



V.NAGARAJAN & CO.,

Chartered Accountants

AUDITOR'S REPORT TO THE MEMBERS OF SWAYAM KRISHI SANGAM

We have audited the attached Balance Sheet of SWAYAM KRISHI SANGAM [the 'Society'] as at March 31, 2012 and the Income and Expenditure account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing and assurance 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 of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account have been kept by the head office and the branches of the Society visited by us so far appear from our examination of the books;
3. The Balance sheet and Income & Expenditure account dealt with by this report are in agreement with the books of account;
4. The Balance sheet and Income and Expenditure account dealt with by this report comply with the accounting standards issued by Institute of Chartered Accountants of India so far applicable to level II enterprise.
5. In our opinion, and to the best of our information, and according to the explanations given to us, the accounts read with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2012 and;
 - b) In the case of the Income and Expenditure account, of the excess of expenditure over income for the year ended on that date.

Place: Hyderabad

Date: 17-09-2012

for V. Nagarajan & Co.,

Chartered Accountants

ICAI Firm Regd. No.: 04879N



A. G. Sitaraman

A. G. Sitaraman

Partner

M. No.: 017799

SWAYAM KRISHI SANGAM

		Rs.	
BALANCE SHEET AS AT		31-Mar-12	31-Mar-11
SOURCES OF FUNDS			
	Schedules		
Corpus fund		240	240
Reserves and surplus	1	10,391,227	16,184,508
Total		10,391,467	16,184,748
APPLICATION OF FUNDS			
Fixed assets	2		
Gross block		8,543,176	9,178,782
Less: Depreciation		6,037,948	5,662,359
Net block		2,505,228	3,516,423
Current assets, loans & advances			
Cash and bank balances	3	7,900,143	11,377,784
Loans and advances	4	318,711	5,972,501
		8,218,854	17,350,285
Less: Current liabilities and provisions			
Current liabilities	5	332,617	3,831,080
Provision for gratuity		-	850,880
		332,617	4,681,960
Net current assets		7,886,237	12,668,325
Total		10,391,467	16,184,748
Notes to accounts	13		

The schedules referred to above and notes to accounts form an integral part of the financial statements

As per our report of even date

for **V. Nagarajan & Co.,**
Chartered Accountants
ICAI Firm Reg. No.: 04879N

Place: Hyderabad
Date: 17-09-2012

A. G. Sitaraman
A. G. Sitaraman
Partner
M. No.: 017799



for Swayam Krishi Sangam

[Signature]

President

[Signature]

Secretary



Audited financial statements for the year ended March 31, 2012

SWAYAM KRISHI SANGAM

		Rs.	
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED		31-Mar-12	31-Mar-11
		<i>Schedules</i>	
INCOME			
Grants and donations	6	7,658,344	65,200,518
Income from education activity	7	-	4,131,301
Other income	8	1,840,605	712,436
Total		9,498,949	70,044,255
EXPENDITURE			
Grant to SKS educational society		-	1,500,000
Direct programme expenditure - Ultra Poor	9	3,502,901	12,634,398
Direct Programme expenditure - Education	10	1,687,220	15,254,430
Direct Programme expenditure - De-worming Program		-	2,299,558
Direct Programme expenditure - Business correspondence		-	625,074
Repairs and maintenance - Building		167,992	77,835
Consultancy charges		378,791	26,037,425
Interest on loans		-	463,562
Personnel cost	11	3,418,437	10,567,673
Administrative expenses	12	1,912,027	3,491,546
Transfer of education activity		3,780,639	-
Depreciation	2	375,589	1,238,233
Sundry assets written-off		68,633	-
Total		15,292,230	74,189,734
Net (deficit)/surplus for the year		(5,793,281)	(4,145,479)
Add: Surplus brought forward from previous year		16,184,508	20,329,987
Balance carried to balance sheet		10,391,227	16,184,508

Notes to accounts

13

The schedules referred to above and notes to accounts form an integral part of the financial statements

As per our report of even date
for **V. Nagarajan & Co.,**
Chartered Accountants
ICAI Firm Reg. No.: 04879N

Place: **Hyderabad**
Date: **17-09-2012**

A. G. Sitaraman
A. G. Sitaraman
Partner
M. No.: 017799



for Swayam Krishi Sangam

[Signature]
President

[Signature]
Secretary



Schedule 2 : Fixed Assets

Rs.

Particulars	Gross block				Depreciation		Net block		
	As on April 01, 2011	Additions more than 6 months	Additions less than 6 months	Transferred to Bodhi Educational Society	As on March 31, 2012	Up to March 31, 2012	for the year	As on March 31, 2012	As on March 31, 2011
Land	374,936	-	-	-	374,936	-	-	374,936	374,936
Buildings	2,050,694	-	-	-	2,050,694	-	98,102	882,920	981,022
Furniture And Fixtures	458,795	-	24,132	29,590	453,337	-	18,673	273,014	204,454
Office Equipment	753,117	-	-	293,937	459,180	-	21,180	339,157	435,140
Computers & Peripherals	2,679,150	13,500	-	383,315	2,309,335	-	40,304	2,282,465	436,989
Air Conditioners	43,800	-	-	-	43,800	-	457	41,208	3,049
Borewell	32,490	-	-	-	32,490	-	339	30,568	1,261
Generators	61,120	-	-	-	61,120	-	-	61,120	-
Innova	1,226,615	-	-	-	1,226,615	-	156,393	340,385	1,042,623
Telephone Tele/Fax Machine	40,500	-	-	-	40,500	-	5,164	11,239	34,425
TOTAL	7,721,217	13,500	24,132	706,842	7,052,007	4,206,319	340,612	4,546,931	3,514,898
			37,632					2,505,076	

Fully written off

Furniture And Fixtures	1,148,484	-	31,490	1,374	1,178,600	1,147,025	31,479	1,178,504	96	1,459
Office Equipment	251,265	-	-	99	251,166	251,129	-	251,129	37	136
Computers and Peripherals	52,316	-	3,500	13	55,803	52,289	3,498	55,787	16	27
Telephone Tele/Fax Machine	5,600	-	-	-	5,600	5,597	-	5,597	3	3
TOTAL	1,457,665	-	34,990	1,486	1,491,169	1,456,040	34,977	1,491,017	152	1,625
			34,990							

Grand Total	9,178,882	72,622	708,328	8,543,176	5,662,359	6,037,948	375,589	2,505,228	3,516,523
<i>Previous year</i>									



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SWAYAM KRISHI SANGAM

	Rs.	
SCHEDULES TO BALANCE SHEET AS AT	31-Mar-12	31-Mar-11
Schedule 1: Reserves and surplus		
Capital reserve	-	-
Income and expenditure account	10,391,227	16,184,508
Total	10,391,227	16,184,508
Schedule 3 : Cash and bank balances		
Cash in hand	47,086	14,932
<i>Balance with scheduled banks</i>		
- In current and savings bank accounts	1,210,355	10,345,563
- In Term deposit accounts	6,400,000	1,000,000
Add: Interest accrued [net of TDS]	242,703	17,289
Total	7,900,143	11,377,784
Schedule 4: Loans and advances		
Training Loans	66,693	199,975
TDS recoverable	185,771	2,498,843
Advances and other amounts recoverable in cash or in kind or for value to be received	66,247	989,265
Fee recoverable	-	1,306,368
Stock of uniforms or books (at cost)	-	978,050
Total	318,711	5,972,501
Schedule 5: Current liabilities		
Statutory dues	229,866	1,111,189
Savings from members	414	268,606
Fee received in advance	-	180,302
Other liabilities	26,494	1,428,990
Audit fee Payable	75,843	178,704
Administrative expenses	-	563,589
Salary payable	-	99,700
Total	332,617	3,831,080

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Audited financial statements for the year ended March 31, 2012



SWAYAM KRISHI SANGAM

	Rs.	
SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED	31-Mar-12	31-Mar-11
Schedule 6: Grants and Donations		
A) Foreign sources		
SKS Microfinance limited	4,000,000	-
SKS Foundation	3,087,760	1,987,638
SORENSEN/UNITUS	-	1,137,325
Charities Aid Foundation, India	22,700	12,328
NGS Foundation	509,028	-
B) Local sources		
Collaborate to Graduate Ultra Poor	35,000	-
Individual donations	3,856	207,000
Contribution from SKS Mutual Benefit Trusts	-	61,000,000
	7,658,344	64,344,291
Less: Refund of grant to swiss agency for development and cooperation	-	856,227
Total	7,658,344	65,200,518

Schedule 7: Income from education activity		
School fee	-	3,960,090
Transport fee	-	171,211
Total	-	4,131,301

Schedule 8: Other income		
Interest on fixed deposits	404,756	328,850
Visitors fee	123,624	295,004
Rental income	115,000	-
Sale of scrap	3,460	-
Receipts From Nabard towards formation of Farmer's Clubs	44,500	-
Other Income	343,057	85,302
Interest on Income tax refund	801,566	3,280
Income from loans [Mobile distribution & other loans]	4,642	-
Total	1,840,605	712,436

Schedule 9: Direct programme expenditure - Ultrapor		
Grant to members	1,829,614	8,141,208
Personnel cost	1,010,631	2,639,291
Health related expenses	403,566	1,012,085
Stipend	51,600	550,080
Insurance	139,836	266,029
Survey expenses	2,364	25,705
Other expenses	65,290	-
Total	3,502,901	12,634,398

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Audited financial statements for the year ended March 31, 2012

SWAYAM KRISHI SANGAM

	Rs.	
SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED	31-Mar-12	31-Mar-11
Schedule 10: Direct programme expenditure - Education		
School recognition expenses	815,175	1,695,616
Personel cost	-	6,512,103
Travelling expenses	-	2,900,017
Rent	-	2,041,750
Office maintenance	137,330	1,425,468
Printing and stationary	-	544,617
Electricity expenses	-	75,816
Telephone and internet charges	-	38,636
Other expenses	734,715	20,407
Total	1,687,220	15,254,430
Schedul 11: Personnel cost		
Salaries and other allowances	3,091,145	8,764,858
Contribution to Provident fund	271,267	854,192
Staff welfare expenses	39,465	32,002
Staff training expenses	16,560	65,741
Gratuity	-	850,880
Total	3,418,437	10,567,673
Schedule 12: Administrative Expenses		
Travelling Expenses	740,476	1,745,497
Auditors' remuneration and out of pocket expenses	95,300	198,540
Recruitment expenses	2,000	245,178
Communication expenses	18,394	7,842
Printing and Stationary	93,887	140,370
Office maintenance	645,022	104,127
Rent , rates & taxes	26,500	75,790
Electricity expenses	628	4,140
Bank Charges	20,746	21,931
Visitors Expenses	15,204	83,019
Computer maintenance	10,230	6,243
Postage and telegram	16,600	2,344
Miscellaneous expenses	227,041	440,944
Sundries Written-off	-	415,581
Total	1,912,027	3,491,546




Audited financial statements for the year ended March 31, 2012



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	Grants
Opening balances represented by:	Total
Cash & bank balances	11,377,783
Other current assets and advances	5,972,501
Less: Current liabilities	4,681,960
Total	12,668,324
RECEIPTS/SOURCES OF FUNDS	
Revenue Receipts:	
SKS Microfinance Limited	4,000,000
SKS FOUNDATION	3,087,760
Charity Aid Foundation, India	22,700
NGS Foundation	509,028
Individual donations	35,000
Other Contributions	3,856
Interest on term deposits with schedule banks	404,756
Visitor's fee	123,624
Rental income	115,000
Sale of scrap	3,460
Receipts From Nabard towards formation of Farmer's Clubs	44,500
Other Income	343,057
Interest on income tax refund	806,208
Capital Receipts	
Fixed Assets are transferred to Bodhi Educational Society	708,328
Total Receipts during this year	10,207,277
TOTAL RECEIPTS (including opening balance)	22,875,601
PAYMENTS/APPLICATION OF FUNDS	
Operational expenses:	
Direct program/project expenses	3,930,893
Salaries, allowances and staff benefits	3,418,437
Consultancy charges	378,791
Administrative expenses	6,938,186
Sundry assets written-off	68,633
Capital expenses:	
Purchase of fixed assets	72,722
Funds incurred out of FCRA	-
Total Payments during this year	14,807,663
CLOSING BALANCE	8,067,938
Closing balance represented by:	
Cash and bank balances (including term deposits)	7,900,144
Add: Current assets and advances	500,411
Less: Current liabilities	332,617
Total Payments including closing balances	8,067,938

As per our report of even date
for V. Nagarajan & Co.,
Chartered Accountants

for Swayam Krishi Sangam

Place: Hyderabad
Date: 17-09-2012

A. G. Sitaraman
Partner
M. No.: 017799



[Signature]

President

[Signature]

Secretary



SWAYAM KRISHI SANGAM

Rs.

BALANCE SHEET AS AT MARCH 31, 2012*(In respect of Foreign Contributions)***LIABILITIES****INFRASTRUCTURE - ASSETS (at cost) (Contra)** 9,178,782**FOREIGN CONTRIBUTIONS:**

Project: Rural development programmes

Opening balance 4,066,329

Contributions received during the year 7,847,431

11,913,760

Less: Expenditure on rural development programme 4,728,411

7,185,349

Total**16,364,131****ASSETS****INFRASTRUCTURE - ASSETS (at cost) (Contra)** 9,178,782

Balance with scheduled banks 538,645

Term deposit 6,400,000

Interest accrued (Net of TDS) 242,703

Other advances and deposits 4,000

7,185,348

Less: Current liabilities -

7,185,348

Total**16,364,131**

for V. Nagarajan & Co.,
Chartered Accountants
ICAI Firm Reg. No.: 04879N

Place: Hyderabad

Date: 17-09-12

A. G. Sitaraman

Partner

M. No.: 017799



for Swayam Krishi Sangam

President

Secretary



SWAYAM KRISHI SANGAM

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012 (In respect of Foreign Contributions)	
	Amount (Rs.)
(A) OPENING - FOREIGN FUNDS	4,066,329
(B) RECEIPTS:	
SKS Foundation	4,000,000
SORENSEN/UNITUS	3,087,760
Charity Aid Foundation, India	22,700
NGS Foundation	509,028
Interest on term deposits with scheduled banks	227,943
Total Receipts during the year	7,847,431
(C) PAYMENTS:	
Programme expenses	1,960,741
Salaries, allowances and other benefits	107,682
Administrative expenses	385,050
Paid for other administrative exp	2,274,938
Total Payments during the year	4,728,411
CLOSING BALANCES (D) =(A+B-C)	7,185,348
<i>Represented by the following:</i>	
Balance with scheduled banks	538,645
Term deposit	6,400,000
Interest accrued (Net of TDS)	242,703
Other advances and deposits	4,000
Total	7,185,348

for V. Nagarajan & Co.,
Chartered Accountants

ICAI Firm Reg. No.: 04879M

Place: Hyderabad

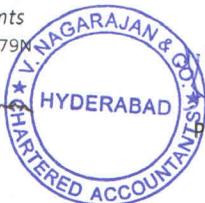
Date: 17-9-12

A. G. Sitaraman

Partner

M. No.: 017799

For Swayam Krishi Sangam



President



Secretary

1. Significant accounting policies:**1.1. Basis of preparation of financial Statements:**

The financial statements are prepared on accrual basis under historical cost convention except grants, which are accounted for on cash basis and are in consonance with applicable accounting standards of the Institute of Chartered Accountants of India.

1.2. Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actuals and estimates are recognised in the period they materialise.

1.3. Revenue recognition:

Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

1.4. Grants and donations:

1.4.1. Revenue Grants and donations are recognized as income for current period in the financial statements.

1.4.2. Grants received specifically relating to fixed assets are credited to the Capital reserve in the Balance sheet. Such grants are recognized in the Income and Expenditure account on a systematic and rational basis over useful life of the fixed assets.

1.4.3. Donation in kind is also accounted in books.

1.5. Fixed assets:

1.5.1. All fixed assets have been shown at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.

1.5.2. Depreciation has been provided on assets based on written down value method at the rates appropriate for the useful life of the assets.

1.5.3. In respect of additions, the depreciation is provided on a half yearly basis, during which half year in which assets are put to use.

1.5.4. In case of sale of Fixed Assets, no depreciation has been charged in accounts during the year for period of usage.

1.5.5. Each fixed asset, which has a value less than Rs. 5,001/- is written off completely during this year. For physical control purpose, these assets are still carried over in fixed asset schedule with a nominal value of Rs. 1/- per asset.

1.5.6. In respect of assets acquired out of the Capital Grant, depreciation calculated as above, is charged off to the Grant so capitalized.

1.5.7. The fixed assets, which have been received as donation in kind, are incorporated in fixed asset register & schedule and correspondingly depreciation has been charged from accounts like other fixed assets.

1.6. Employee benefits:

1.6.1. Contribution to Provident Fund is accounted on actual liability basis and paid.

1.6.2. Leave encashment to employees also stands fully provided for.

1.6.3. Gratuity has been provided on an estimated basis taking into account employee's completed period of service and 15 days salary which was drawn by employee at the end of last month of financial year.

1.7. Foreign currency transactions:

1.7.1. All transactions in the foreign currency are recognized at the exchange rate prevailing on the date of transactions.

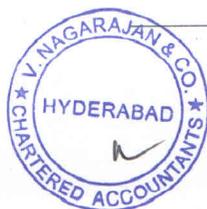
1.7.2. Liabilities and receivables in foreign currency are converted at the exchange rate as on date of transaction and gain or losses are recognized on the date of settlement of liabilities.

2. Notes to accounts:**2.1. Note on activities:**

SWAYAM KRISHI SANGAM (the 'Society' or 'SKS') undertakes the following activities:

2.1.1. Ultra Poor program:

The Ultra Poor program is the lead program of SwayamKrishiSangam. The Ultra Poor programme, scientifically targets the bottom of the pyramid extreme poor, employing participatory identification tools. The intervention logic is based on seamless and integrated services in the thematic areas of social, health and economic advancement to the identified extreme poor households with the aim of main streaming and reconnecting them to lost livelihood opportunities through a road map of their choice.



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The identified partner households are invariably women headed and most of them are destitute or below destitute. The single most important criterion of the measure of impact of this programme is an orderly transition into self propelled and secured livelihoods with elevated social and health awareness levels.

2.1.2. De-Worming Program:

SKS in partnership with De-worm the World [DTW], an International, a US Based non-profit has launched a pioneering program of de-worming 2 lakh school children in Andhra Pradesh. In partnership with DTW, SKS worked jointly with the Department of Health, Medical and Family Welfare and the Department of School Education. As a Pilot they have made a massive campaign in Kurnool District, de-worming nearly 2 Lakh school children at Government Schools. SKS field teams were engaged to do this in local collaboration with PHCs and medical department. Albendozal pills were administered to school children under the supervision of qualified local physicians. The impact is visible and SKS has a vision of "Worm free children in India".

2.1.3. Business Correspondence:

SKS is implementing a pilot to provide the Business Correspondent services. The kind of financial services and products include cash transfers, loan repayment collections, opening of savings bank and other deposit accounts and insurance services. The Business Correspondent model is undergoing field tests for its various efficacies in service deliveries. SKS wanted to test case this pilot and upscale the model with standard package of practices.

2.1.4. SitaramRao Memorial Book Clubs (Libraries):

SKS has started SitaramRao Memorial Book Clubs (Libraries) in collaboration with CFBT and in the memory of Late SitaramRao who did a pioneering work in SKS and started 9 Libraries at Government schools, Kasturba Gandhi Balika Vidyalaya's, and Girls hostels at Narayankhed area of Medak District, Andhra Pradesh and provided books with nearly 750 titles. These libraries are managed jointly by children committee, one teacher, and one organizer from SKS.

2.2. Transfer of education division to "Bodhi Educational Society":

During the year, the Society transferred the facilities relating education activity to Bodhi Educational Society with effect from 1st April 2011 vide Business transfer agreement dated March 28, 2011. The details of assets and liabilities transferred are as follows:

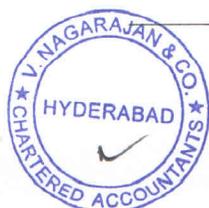
Particulars	Amount [Rs.]
I. ASSETS	
i. Fixed assets [net]	708,328
ii. Cash and bank balances	1,600,880
iii. Stock [books and uniforms]	978,050
iv. Rent and transport deposits	722,950
v. Recoverable fee	1,306,368
vi. Other advances	47,265
Total	5,363,841
II. LIABILITIES	
i. Current liabilities	732,322
ii. Provision for gratuity	850,880
Total	1,583,202
Difference treated as "Transfer of education activity"	3,780,639

2.3. Income tax:

The Society is registered under Andhra Pradesh Society Registration Act, 2001 as a non-profit society and having registration under section 12 A(a) of the Income Tax Act, 1961. The Society has complied with the necessary provision and conditions of the section 2(15) of the Income Tax Act 1961 relating to the charitable organization. Hence no provision for Income Tax is considered necessary.

2.4. The Society falls under level II enterprise as classified by the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the accounting standards to the extent applicable to level II entity.

Audited financial statements for the year ended March 31, 2012



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SWAYAM KRISHI SANGAM

SCHEDULE 13: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.5. Supplementary information:

2.5.1. Auditors' remuneration:

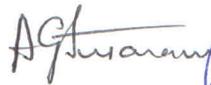
Particulars	Rs.	
	31-Mar-2011	31-Mar-2011
Audit fee (Inclusive of service tax)	95,300	115,815
Taxation and other consulting services	-	55,150
Fee for Certification including FCRA	-	27,575
Out of pocket expenses	-	-
Total	95,300	198,540

2.5.2. Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

As per our report of even date
for V. Nagarajan & Co.,
Chartered Accountants
ICAI Firm Reg. No.: 04879N

for SwayamKrishiSangam

Place: Hyderabad
Date: 17-09-2012



A. G. Sitaraman
Partner

M. No.: 017799





President



Secretary

