

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SPARC SAMUDAYA NIRMAN SAHAYAK
Registered under Section 8 of the Companies Act, 2013
(Section 25 of the Companies Act, 1956)

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. SPARC SAMUDAYA NIRMAN SAHAYAK, ("the Institution"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Institution's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Institution in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Institution and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Institution's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Institution's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and read with the followings

- 1) *We have relied on the explanation and representations made by the management with regard to the expenses incurred at the centres and also for the allocation of expenses to various projects funded in accordance with the terms and conditions of the agreements with the funders.*
- 2) *We have relied on the certification by Architects in respect of proportion of work completed for which payments made towards projects and accounting of liabilities in respect of the projects.*
- 3) *Note No.5 & Note No. 7 in the Notes to the Financial Statements regarding balance of Loans, Interest Accrued on Loans and Advances Recoverable in Cash or Kind as specified in the said Note.*
- 4) *Note No. B (1) in Note No. 9 to the Financial Statements, relating to our reliance placed on the Management's Policy with respect to transactions specified in the said Note.*



And also read with other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Institution as at March 31, 2016;
- b) in the case of the Statement of Income and Expenditure Account, of the Surplus for the year ended on that date

Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act are not applicable to the Institution.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Institution so far as appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Income and Expenditure Account dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over reporting of the institution and the operative effectiveness of such controls, refer to our separate report in "Annexure A"; and



g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

i. The Institution has disclosed the details of the pending litigations, confirming that there will be no impact on the financial position

ii. the Institution did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

FOR KRISHAAN & Co.,
Firm Reg. No. 001453S
Chartered Accountants



V Krishnan
PARTNER
Membership No. 010970



Place: MUMBAI
Dated: 20 June, 2016

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of **SPARC SAMUDAYA NIRMAN SAHAYAK ("the Institution")** as of March 31, 2016 in conjunction with our audit of the financial statements of the Institution for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Institution's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Institution considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to institution's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Institution's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Institution's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

An Institution's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. An Institution's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Institution are being made only in accordance with authorisations of management and directors of the Institution; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Institution's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Institution has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on

- a) Policies and Procedures followed by the Institution which ensure orderly and efficient conduct of activity.
- b) Consistent adherence to the Institution Policies.
- c) Procedures which safeguard the Institution's fixed assets and current assets including loans and advances and cash and bank balances.
- d) Maintenance of Institution's accounting record with accuracy.
- e) Capacity to complete and prepare accurate and reliable financial interpretation.

For Krishaan & Co.,
Firm Reg.No/001453S
Chartered Accountants

V Krishnan
Partner
M.No. 010970



Date:20/06/2016

Place: Mumbai

(8)

SPARC SAMUDAYA NIRMAN SAHAYAK
CIN U85310MH1998NPL115227
BALANCE SHEET AS AT 31ST MARCH 2016

	Note No.	AS AT 31.03.2016	AS AT 31.03.2015
I. TRUST FUND AND LIABILITIES			
1 Trust Fund			
Reserves and surplus	1	896,435,986	864,129,200
2 Non-current liabilities		NIL	NIL
3 Current liabilities			
Short Term Borrowings		NIL	NIL
Other current liabilities	2	16,776,284	14,774,728
TOTAL		913,212,270	878,903,928
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	3	80,998	98,412
(b) Non-current investments	4	7,764,665	4,926,980
(c) Long-term loans and advances	5	693,559,305	741,316,672
2 Current assets			
(a) Cash and cash equivalents	6	156,803,334	76,648,073
(b) Short-term loans and advances	7	55,003,968	55,913,790
TOTAL		913,212,270	878,903,928
Statement of Significant Accounting Policies adopted by the Company	9		

As per our report of even date
for KRISHAAN & CO.
Chartered Accountants
Firm Regn. No.001453S

V. Krishnan
Partner
Mem No.010970
Date : 20/06/2016



Sheela Patel
Sheela Patel
DIN 00152622
Secretary

Vijay Agarwal
Vijay Agarwal
DIN 00058548
Chairman



SPARC SAMUDAYA NIRMAN SAHAYAK

CIN U85310MH1998NPL115227

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars		Refer Note No.	Year ended 31.03.2016	Year ended 31.03.2015
I. Other Income		8.1	302,420	132,878
II. Total Revenue			302,420	132,878
III. <u>Expenses:</u>				
Employee benefits expense		8.2	NIL	NIL
Finance Costs			NIL	NIL
Depreciation and amortization expense (Depreciation is Net of Withdrawn from Earmarked Fund Rs.296,400/-)			-	7,277
Other expenses		8.3	53,804	NIL
Total Expenses			53,804	7,277
Profit before exceptional and extraordinary items and tax (II-III)			248,616	125,601
V. Exceptional items			NIL	NIL
VI. surplus/(Deficit) for the year			248,616	125,601
Statement of Significant Accounting Policies adopted by the Company		9		

As per our report of even date
for KRISHAAN & CO.

Chartered Accountants
Firm Regn. No.001453S

V. Krishnan
Partner

Mem No.010970

Date : 20/06/2016



Sheela Patel

Sheela Patel
DIN 00152622
Secretary

Vijay Agarwal
DIN 00058548
Chairman



NOTE 1 RESERVES & SURPLUS

Reserves & Surplus	As at 31 March 2016	As at 31 March 2015
Other Reserves		
a. Earmarked Funds :-		
Opening Balance	858,096,492	861,680,265
(+) Grant Received during the year (Refer Note 1(i))	-	2,198,595
(+) Income Earned on Earmarked Funds	9,064,788	5,581,803
(+) Other Income	11,295,692	5,176,639
(-) Expenses withdrawn from Earmarked Funds (Refer Note B.3)	(8,980,547)	(8,542,715)
(+) Net Amount Received/(Disbursed) against Project Expenses, Pending allocation, disclosed separately (Refer Note 9.4 (2))	20,695,651	(23,215,374)
(+) Returnable Earmarked Fund to Funder (CLIFF)	-	15,348,200
(-) Amount withdrawn from Earmarked Fund (Refer Note 1 (ii))	-	(130,921)
(-) Fixed Assets Purchase	-	-
(-) Amount Repaid to Returnable Earmarked Fund	-	-
Closing Balance	890,172,075	858,096,492
b. Fixed Assets Grant Fund :-		
Opening Balance	180,011	476,411
(+) Fixed Assets Purchased During the year	-	-
(-) Depreciation for the year transferred to income and Expenditure	(17,414)	(296,400)
Closing Balance	162,597	180,011
c. Surplus :-		
Opening Balance	5,852,697	5,727,096
(+) Net Income/(Net Expenditure) For the current year	248,616	125,601
Closing Balance	6,101,313	5,852,697
Total	896,435,986	864,129,200

Note 1 (i) Earmarked Grant received in Foreign Currency

Earmarked Grant	As at 31 March 2016	As at 31 March 2015
Earmarked Grant received in Foreign Currency #	-	2,198,595
Total	-	2,198,595

The entire amount was received by the company for the projects undertaken by the company itself.

Note 1 (ii) Company has transferred the following amount from earmarked fund pertaining to previous year adjustments. Correspondingly Earmarked to that extent has decreased.

Earmarked Grant	As at 31 March 2016	As at 31 March 2015
Amount withdrawn/added from/to Earmarked Fund (Net)	-	130,921
Total	-	130,921



SPARC SAMUDAYA NIRMAN SAHAYAK
CIN U85310MH1998NPL115227

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 2 OTHER CURRENT LIABILITIES

<u>Other Current Liabilities</u>	As at 31 March 2016	As at 31 March 2015
(a) Advances Received	14,500,000	14,500,000
(b) Other payables		
Audit Fees Payable	67,500	-
Sundry Creditors	1,960,616	
Other Payable	37,791	40,007
Employees Savings Payable	-	1,001
TDS Payable	210,377	233,720
Total	16,776,284	14,774,728



SPARC SAMUDAYA NIRMAN SAHYAK

CIN U85310MH1998NPL115227

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 3 FIXED ASSETS

	Fixed Assets		Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 1 April 2015	Balance as at 31 March 2016	Balance as at 1 April 2015	Balance as at 1 April 2016	Depreciation charge for the year	On disposals	Balance as at 31 March 2016	Balance as at 1 April 2016	Balance as at 31 March 2015
<u>Tangible Assets</u>									
a) Data Processing Machine	1,464,220	1,464,220	1,427,145		-		1,427,145	37,074.6	37,075
b) Electrical Equipments	17,181	17,181	16,651		-		16,651	530	530
c) Office Equipments	121,262	121,262	65,454		17,414		82,868	38,394	55,808
d) Vehicles	100,000	100,000	95,000		-		95,000	5,000	5,000
Total	1,702,663	1,702,663.00	1,604,251		17,414	-	1,621,665	80,998	98,412



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Particulars	As at 31 March 2016	As at 31 March 2015
Trade Investments	Nil	Nil
Other Investments (Refer A below)		
(a) Investments in Mutual Funds	7,764,665	4,926,980
Total	7,764,665	4,926,980

Details of Other Investments							
Sr. No.	Name of the Body Corporate	Basis of Valuation	No. of Units		Face Value / Paid up	Amount (')	
			2016	2015		2016	2015
(a)	Investments in Mutual Funds (Quoted)						
1	Birla Sunlife Cash Plus Institutional Growth (Folio No. 1015089367)	At Cost	220.190	220.190	Face Value 10/- Rs Fully Paid	53,697	53,697
2	Birla Sunlife Cash Plus Retail Growth	At Cost	1,272.857	1,272.857	Face Value 10/- Rs Fully Paid	30,024	30,024
3	Birla Sunlife Cash Plus Retail Growth	At Cost	1,319.301	1,319.301	Face Value 10/- Rs Fully Paid	31,120	31,120
4	Premerica Liquid Fund (Folio No.9041525055)	At Cost	NIL	2,320.08	Face Value 1,000/- Rs Fully Paid	NIL	2,340,536
5	Premerica Liquid Fund (Folio No.9041525044)	At Cost	NIL	2,450.000	Face Value 1,000/- Rs Fully Paid	NIL	2,471,603
6	DHFL Premerica Insta Cash Plus (Folio No. 9041525055)	At Cost	19,061.330	NIL	Face Value 1,000/- Rs Fully Paid	3,720,733	NIL
7	DHFL Premerica Insta Cash Plus (Folio No. 9041525044)	At Cost	20,126.750	NIL	Face Value 1,000/- Rs Fully Paid	3,929,091	NIL
Total						7,764,665	4,926,980

Aggregate market value of quoted investments	7,887,560	7,289,727
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@ Amount of Investment increased by Rs. NIL (Previous Year Rs 8970/-) on account of rectification of balance units held by Institution.



NOTE 5 LONG TERM LOANS AND ADVANCES

Long Term Loans and Advances	As at 31 March 2015	As at 31 March 2014
a. Security Deposits		
Unsecured, considered good		
Pune Municipal Corporation	1,500,000	1,500,000
Bhubneshwar Municipal corporation	3,330,954	3,330,954
b. Earnest money deposit		
Pune Municipal Corporation	2,670,000	2,670,000
Mumbai Sewage Disposable Project (Lot 9)		
Earnest money Deposit With Cuttack (RAY)	576,367	576,367
Earnest money Deposit With Bhubneshwar Municipal corporation	500,000	500,000
	8,577,321	8,577,321
b. Other loans and advances		
Secured, considered good (Refer Note 5 (i) and (ii) below)		
To Community Members	34,192,673	69,096,596
For Projects	650,789,311	663,642,755
	684,981,984	732,739,351
	693,559,305	741,316,672

Note :- a) Loans and advances disclosed above are not confirmed and balances as appearing in the books have been adopted. On receipt of the confirmations necessary adjustments would be made in the books.

Note :- b) Loans and advances disclosed above are overdue. In the opinion of the management no provision for the same is necessary, as all such amounts are good and recoverable.

Note :- c) Further advances to various projects/Programmes /societies would be recovered from sales of Transferable Development Rights, Subsidies and Grants from government agencies and hence a particular project to be classified as doubtful of recovery does not arise.

Note 5 (i) :- Utilised temporarily from fund allocated to other projects, sanctioned by the same funder Agreement, to be reimbursed on realisation of project cost

Name of Project	As at 31 March 2016	As at 31 March 2014
(i) Wambat Hadapsar Phase I includes (Funds Utilised from)		
Wambay Hadapsar Phase II CLIFF Fund	1,930,005	1,930,005
Total	1,930,005	1,930,005

Note 5 (ii) :- Expenditure incurred and shown as Loans and Advances out of income earned on Temporary Investments of Earmarked fund, on the following projects

Name of Project	As at 31 March 2016	As at 31 March 2015
Vijaywada Toilet	1,985,000	1,985,000
Oshiwara 2	9,287,330	9,287,330
Jag Jivan Ram Nagar (Hyderabad)	1,000	1,000
Hyderabad Toilet	100,000	100,000
BSDP	2,545,000	2,545,000
MSDP Lot 9	14,166	14,166
MSDP Lot 8	563,280	563,280
MCGM Slum Shifting	10,000	10,000
Maddurai Housing	195,567	586,647
MMR	35,434	35,434
Nanded Housing	342,198	342,198
Bharat Janta	186,080	186,080
Rajiv Indira (Suryodaya Nagar Society)	-	999,854
Jolly Board Kanjur Marg	325,000	-
Pondcherry Housing	96,496	189,311
Pune Toilet Phase 1 & 2	2,148,282	2,148,282
Pune BSUP Housing	543,567	543,567
Central Railway Kanjur Marg	64,751	64,751
Oshiwara 3	5,000,000	5,000,000
Sunudugudu	235,000	235,000
Total	23,678,151	24,836,700



SPARC SAMUDAYA NIRMAN SAHAYAK

CIN U85310MH1998NPL115227

NOTE 6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31 March 2015	As at 31 March 2014
a. Balances with banks		
-savings Account @	78,099,776	41,572,315
b. Fixed Deposits		
Fixed Deposits under Lien	10,678,192	35,066,469
Bank Guarantee Margin		
Other Fixed Deposits	68,013,291	
c. Cash on hand	12,074	9,288
	156,803,334	76,648,073

@ Notes

(1) Balances with bank in Savings accounts of Institution includes Rs.513,78,332/- (previous Year Rs.303,32,259/-) towards returnable Earmarked funds to Funder (CLIFF) (Refer Note 1 of Notes to Accounts "Reserves & Surplus")



NOTE 7 SHORT TERM LOANS AND ADVANCES

Short-term loans and advances	As at 31 March 2016	As at 31 March 2015
a. Loans and advances to related parties		
Advance for Expenses (Due from Directors)	-	5,595
Total	-	5,595
b. Others advances		
Advance against expenses (Refer Note 7(i) below)	7,941	200,011
Other Advances	2,996,723	6,197,021
Prepaid Expenses	488,108	-
Advances to Staff	34,500	37,667
Tax Deducted at Source	5,218,579	7,092,271
Interest Accrued on Project & Community Loan (Refer Note 7(i) and 7 (ii) below)	44,459,006	40,712,902
Interest Accrued but not due on Fixed Deposits	1,799,112	1,668,323
Total	55,003,969	55,908,195
	55,003,969	55,913,790

Note 7 (i). Loans and advances subject to confirmation

	As at 31 March 2016	As at 31 March 2015
Advance for expenses	7,941	200,011
Interest Accrued on Project & Community Loan	44,459,006	40,712,902
	44,466,947	40,912,913

Note 7 (ii) :- Interest accrued on Community and project loans disclosed under Other advances includes overdue amount as per below. In the opinion of the management, for the balance outstanding as on 31st March, no provisions for the same is necessary, as all such amounts are good and recoverable

Nature of Advance	As at 31 March 2016	As at 31 March 2015
Interest Accrued on Project and Community Loans	44,459,006	40,712,902
Total	44,459,006	40,712,902



SPARC SAMUDAYA NIRMAN SAHAYAK

CIN U85310MH1998NPL115227

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 8.1 OTHER INCOME

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest Income		
Interest on Loans	2,537,998	2,626,731
Bank Interest	7,776,186	4,761,293
Interest on Income Tax Refund	302,419	120,978
Miscellaneous Income	-	431
Net gain/(loss) on sale of investments	2,837,685	-
Total Income	13,454,289	7,509,433
Less : Transferred to Earmarked Funds	(9,064,788)	(5,581,803)
Less : Bank Interest Earned on amount received against project expenses, profit on redemption of current investments disclosed separately. (Refer Note 9.4(ii)) b	(4,087,081)	(1,794,752)
Total	302,420	132,878

NOTE 8.2 EMPLOYEES BENEFIT EXPENSES

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Employees Benefit Expenses		
Salaries	991,296	1,068,804
Stipend	2,458,548	269,900
Total Expenses	3,449,844	1,338,704
Less : Expenses Withdrawn from Earmarked Funds	(3,449,844)	(1,338,704)
Net Expenses	-	-



SPARC SAMUDAYA NIRMAN SAHAYAK

CIN U85310MH1998NPL115227

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 8.3 OTHER EXPENSES

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Legal and Professional fees		
Auditors Remuneration	75,000	158,990
Statutory Audit Fees	347,700	-
Certification Fees	5,251,817	6,651,104
Other Legal and Professional Fees		
Total (a)	5,674,517	6,810,094
Travelling and Conveyance		
Travelling Domestic	343,873	39,828
(including Expenditure incurred by Directors Rs.9,405/-)		
Travelling Foreign	-	17,782
Conveyance	993,287	452,213
Motor Car Expenses	315	125,000
Total(b)	1,337,475	634,823
Communication Expenses		
Postage & Courier	4,572	2,375
Telephone & Internet	437,552	54,866
Total ©	442,124	57,241
Construction and Other Expenses on Project		
Construction, Material & Other Expenses	182,911,142	79,175,190
Charges by Regulatory Authority for release of Development Right	127,590	-
Bank Gurantee Charges	436,404	682,842
Rent, Rates and Taxes	-	1,146,973
Electricity	4,910	341,210
Water Charges	-	194,190
Tender Fees	-	-
Insurance	640,721	152,613
Total (d)	184,120,767	81,693,017
Other Expenses		
Bank Commission Etc.	22,692	15,871
Documentation	-	5,250
Repairs and Maintenance	243,803	63,745
Rent , Rates & Taxes	26,500	9,115
Electricity	-	-
Printing and Stationery	65,584	58,853
Meeting, Programme etc.	563,797	72,762
Miscellaneous	53,367	14,093
Total (e)	975,742	239,689
Total (a to e)	192,550,626	89,434,864
Less :		
a) Expenses Withdrawn from Earmarked Funds (refer Note 9.4 (i))	(5,530,703)	(7,204,011)
b) Bank Charges, Incidental Expenses for release of Development Right, Construction Expenses and Legal & Professional Charges on Amount received against project expenses disclosed seprately	(110,620,383)	(47,609,342)
c) Expenses incurred out of other earmarked fund, borrowed fund etc.	(76,345,736)	(34,621,511)
Net Expenses	53,804	NIL



Note 9.4 (ii)

Net Amount Received/(Disbursed) against project pending allocation, hence disclosed separately under earmarked funds comprise the following:

S.No.	Particulars	Oshiwara Project II	Oshiwara Project I	Wambay Project	Jolly Board	Bharati Janta III	Kanjar Marg	Buhashwar	Pune BSUP Housing	Nanded	Purl	Other Sanitation Projects	Total
	Amounts Received for the year												
a.1	Reimbursement Received from Project awarding authority			274,642				3,791,147 (5,895,639)	9,645,212 (12,427,050)	125,914,565 (22,075,581)		330,704 (32,404,075)	139,956,270 (70,827,628)
a.2	Sale of Development Rights						17,856,358 (5,000,140)						17,856,358 (5,000,140)
b	Bank Interest/Profit on sales of Investments/Dividends	3,348 (17,201)	14,212 (32,211)	11,599 (40,843)	1,009 (8,750)	320,632 (307,473)	2,450,285 (301,881)	79,407 (31,305)	769,563 (734,102)	381,948 (155,485)	986 (2,354)	54,092 (163,147)	4,087,081 (1,794,752)
c	Contribution from Society members							1,105,104	1,951,000 (265,000)				3,056,104 (434,650)
d	Temporary Transfer from Other Loan Fund	12,041,581			993,300 (1,523,802)	924,874	2,294,120		12,116,474	28,332,617	2,626,135	7,079,673	66,358,774 (1,523,802)
e	Temporary Transfer from revolving Fund												
	Total (A)	12,041,581 (6,163,000)	14,212 (32,211)	286,241 (210,493)	993,300 (1,330,299)	924,874 (1,523,802)	2,294,120 (5,302,021)	79,407 (31,305)	24,482,249 (38,434,169)	154,629,130 (43,841,919)	2,627,121 (2,029,253)	7,414,469 (52,349,118)	231,314,587 (157,762,199)
	Amounts Paid for the year												
f	Construction and Other Expenses for the project	12,041,581 (6,163,000)			993,300 (1,330,580)	924,874 (1,523,802)	924,482	1,879,430 (5,132,883)	9,320,361 (27,880,394)	130,461,104 (34,397,741)	197,103	11,051,928 (42,660,368)	167,792,860 (119,088,768)
g	Bank Charges/Guarantee Commission, General Expenses etc			112 (112)			1,430 (6,714)						1,542 (6,968)
h	Temporary Transfer to other Mandated Project including accrued interest												
i	Repayment of Loans for Projects			130,000					12,688,083 (4,128,435)	26,480,317 (6,120,875)	2,626,135	900,000 (2,296,472)	42,824,535 (26,734,366)
	Total (B)	12,041,581 (6,163,000)		130,112 (269,762)	993,300 (1,330,580)	924,874 (1,523,802)	923,912 (14,195,298)	2,250,000 (7,362,883)	19,536,937 (45,545,766)	156,941,421 (40,518,646)	2,642,319 (2,642,319)	16,448,565 (61,405,405)	35,147,471 (210,616,937)
	Net Disbursement (A-B)	3,348 (17,201)	14,212 (32,099)	156,129 (59,269)	712 (8,469)	320,632 (1,831,275)	216,76,851 (8,991,277)	3,095,828 (1,070,393)	2,473,805 (7,111,597)	2,312,291 (3,323,273)	(196,117)	(4,537,459) 9,156,287	20,695,651 23,215,374

Previous Year Figures are given in brackets.
Other sanitation projects includes Pimpri Chinchwad, Tirapur and Pune Toilet Phase IV



SPARC SAMUDAYA NIRMAN SAHAYAK

(Registered under Section 8 of the Companies Act, 2013)

(Section 25 of the Companies Act, 1956)

NOTE 9 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE INSTITUTION AND NOTES FORMING PART OF THE ACCOUNTS

OBJECTS :- Sparc Samudaya Nirman Sahyak is a non profit section 8 Institution under the provisions of the companies Act, 2013 (Section 25 of Companies Act, 1956) to promote the social, economic and cultural development of the poor and in the process undertake various projects in collaboration with slum developers Mahila Milan and their affiliates. Such projects includes slum developments construction of houses for the poor, provision of basic amenities in the slums and provisions of financial aid for such projects and schemes through loans, grants, donations and bridge finance.

A. Significant Accounting Policies adopted by the Institution:

1. **Use of Estimates:-** The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.
2. **Fixed Assets,** including assets purchased from Earmarked Grants, are stated at Cost of Acquisition, less Accumulated Depreciation.
3. **Depreciation** is provided in the manner prescribed in Part C of Schedule II to the Companies Act, 2013.
Depreciation on Fixed Assets purchased from Earmarked Grants is withdrawn from the Fixed Assets Grant Fund and credited to the Income and Expenditure Account.
Depreciation on addition/deletion is provided pro-rata from the month of addition, or upto the month of deletion, as the case may be.
4. **Long Term Investments** are stated at cost of acquisition and Current investments are stated at lower of cost and fair value.
5. **Revenues/Income and Costs/Expenditure** are generally accounted on accrual basis, as they are earned or incurred, except where, reasonable uncertainty exists to assess the ultimate collection, revenue recognition is postponed to the extent of uncertainty involved.



How ever The amounts received against project expenses in the form of realisation of Saleable Units / Transfer of Development Rights or receipts from Government Agencies, etc. are accounted on cash basis and credited to mandated projects.

6. **Grants Received** towards specific purposes, are credited directly to respective Earmarked Fund. Other Grants are treated as Income in the year of receipt and credited to the Income and Expenditure Account.

Income earned on utilisation of Earmarked Funds is transferred to the respective Earmarked Fund. Corresponding direct expenditure incurred are withdrawn from the respective Earmarked Fund. However, income earned on temporary investments made out of such grants is not allocated to each Earmarked Fund.

7. Grants utilized for projects are treated as bridge loans advance in favour of the projects and accordingly disclosed as (Interest bearing) loans recoverable from the respective project except for loans disbursed out of grants from Community Led Infrastructure Finance Facility (CLIFF) and loans disbursed out of temporary utilisation which are interest free. 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 as a separate item under Earmarked Funds.

B. Notes forming part of the Accounts:

1. The Institution awards contracts in connection with Projects undertaken and for sale of Development Rights released by the Government agency on a self negotiated basis without resorting to external tendering process and thereby, realises the most beneficial rates in such transactions. Since the auditors have no external evidence for validation, they have placed reliance on the information, explanations and representations made by the Management in support of such contracts and sale, and the propriety of such transactions.
2. a) Payments to contractors for the Projects are made for amounts certified by Architects/Engineers and accounted in the books irrespective of the amounts claimed.



b) i) **Contingent Liability** : -Estimated amount of contracts remains to be executed on Projects is Rs.560.32 lacs (Previous year Rs.5266.25 lacs)

ii) The Institution is entitled to carry out a SRA project on a plot to be developed as Rehab area and free sale area on a plot at Indira Nagar, Dharavi by virtue of a LOI issued on 14.3.2002 by Slum Rehabilitation Authority. Accordingly an agreement, which stipulates mutual rights and obligations, is entered into with a builder to develop the free sale area in which the Institution is entitled the value of 30% of the area at not less than Rs.5,500/- per sq.ft. for which an advance of Rs.25 lacs has been received and the balance is payable by the developer in stipulated instalments. For the completion the rehab area the Institution incurred Rs. 694.38 Lacs as on 31.03.2016 (Previous year Rs. 694.38 lacs).

3. Expenditure incurred to achieve the object of the institution, are allocated by the management as under :

Nature of Expenditure	As at 31 March 2016	As at 31 March 2015
a) Operating Expenses		
Employees Benefit Expenses	1,539,452	0
Travelling and Conveyance	550,736	76,222
Communication Expenses	0	23,829
Construction and Other Expenses on Projects	1,797,885	5,124,626
Other Expenses	215,543	51,996
Total a	4,103,616	5,276,673
b) Administrative Expenses		
Employees Benefit Expenses	1,331,463	997,733
Travelling and Conveyance	231,488	372,461
Communication Expenses	136,127	6,547
Other Expenses	545,976	169,286
Total b	2,245,054	1,546,027
c) Legal & professional Fees		
	2,631,877	1,720,015
Total c	2,631,877	1,720,015
Total a to c	8,980,547	8,542,715



44.Previous years figures are regrouped wherever necessary.

for KRISHAAN & CO.

Chartered Accountants

Firm Regn. No.001453S



V. Krishnan

Partner

Mem No.010970

Date : 20th June 2016





Sheela Patel

DIN 00152622

Secretary



Vijay Agarwal

DIN 00058548

Chairman

