



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE KATHA

Report on Financial Statements

We have audited the accompanying financial statements of **KATHA (the Society)** which comprise the Balance Sheet as at 31st March 2017 and the Income and Expenditure Account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Generally Accepted Accounting Practices in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the organization and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 of 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 Society's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Society has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by the Society's Governing Board, 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.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read with other notes given thereto, 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 Society as at 31st March 2017; and
- b) in the case of the Income and Expenditure Accounts, of the surplus/ (deficit) for the year ended on that date;

Other Matters

- a) 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.
- b) In our opinion, proper books of account have been kept by the Society so far as appears from our examination of the books of accounts.
- c) The Balance Sheet, and the Income and Expenditure Account dealt with by this report are in agreement with the books of account

Place: New Delhi

Dated: 27 10 2017



For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)


V. Rethinam
Partner (M. No: 010412)

KATHA

Balance Sheet

As on 31 March 2017

(All amounts in Rupees)

	Schedule Number	As at 31 March 2017	As at 31 March 2016
SOURCES OF FUNDS			
CAPITAL FUND			
Corpus fund	1	86,21,331 31,70,000	83,36,581 31,70,000
Restricted funds:-			
Resources for Educating A Child Fund (REACH Fund)	2	47,01,063	61,84,576
Founder's Reserve		1,26,05,329	1,18,97,553
Unrestricted funds:-			
General fund	3	(63,01,202)	(30,65,237)
		2,27,96,521	2,65,23,473
APPLICATION OF FUNDS			
Fixed assets			
Net block	4	86,21,331	83,36,581
Project Funds Spent- Awaiting reimbursement (Annexure - A)		4,73,518	27,18,114
Current assets, loans and advances			
Inventory	5	33,98,634	47,64,306
Debtors	6	57,43,711	60,87,405
Cash and bank balances	7	2,53,13,546	3,26,40,077
Loans and advances	8	56,87,372	52,08,278
		4,01,43,263	4,87,00,066
Less : Current liabilities and provisions			
Current liabilities	9	1,84,34,101	2,14,88,452
Provisions	10	16,94,572	18,44,054
Unutilised Project Funds Carry Forward (Annexure - A)		63,12,918	98,98,782
		2,64,41,591	3,32,31,288
Net current assets		1,37,01,672	1,54,68,778
		2,27,96,521	2,65,23,473

Significant accounting policies and notes to the accounts

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The schedules referred to above form an integral part of the financial statements.

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.:109208W

31
V. Rethinam
Partner
Membership No.: 010412

Place: New Delhi

Date: 27/03/2017



For and on behalf of Katha

Parvinder
Mrs. Parvinder Kaur
Executive Director



Φ KATHA

Income and Expenditure Account
For the year ended 31 March 2017
(All amounts in Rupees)

	Schedule Number	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Grants received	11	4,49,61,510	4,94,12,272
Sale of publications (Net of Sales returns)		49,87,155	54,35,056
Other income	12	43,90,474	26,64,644
		5,43,39,139	5,75,11,972
Expenditure			
(Increase)/decrease in stock		13,65,672	(6,37,725)
Programme expenses	13	2,66,03,654	3,57,51,126
Personnel expenses	14	2,24,14,375	2,30,51,723
Administrative and other expenses	15	76,36,031	1,07,41,693
Depreciation	4	27,02,083	27,74,904
Less: Adjusted against capital fund		(27,02,083)	(27,74,904)
Bad debts (Including Project debtors)	16	23,45,028	3,04,821
Finance and bank charges	17	61,597	31,270
		6,04,26,357	6,92,42,908
(Deficit)/Surplus for the year		(60,87,218)	(1,14,26,115)
: Transfer from/to Reach Fund		28,51,253	53,51,910
: Transfer to Green Fund			
: Transfer from/to General Fund		32,35,965	60,74,205

Significant accounting policies and notes to the accounts

18

The schedules referred to above form an integral part of the financial statements.
 As per our report of even date attached

For **V. Sankar Aiyar & Co.**
 Chartered Accountants
 Firm Registration No.:109208W

For and on behalf of Katha



Parvinder
Mrs. Parvinder Kaur
 Executive Director

31-
V. Rethinam
 Partner
 Membership No.: 010412

Place: New Delhi
 Date: *27/10/2017*

