behalf of
REACH INDIA TRUST

(Trustee) **(Trustee)** **(Chief Executive Officer)**

Place : New Delhi
Dated : 30.06.2012

KUMAR MITTAL & CO. ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REACH INDIA TRUST, KOLKATA
RECEIPT AND PAYMENT ACCOUNT
For the year ended 31st March, 2012

Receipt	Amount (Rs.)	Amount (Rs.)	Payment	Amount (Rs.)	Amount (Rs.)
Opening Cash & Bank Balances :			**Programme Expenses**		
Cash in Hand	7,320		Training & Follow up Support	2,818,481	
Balance in Savings Account with			Monitoring, Evaluation and Programme Implementation	1,036,595	
AXIS Bank (FCRA designated A/c)	992,076		Research, Documentation and Promotional Activities	1,568,758	
Balance with AxiS Bank (SDTT)	4,085		Programme Salary	3,337,560	8,761,394
Balance with AxiS Bank (operationl Account)	4,710				
Balance with AxiS Bank (General Account)	616,842		**Operating Expenses**		
FDR's with Bank	2,073,754		Salary & allowances	2,245,143	
(including interest Accrued)			Bank charges	8,052	
TDS Recoverable	95,301		Board Meeting Expenses	197,017	
Advance for Expenses	101,408	3,895,496	Insurance Security	64,907	
			Inernal Audit Fees	44,017	
Security Deposit		100,000	Legal & Professional Fees	136,784	
			Office & administration Expenses	157,301	
Restricted Grants/ contribution Received :			Office Rent & electricity	425,960	
Foreign Source			Postage & Courier	53,385	
Reach Global, USA	12,979,034		Printing & Stationary	70,317	
APMAS, India	993,369		Repair & Maintenance	94,677	
Indian Source			Staff capacity building exp.	91,455	
NABARD Mursidabad	100,000	14,072,403	Staff Recruitment Exp.	10,058	
			Statutory audit fees	132,360	
Unrestricted Grant/Contribution Received		1,129,511	Telephone & Internet	120,342	
			Travelling expenses	455,928	
Grant in kind		565,078	Vehicle Running Exp.	55,261	
			Acqusition of Fixed Assets:-	-	
Interest Income :			Restricted funds	203,300	
Interest on Savings Bank Account	186,836		Grant in kind	565,078	5,131,342
Interest on Investment (FDR)	230,376	417,212			
Other Receipts			Ex-gratia paid out of corpus fund		296,188
User's fees		19,280	**Grant returned back**		
			Oxfam Novbib India	106,116	
			APMS India	500,000	606,116
			Security Deposit		100,000
			Closing Cash & bank Balance		
			Cash in Hand	19,508	
			Cash in hand Project Office Guwahati	38,135	
Corpus Fund Received			Balance in Savings Account with	1,307,726	
Reach Global, USA	553,000		AXIS Bank (FCRA designated A/c)		
Interest on Corpus Fund FDR	138,682	691,682	Balance in Savings Account with		
			AXIS Bank Project office Guwahati	47,148	
			Balance with AxiS Bank (SDTT)	889	
			Balance with AxiS Bank (operationl	1,539	
			Balance with AxiS Bank (General	523,647	
			FDR's with Bank	3,821,475	
			(including interest Accrued)	-	
			TDS Recoverable	169,089	
			Advance for Expenses	66,466	5,995,622
Total		**20,890,662**	**Total**		**20,890,662**

Significant accounting policies and Notes
Forming an intergral part of accounts -Schedule-18

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN No. 10500N

(Sanjay Dewan)
Partner
Membership No.90045

Place : New Delhi
Dated : 30.06.2012

For & On behalf of
REACH INDIA TRUST

(Trustee) **(Trustee)** **(Chief executive Officer)**

Reach India Trust ★ Kolkata ★

KUMAR MITTAL & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REACH INDIA TRUST, KOLKATA

SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2012

	AMOUNT (Rs.)	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Schedule - 4 : Asset Acqusition Fund		
Opening Balance	1168279	424819
Add: Acquisition during the period		
Grant in kind (FCRA)	565078	-
Out of restricted Fund	203300	1076978
Less: Depreciation for the year	377799	333518
Closing balance	1558858	1168279

Schedule 5 : Current Liabilities		
TDS Payable	5946	14509
Professional Tax Payable	-	1425
Expenses Payable	220224	225565
Ex gratia Payable	63125	-
Total	289295	241499

SCHEDULE 6: FIXED ASSETS

Items	Rate of Depreciation	Openning Balance as on 1.4.11	Additions during 2011-12		Total cost as at 31.3.12	Depreciation during the year 11-12	WDV as on 31.03.12
			upto 30.9.11	after 1.10.11			
FOREIGN SOURCES:-A							
Furniture & Fixtures	10%	40,541	424,615	-	465,156	46,516	418,640
Office Equipment	15%	10,579	131,429	97,350	239,358	28,604	210,754
Computers & Peripherials	60%	196,003	9,034	91,100	296,137	150,353	145,784
Vehicle	15%	663,000	-	-	663,000	99,450	563,550
Sub-Total		910,123	565,078	188,450	1,663,651	324,923	1,338,728
INDIAN SOURCES:-B							
Furniture & Fixtures	10%	204,626	-	-	204,626	20,463	184,163
Office Equipment	15%	19,142	-	-	19,142	2,871	16,271
Computers & Peripherials	60%	34,388	14,850	-	49,238	29,542	19,696
Sub-Total		258,156	14,850	-	273,006	52,876	220,130
Total (A+B)		1,168,279	579,928	188,450	1,936,657	377,799	1,558,858

* Addition during the year includes Rs 665078/- received as grant in kind (FCRA)

	AMOUNT (Rs.)	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Schedule : 7 Loans & Advances (unsecured)		
Security Deposits	154530	154530
Tds Recoverable	169,089	95301
Prepaid Expenses	63,594	24309
Advance for Expenses	66466	101408
Total	453679	375548

	AMOUNT (Rs.)	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Schedule 8: Unrestricted Fund/Contribution Receivable		
Contribution Receivable	40000	
Institutional Support Service Receivable	300000	
Total	340000	0

	AMOUNT (Rs.)	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Schedule 9 : Cash & Bank balances		
Cash in hand	19508	7320
Imprest balance with project office Guwahati.	38135	-
Balance with AXIS Bank Ltd.,FCRA Designated A/C	1307726	992077
Balance with AXIS Bank Ltd.-Project Office Guwahati (FCRA Project A/c)	47148	-
Balance with AXIS Bank Ltd.-General A/C	523647	616842
Balance with AXIS Bank Ltd.-Operation A/c	1539	4709
Balance with AXIS Bank Ltd.-SDTT A/c	889	4085
Total	1938592	1625033

	AMOUNT (Rs.)	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Schedule 10: Fixed Deposits with Scduled Banks (Including interest accrued)		
FDR's with HDFC Bank.	1640354	1038860
FDR's with AXIS Bank.	2181121	1034894
Total	3821475	2073754

KUMAR MITTAL & CO.
NEW DELHI
CHARTERED ACCOUNTANTS

Reach India Trust ★ Kolkata

REACH INDIA TRUST, KOLKATA

SCHEDULE TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2012

	Current Year (Rs.)	Previous Year (Rs.)
Schedule 11:- A): Restricted Grants / Contribution from Foreign Donors Recognised during the year		
APMAS, India	855,301	538,068
College of saint bendict, USA	20,000	-
Oxfam India	628,084	1,080,800
Reach Global, USA	10,861,647	5,198,959
Freedom from Hunger, USA	-	2,691,771
Oxfam Novib, Netherland	-	2,191,261
Sub-Total	**12,365,032**	**11,700,859**
B): Restricted Grants / Contribution from Local Donors Recognised during the year		
Nabard Murshidabad	3,728	-
Sir Ratan Tata Trust	-	131,851
Women Development Corporation, Patna	-	357,811
Sub-Total	**3,728**	**489,662**
Total (A+B)	**12,368,760**	**12,190,521**

	Current Year (Rs.)	Previous Year (Rs.)
Schedule 12: Unrestricted Grants / Contribution Recognised during the year		
Grant / Contribution for Programme activity	1,023,483	-
Total	**1,023,483**	-

SCHEDULE 13: GRANT IN KIND				
DONORS	**Grant received during the year (Rs.)**	**Total (Rs.)**	**Expenses as per Income and Expenditure A/c (Rs.)**	**Closing Balance as on 31.03.12 (Rs.)**
Foreign Donors:-A				
Freedom from Hunger, USA	565,078	565,078	565,078	-
TOTAL	**565,078**	**565,078**	**565,078**	-

	Current Year (Rs.)	Previous Year (Rs.)
Schedule 14: Interest on Fixed Deposits and Savings Bank A/C		
Interest earned on Savings Bank A/C	186,836	4,709
Interest Earned on F.D.R'S	230,376	-
Total	**417,212**	**4,709**

	Current Year (Rs.)	Previous Year (Rs.)
Schedule 15: Miscellaneous Receipt		
Users' fees	19,280	43,759
Institutional Support Service	300,000	
Others	-	202,955
Total	**319,280**	**246,714**

KUMAR MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Reach India Trust ★ Kolkata

REACH INDIA TRUST, KOLKATA

SCHEDULE TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2012

	Current Year (Rs.)	Previous Year (Rs.)
Schedule 16: Programme Expenses		
Training & Follow up Support	2,815,540	5,127,843
Monitoring, Evaluation and Programme Implementation	1,036,595	369,237
Research, Documentation and Promotional Activities	1,568,758	618,764
Programme Salary	3,337,560	1,542,725
Total	**8,758,453**	**7,658,569**

Schedule 17: Operating Expenses	Current Year (Rs.)	Previous Year (Rs.)
Salary & allowances	2,234,885	901,808
Bank charges	8,052	-
Board Meeting Expenses	196,967	123,706
Insurance Security	64,907	74,266
Inernal Audit Fees	57,165	-
Legal & Professional Fees	127,872	121,966
Office & administration Expenses	87,872	511,190
Office Rent & electricity	433,160	165,568
Postage & Courier	53,385	5,295
Printing & Stationary	70,317	116,076
Repair & Maintenance	94,677	54,477
Staff capacity building exp.	91,455	87,881
Staff Recruitment Exp.	16,808	40,873
Statutory audit fees	134,832	132,360
Telephone & Internet	127,748	144,670
Travelling expenses	455,928	1,118,912
Vehicle Running Exp.	55,261	22,135
Acquisition of Fixed Assets - Grant in Kind	565,078	-
Acquisition of Fixed Assets - Restricted Funds	203,300	1,076,978
Total	**5,079,669**	**4,698,161**

Schedule – 18

Reach India Trust, Kolkata

Significant Accounting Policies and Notes to Accounts for the Year ended 31st March, 2012.

1. **Significant Accounting Policies:**

1.1 Basis of Accounting.

These accounts have been prepared on historical cost basis following the accrual basis of accounting except otherwise stated, the generally accepted accounting practices in India and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

1.2 **Revenue Recognition**

a) Grants received for specific expenditure pursuant to agreement entered into with donor / funding agencies shown as a liability (unutilized grants) until these funds have been utilized.

Revenue in respect of specific purpose restricted grants is recognized to the extent the amount has been utilized for the purposes intended. The unspent/overspent balance of the grant is carried forward.

Revenue in respect of unrestricted grants / contribution where Programme activities are continuing as on close of year, are recognized to the extent the amount has been utilized for the purpose intended. The balance amount has been shown as unrestricted fund / contribution received in advance.

Expenditure incurred in excess of grant received has been shown as grant receivable.

b) Unutilized grants are shown net of grant receivable, if any.

c) Training Fees and other income are recognized on cash basis.

1.3 **Fixed Assets and Depreciation**

a) Fixed assets acquired are stated at cost, less depreciation

b) Fixed assets received in kind are stated at estimated cost, less depreciation

c) Fixed assets acquired as a part of a particular project / programme is directly charged to project / programme expenses and stated in the Balance Sheet by credit to "Asset Fund Account".

d) Depreciation of fixed assets is provided on written down value method as per the rates provided in the Income Tax Act / Rules.

KUMAR MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Reach India Trust Kolkata

1.4 Investments

Investments in short term bank deposits are stated at cost including interest accrued.

1.5 Interest and Penalty

Interest and Penalty, if any levied by the Income Tax Authorities on late deposit / short deposit / non deduction of TDS and late filing of TDS returns shall be accounted for on cash basis of Accounting.

Notes to Accounts

1. The Trust has obtained registration u/s 12A(a) of the Income Tax Act and also obtained approval for exemption of donations u/s 80G of the Income Tax Act, 1961.

2. The Trust has obtained permanent F.C.R.A Regd. on 30.07.2010 vide Regd. No. 147120879 earlier Trust was receiving foreign Grant under Prior permission received from Ministry of Home Affairs.

3. In few cases, TDS has been short deducted / late deposited / non-deducted on payment made to staff / contractors / professionals. Similarly in few cases TDS returns has been late deposited.

4. Salaries of staff have been allocated in programme expenses and operational expenses on certain ratio. Trust is advised to prepare the time sheet of each employee and on the basis of time sheet the allocation of salaries to be carried out.

5. Trust is carrying out certain training and other activities as per agreement carried out with various agencies. In various cases TDS has also been deducted on amount paid by these agencies. These receipts may be covered under Service Tax liabilities however trust has not charged service tax on such receipts. Liabilities, if any raised by Service tax department shall be accounted for as and when Levied/Paid.

6. Under few agreements, of unrestricted fund/contribution trust is submitting the original bills / invoices / supporting documents to agencies for carrying out certain programme activity. These reimbursements of expenses are neither shown as income nor expenditure in the financial statement.

7. During the year, trust has carried out activities i.e. training for SHPI, SHPI Animator training, training on capacity building, set up of Silai Schools in village etc. on behalf of other NGO's & other organizations. These receipts have been shown under unrestricted grant/contribution.

   In case of agreement for set-up of Silai School, wherein activity is to be carried out in one year trust has received Rs.531325 as advance out of which Rs. 385297 were spent & recognized as Income, remaining amount of Rs.146028 shown under advance receipt unrestricted fund/contribution.

KUMAR MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Reach India Trust Kolkata

8. During the year, trust has been received fixed assets with residual value of Rs. 5,65,078/- from a foreign donor i.e. Freedom From Hunger, USA through its liasion office in India. These fixed assets have been shown in the financial statement of Trust.

9. Upto previous year, Interest earned on fixed deposits and saving bank accounts earned on restricted grants from foreign donors M/s Reach global, USA was shown under specific fund only and to be utilized against such grant expenses. However as per management policy, during the year interest earned on fixed deposit and saving bank account earned on unutilized fund of Reach global, USA amounting to Rs. 411497 has been shown separately under General fund and not allocated to Restricted grant account.

10. Efforts are required to strengthen the system of maintenance of invoices raised for training activities and other contribution / grant.

11. As per the board of trustee resolution, Ex-gratia amount of Rs. 359313/- has been paid to the staff working with trust or earlier working under freedom from hunger liaison office. The ex-gratia amount has been paid for the period ending 31st March, 2009 on the basis of completed year of services. However two staff members who already resigned earlier has not accepted the ex-gratia payments of Rs. 63125/- which is shown under Ex-gratia payable. The ex-gratia payment of Rs. 359313/- has been made out of corpus fund received from Reach global, USA for staff benefit.

12. Two employees who resigned in earlier years have sent legal notice to trust claiming termination salary & leave encashment. The reply to notice has been given by Advocate of Trust. Liabilities if any Payable to these employees shall be accounted for in cash basis.

13. There is no Agreement/Budget available with foreign Donor, Reach Global, USA. Expenses are carried out as per the direction of CEO & Board of Trustee.

14. Foreign Inward Remittance certificate (F.I.R.C) for foreign receipts are yet to be obtained from Banks.

15. Foreign grants have been shown as per amount received in the Bank.

16. In one case Trust has inadvertently deposited local contribution amount of Rs. 75600 in FCRA designated Bank Account, which was subsequently transferred to local contribution Bank account.

17. Trust is also having a Project Bank Account for FCRA fund however in few cases inadvertently the local contribution were also deposited in it which were subsequently transferred. Intimation of opening of Project Bank Account was also sent late to ministry of Home Affairs.

KUMAR MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Reach India Trust Kolkata

18. Trust has received corpus fund of Rs.553000 from Reach Global USA during the year. Interest earned on corpus fund has been allocated pro-rata out of total Interest earned on FDR's.

19. Trust has shown Income of Rs.3,00,000/- as Institutional Support Services from a related Private Limited Company. The amount of Institutional Support Services determined as per Board Resolution. The amount is recoverable as on 31st March, 2012.

20. Allocation of expenses into various grants has been shown as per the Management policy & approval.

21. As per the Management confirmation, expenditure incurred in excess of grant received are shown under grant receivable.

22. As per Management confirmation, advances recoverable are unsecured but good for recovery.

23. In previous year 2010-11, Trust received a advance of Rs. 5,00,000 from a specific Donor in local contribution Account instead of FCRA A/c which was refunded back to Donor in current year out of local contribution A/c & subsequently received in foreign contribution A/c.

24. Based on the information available with the Trust, the Balance due to Micro & Small enterprises as defined under the MSMED Act, 2006 is Rs.NIL (Previous Year Rs.NIL) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

    Further during the previous year no amounts were payable to Small Scale undertaking which were outstanding for more than 30 days.

25. Previous year figures have been regrouped / re-classified to make them comparable wherever considered necessary with the current year figures.

Signature to Schedule -1 to 18 of the Balance Sheet
As per our Report of even date

For **KUMAR MITTAL & CO.**
Chartered Accountants
FRN 10500N

(Sanjay Dewan)
Partner
Membership No.90045

For & On behalf of
REACH INDIA TRUST

(Trustee) (Trustee) (Chief Executive Officer)

Place : New Delhi

Dated : 30.06.2012

KUMAR MITTAL & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Reach India Trust ★ Kolkata ★