

# *S. Ramanand Aiyar & Co.*

CHARTERED ACCOUNTANTS

708, 711, SURYA KIRAN 19 KASTURBA GANDHI MARG NEW DELHI 110 001

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## **FORM NO. 10B**

(See rule 17B)

Audit Report under section 12A(b) of the Income-tax Act, 1961, in the case of charitable or religious trusts or institutions.

We have examined the Balance Sheet of KATHA as at 31<sup>st</sup> March, 2009 and the Income and Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by the said Institution.

We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of the audit. In our opinion proper books of account have been kept by the head office and the branches of the above named Institution not visited by us so far as appears from our examination of the books subject to the comments given below:

In our opinion and to the best of our information and according to the information given to us the said accounts give a true and fair view.

- (i) in the case of the Balance Sheet, of the state of affairs of the above named Institution as at 31<sup>st</sup> March, 2009; and
- (ii) in the case of the Income and Expenditure Account, of the deficit of its accounting year ending on 31<sup>st</sup> March, 2009.

The prescribed particulars are annexed hereto.

Place: New Delhi

Date: 30<sup>th</sup> September, 2009

For S. Ramanand Aiyar & Co.  
Chartered Accountants



**R. Balasubramanian**  
Partner



Branch<sup>1</sup> Office  
H9 TROPICAL BUILDING CONNAUGHT CIRCUS  
NEW DELHI 110 001  
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ANNEXURE

Statement of particulars

**I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES**

1. Amount of income of the previous year applied to charitable or religious purposes in India during that year.

Rs.42,561,386

2. Whether the trust/institution has exercised the option under clause(2) of the explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year.

No.

3. Amount of income (accumulated or set apart/finally set apart) for application to charitable or religious purposes to the extent it does not exceed 15% of the income derived from property held under trust (partly / wholly) for such purposes.

Nil

4. Amount of income eligible for exemption under section 11(1) (c) (Give details).

Nil.

5. Amount of income, in addition to the amount referred to in item 3 above accumulated or set apart for specified purposes u/s. 11(2).

NIL.

6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2) (b) ? If so, the details thereof.

Not Applicable



2. Whether any land building or other property of the trust/institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any.

No.

3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so give details.

- Rent paid during the year (paid to Mr.D.Krishna Aiyvar) Rs.660,000
- Geeta Dharmarajan (Consultancy Fees) (TDS deducted Rs.130,954) Rs.1,271,402

4. Whether the services of the trust/institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any.

No.

5. Whether any share, security or other property was purchased by or on behalf of the trust/institution during the previous year to any such person? If so give details thereof together with the consideration paid.

No.

6. Whether any share, security or other property was sold by or on behalf of the trust/institution during the previous year to any such person? If so give details thereof together with the consideration received.

No.

7. Whether any income or property of the trust/institution was diverted during the previous year in favour of any such person? If so give details thereof with the amount of income or value of property so diverted.

No.

8. Whether the income or property of the trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details.

No.



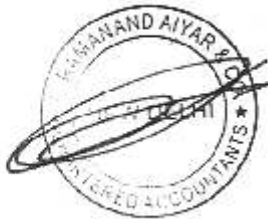
**III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST.**

Sl.No.	Name and Address of the concern	Where the concern is a company number and class of shares held	Nominal value of the investment	Income from the investment	Whether the amount income in Col.4 exceeded of the 5% of the capital of the concern during the previous year. Say: Yes/No.
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-----Not Applicable-----

Place: New Delhi  
Date:30<sup>th</sup> September, 2009

For S. Ramanand Aiyar & Co.  
Chartered Accountants



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R. Balasubramanian  
Partner

7. Whether any part of the income in respect of which an option was exercised under clause (2) of the explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so the details thereof

No.

8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year.

- a. has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or

No.

- b. has ceased to remain invested in any security referred to in section 11(20) (b) (i) or deposited in any account referred to in section 11(2) (b) (ii) or section 11(2) (b) (iii), or

No.

- c. has not been utilized for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart or in the year immediately following the expiry thereof? If so, the details thereof.

No.

## II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

1. Whether any part of the income or property of the trust/institution was lent or continues to be lent in the previous year to any person referred to in section 13(3).  
(hereinafter referred to in this Annexure as such person)? If so, give details of the amount and rate of interest charged and the nature of security if any.

No.



**K**  
**KATHA**

BALANCE SHEET AS ON 31ST MARCH 2009

Previous Year (Rs)	Liabilities	Current Year (Rs)	Previous Year (Rs)	Assets	Current Year (Rs)
9,261,050 2,553,729	<b>Funds &amp; Capital Grants</b> Reach! Fund ( Schedule - 1) Grant for Assets	10,259,242 2,247,893	2,553,729 1,627,862	<b>Fixed Assets</b> Assets against grant Others (Schedule-7)	2,247,893 1,319,727
2,003,444 1,030,619 5,151,226 978,094 17,605,405	<b>Reserve</b> Award Reserve (Schedule - 2) Building Reserve (schedule - 3) ED's Reserve (Schedule - 4) General Reserve (Schedule - 5) R & D Reserve (Schedule -6)	2,003,444 1,030,619 6,122,553 3,151,476 14,450,996	15,914,501 609,629	<b>Investments</b> Deposits with Scheduled Bank UTI Units (includes Bonus Units) <b>Current Assets, Loan &amp; Advances</b>	17,312,708 609,629
1,201,047	<b>Secured Loans</b> Overdraft with Bank (secured against fixed deposits)	-	8,305,297 313,711	<b>Current Assets</b> Accrued Interest Prepaid Expenses Sundry Debtors	44,926 29,497 10,379,295
488,350 2,103,617	<b>Current Liabilities</b> Carried Forward Project Funds Sundry Creditors	435,536 4,409,673	2,038,814 135,528	Stock of Publications TDS Receivable With Scheduled Banks in Saving A/c Cash in Hand (Including Imprest)	8,420,324 463,802 2,465,882 191,222
			105,532 54,100 5,000 505,500	<b>Loan &amp; Advances</b> Loan to staff Advance - Trademark Advance -Others Security deposits Security Deposit	35,500 54,100 - 536,927
42,376,581	<b>Total</b>	44,111,432	42,376,581	<b>Total</b>	44,111,432

For S. Ramanand Aiyar & Co.  
Chartered Accountants

For KATHA



R. Balasubramanian  
Partner

30 SEP 2009




Geeta Dharmarajan  
Executive Director

**Geeta Dharmarajan**  
Executive Director  
**KATHA**

A-3, Sarvodaya Enclave,  
Aurobindo Marg,  
New Delhi - 110017



# KATHA

## SCHEDULE-1 REACH! FUND

Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
7,522,358	Opening Balance	8,578,499
8,297	Add: Other Reach Donations Current year	8,000
1,047,844	Add-Kathashala fees	990,192
	Add: Other Katha Shala Reserve	682,551
8,578,499	Closing Balance	10,259,242

## SCHEDULE-2 AWARDS RESERVE

Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
2,003,444	Opening Balance	2,003,444
2,003,444		2,03,444
	Award Reserve allocated to:	
719,533	15th Year celebration Fund	719,533
429,063	Kalyani	429,063
426,618	Kitta	426,618
428,230	Veedhi Vidya	428,230
2,003,444	Closing Balance	2,003,444

## SCHEDULE-3 BUILDING RESERVE

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Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
1,030,619	Opening Balance	1,030,619
1,030,619	Closing Balance	1,030,619

## SCHEDULE-4 ED's RESERVE

Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
4,319,590	Opening Balance	5,136,226
-	Add: ED's Reserve 08-09	15,000
816,636	Amount received from general reserve	971,327
5,136,226	Closing Balance	6,122,553

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**SCHEDULE-5 GENERAL RESERVE**

Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
4,222,334	Opening Balance	978,094
1,388,549	Transferred from Income & Expenditure Appropriation Account	2,173,382
2,833,785	<b>Total</b>	<b>3,151,476</b>
1,529,691	Less: Written off Accrued Interest	-
326,000	Less: Transferred to ED's Reserve	-
978,094	<b>Closing Balance</b>	<b>3,151,476</b>

**SCHEDULE-6 RESEARCH AND DEVELOPMENT RESERVE**

Previous Yr (Rs.)	Particulars	Current Yr (Rs.)
17,605,405	Opening Balance	17,605,405
-	Adjustment	(3,154,409)
17,605,405		14,450,996
	<b>R &amp; D Reserve</b>	
500,000	-Tamasha!	500,000
500,000	-Katha Vilasam	500,000
500,000	- Kalpana	500,000
	<b>Translation Revolving Fund</b>	
5,265,804	- Katha Vilasam Books Revolving Fund	5,265,804
7,896,431	- Children Books Revolving Fund	7,896,431
2,943,170	- Katha National Institute of Translation Revolving Fund	2,943,170
	-Adjustment of bad debts (Children 1/3 + Books R/Fund)	(3,154,409)
17,605,405	<b>Closing Balance</b>	<b>14,450,996</b>

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**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

Previous Year (Rs)	Expenditure	Current Year (Rs)	Previous Year (Rs)	Income	Current Year (Rs)
2,145,828	Cost of Sales of Publications	1,473,744	2,791,127	Distribution & Sales of Publications (Nett after discount & Sales Return)	3,592,365
356,840	Dep. on assets against grant	305,836	356,840	Grants for assets account	305,836
13,568,739	Katha Schools Expenses	15,596,116	12,783,711	Katha Schools Income	14,782,582
456,789	Creative Services	455,151	11,110,883	Katha Vilasam & Kalpana Vilasam	13,236,999
682,187	Conveyance and Travel	820,601	1,981,959	Donations	1,434,294
326,234	Decrease in Stock of Books	603,973	376,000	Interest	1,569,157
649,214	Depreciation	487,674	912,810	Other Income	335,127
236,915	Educational Material	344,368	235,418	Complimentary	70,384
1,405,882	Project Implementation Exp.	1,632,373	210,342	Liabilities written back	-
193,335	Packing & Forwarding	146,739	80,346	Copyright Fees	82,919
3,910,228	Professional Charges	2,045,722		Katha School Fees	990,192
677,989	Rent & Utilities	961,128		Katha Vilasam Books Revolving Fund	2,102,939
235,418	Sales Promotion	70,384		Children Books Revolving Fund	1,051,470
5,934,095	Salary & Allowances	7,581,818			
1,448,294	Amount Written off	(260,672)			
	Bad Debts	3,154,409			
	Excess of income over expenditure	4,134,901	1,388,549	Excess of expenditure over income	
<b>32,227,987</b>	<b>Total</b>	<b>39,554,264</b>	<b>32,227,986</b>	<b>Total</b>	<b>39,554,264</b>

**INCOME AND EXPENDITURE APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

Previous Year (Rs)	Expenditure	Current Year (Rs)	Previous Year (Rs)	Income	Current Year (Rs)
1,388,549	Balance b/f from Inc. & Exp. A/C	-	-	Balance b/f from inc. & Exp A/C	4,134,901
	Transfer to Reach Fund Reserve (Fees)	990,192		Withdrawn from	
	Transfer to ED's Reserve	971,327	1,388,549	General Reserve	-
	Transfer to General Reserve	2,173,382			
<b>1,388,549</b>	<b>Total</b>	<b>4,134,901</b>	<b>1,388,549</b>		<b>4,134,901</b>

For S. Ramanand Aiyar & Co.  
Chartered Accountants

For KATHA

R. Balasubramanian  
Partner

Geeta Dharmarajan  
**Geeta Dharmarajan**  
Executive Director  
**KATHA**  
A-3 Sarvodaya Enclave,  
Aurobindo Marg,  
New Delhi - 110017

30 SEP 2009





RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Previous Year (Rs)	Receipts	Current Year (Rs)	Previous Year (Rs)	Payments	Current Year (Rs)
4,325,852	Opening Balance	2,038,814	66,787	Opening Balance (overdraft with bank)	1,201,047
73,742	Imprest/Advances	194,595	1,344,133	Cost of Sales of Publications	1,549,764
-	Other Advances	5,000	732,105	Creative Services	849,682
1,057,883	Reach! Fund	998,192	1,253,674	Conveyance and Travel	1,444,921
162,094	Interest	229,613	1,034,823	Educational Material	856,000
2,454,512	Decrease in Investment	1,000,000	801,146	Furniture & Equipment	61,047
1,567,457	Other Donations	1,439,361	7,000,000	Increase in Investment	1,150,000
1,124,447	Other Income	171,013	137,000	Loan to staff	70,000
4,753,486	Sale of Publications	3,337,879	173,934	Packing & Forwarding	171,187
235,418	Complimentary	70,184	4,046,738	Project Implementation Expenses	3,563,172
	<b>Project Receipts</b>		5,722,179	Professional Charges	2,815,691
8,898,219	Katha Vilasam	6,510,500	945,267	Rent & Utilities	1,425,060
	Kalpavriksham		15,016,837	Salaries & Allowances	15,988,419
13,320,984	Katha Schools	14,128,034	235,418	Sales Promotion	70,184
1,520,382	Kalpana Vilasam	3,802,029	5,000	Other Advances	-
			-	Security Deposit	19,000
1,201,047	Overdraft With Bank (secured against fixed deposits)	-	6,141	TDS Payable	-
			2,038,814	Closing Balance	-
			135,528	With scheduled Banks	2,465,882
				Cash in hand ( including imprest )	224,159
40,695,523	<b>Total</b>	<b>33,925,213</b>	40,695,523	<b>Total</b>	<b>33,925,213</b>

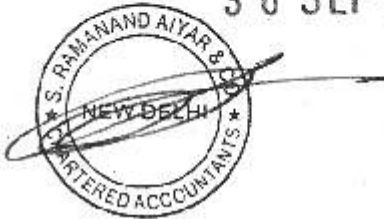
For S. Ramanand Aiyar & Co.  
Chartered Accountants

For KATHA

R. Balasubramanian  
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30 SEP 2009



**Geeta Dharmarajan**  
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**SCHEDULE-7 FIXED ASSETS**

Assets General	WDV as on 1.04.08	Addition during		Deduction during 2008-2009.	Total	Depreciation	WDV as on 31.03.2009
		Up to 30.09.08	After 30.09.08				
Computer	497,191	12,135	155,700		665,026	352,305.74	312,720.49
Sound Proofing	3,478	-	-	-	3,478	521.73	2,956.47
Office Equipment	411,771	4,959	6,745		423,475	63,015.31	360,459.26
Furniture	341,287		-		341,287	34,128.73	307,158.57
Vehicle	1,074				1,074	161.16	913.24
Building	368,355				368,355	36,835.47	331,519.23
Air Conditioner	4,706	-	-		4,706	705.84	3,999.76
<b>Sub Total</b>	<b>1,627,862.00</b>	<b>17,094</b>	<b>162,445</b>	<b>-</b>	<b>1,807,401</b>	<b>487,673.98</b>	<b>1,319,727.02</b>
<b>Assets Against Grants</b>							
Computer	9,693				9,693	5,816	3,877
Furniture	109,733				109,733	10,973	98,760
Generator	153,553				153,553	23,033	130,520
Office Equipment	65,901				65,901	9,885	56,016
Vehicle	692,855				692,855	103,929	588,926
Building	1,521,994				1,521,994	152,200	1,369,794
<b>Sub Total</b>	<b>2,553,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,553,729</b>	<b>305,836</b>	<b>2,247,893</b>
<b>Grand Total</b>	<b>4,181,591</b>	<b>17,094</b>	<b>162,445</b>	<b>-</b>	<b>4,361,130</b>	<b>793,510</b>	<b>3,567,620</b>

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## SCHEDULE-10 NOTES TO ACCOUNTS

1. Grants received for purchasing/ constructing Fixed Assets has been accounted for directly in the Balance Sheet.
2. Previous year figures have been regrouped and reclassified wherever necessary.
3. Professional charges include the Audit Fees, Rs. 33,090/- (Includes Rs.3,090 towards Service tax)
4. Out of the total Salaries Rs 1,80,88,334 /- is accounted under Project salaries and Rs.12,59,539/- is accounted under Admn. Salaries.
5. The market value of UTI Units as on 31st March 2009 is Rs. 6,09,629/
6. The Total Fees received from School is Rs 9,90,152/-, out of which Scholarship of Rs 94,885/- have been given
7. The Sales have been accounted for at Jacket price.

For S. Ramanand Aiyar & Co.  
Chartered Accountants



R. Balasubramanian  
Partner

30 SEP 2009



For KATHA



Geeta Dharmarajan  
Executive Director  
Executive Director  
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