

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Governing Body of Vrutti  
Bangalore**

**Opinion**

We have audited the accompanying Consolidated (General Section & Foreign Section) Financial Statements of **Vrutti - Livelihood Resource Centre, No.25, AECS Layout, Ashwath Nagar, Bangalore - 560094** which comprise the Balance Sheet as at 31 March 2020, the Statement of Income & Expenditure for the year ended, the Receipts and Payments Accounts for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the financial statements).

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 as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2020;
- (ii) in the case of the Statement of Income & Expenditure, of the Excess of Expenditure over Income for the year ended on that date.
- (iii) in the case Receipts and Payment Account, of the cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by The Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of Financial Statements* section of our report. We are independent of the Society in accordance with the Codes of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Emphasis of Matter**

The Society has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Society expects to recover the carrying amount of these assets. The Society continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty

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around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Society will continue to closely monitor any material changes arising of future economic conditions and impact on its transactions.

Our opinion is not modified in respect of this matter.

## **Other Matters**

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, Partially the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Society without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

## **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 in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by The Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Society and for preventing and detecting 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 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.





The Management is also responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# RVKS And Associates

Chartered Accountants



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For R V K S and Associates  
Chartered Accountants  
FRN: 008572S

*R. Mohan* 12/11/2020



Place: Bengaluru  
Date:

R. Mohan  
Partner

M. No.: 203911

UDIN: 20203911AAAAFJ7#14

**VRUTTI**

No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
**BALANCE SHEET -Consolidated**

		(Amt in ₹)	
Particulars	Note	As at 31st Mar 2020	As at 31st Mar 2019
<b>SOURCES OF FUNDS</b>			
General Reserve	1	1,80,84,388	2,58,00,957
Corpus Fund		17,60,000	17,60,000
<b>Total</b>		<b>1,98,44,388</b>	<b>2,75,60,957</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	(a)	9,54,792	10,68,224
<b>Current Assets</b>			
Cash and Bank balance	2	3,00,46,494	3,69,41,638
Accounts receivable	3	3,92,68,446	3,39,64,348
Advances and Deposits	4	56,81,196	57,96,654
Tax deducted at source	5	38,34,246	54,90,285
<b>Total Current Assets(1)</b>		<b>7,88,30,382</b>	<b>8,21,92,925</b>
<b>Current liabilities &amp; Provisions</b>			
Advance received for programmes	6	2,36,36,850	2,53,87,662
Sundry Creditors & Expenses Payable	7	3,63,03,936	3,03,12,530
<b>Total Current Liabilities(2)</b>		<b>5,99,40,786</b>	<b>5,57,00,192</b>
<b>Net working capital(1-2)</b>	<b>(b)</b>	<b>1,88,89,596</b>	<b>2,64,92,733</b>
<b>Total (a) + (b)</b>		<b>1,98,44,388</b>	<b>2,75,60,957</b>

For Vrutti

M R C Ravi  
Chairperson

Balakrishnan.S  
Secretary

Johnson Thangaraj  
Treasurer

Date:  
Place:Bangalore

As per our report of even date annexed  
For R V K S And Associates  
Chartered Accountants  
Firm No.008572S

R.Mohan  
Partner  
M No.203911

UDIN: 20203911AAAAFJ 7H14





**VRUTTI**  
No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
**INCOME AND EXPENDITURE ACCOUNT - Consolidated**

PARTICULARS	Note	(Amt in ₹)	
		As at 31st Mar 2020	As at 31st Mar 2019
<b><u>INCOME</u></b>			
Network Engagement & Support		-	87,03,388
Enterprise Development & Employment Generation		30,38,612	-
Financial Inclusion & Social Protection		-	6,88,001
Agriculture Extention Activities	8	7,39,36,860	8,07,37,943
Studies Reserach and Training		2,12,70,805	3,21,02,072
Fisheries Extension Activities		47,42,960	13,45,903
Interest Income		14,71,477	8,35,600
Other Income		7,06,371	48,27,290
Donations		9,35,543	14,04,739
<b>Total Income</b>		<b>10,61,02,628</b>	<b>13,06,44,936</b>
<b><u>EXPENDITURE</u></b>			
Network Engagement & Support		-	86,35,000
Enterprise Development & Employment Generation		28,02,844	-
Financial Inclusion & Social Protection	9	-	6,26,000
Agriculture Extention Activities		7,29,92,636	7,78,65,386
Studies Reserach and Training		1,92,80,365	2,98,14,678
Fisheries Extension Activities		43,13,001	12,22,330
Gaja Cyclone Relief Expenses		-	14,07,500
Health and Livelihoods Implementation		2,25,324	1,36,000
Administrative expenses	10	65,66,121	43,45,125
Expenses on Employment	11	74,98,475	47,31,169
Depreciation	12	1,40,431	1,64,716
<b>Total Expenditure</b>		<b>11,38,19,197</b>	<b>12,89,47,904</b>
<b>Excess of Expenditure Over Income (Deficit/Surplus)</b>		<b>-77,16,569</b>	<b>16,97,032</b>

For Vrutti

M R C Ravi  
Chairperson

Balakrishnan.S  
Secretary

Johnson Thangaraj  
Treasurer

Date:  
Place:Bangalore

As per our report of even date annexed  
For R V K S And Associates  
Chartered Accountants  
Firm No.008572S

R.Mohan  
Partner  
M No.203911

UDIN: 20203911AAAAFJ7714



No 25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094

**Note - 12 FIXED ASSETS FOR THE YEAR ENDING 31ST MARCH 2020 - Consolidated**

Particulars	Rate of depreciation	Gross Block					Depreciation			Net Block		(Amt in ₹)
		As on 01-04-19	Additions before 30.09.19	Additions after 01.10.19	Deletions	Sold Value	Total as on 31-03-2020	For the year	For Sold assets	Total as on 31-03-2020	As on 31-03-20	
Computers	40%	8,41,475	0	0	0	0	8,41,475	23,699	0	8,05,927	35,548	59,247
Office Equipments	10%	3,55,943	0	0	0	0	3,55,943	17,421	0	1,99,152	1,56,791	1,74,212
Furniture and fixture	10%	10,90,085	0	0	0	0	10,90,085	52,921	0	6,13,800	4,76,285	5,29,206
Vehicle	15%	8,40,477	0	0	0	0	8,40,477	33,655	0	6,49,766	1,90,711	2,24,366
Mobile Phones	15%	55,998	0	26,999	0	0	82,997	9,795	0	13,995	69,002	51,798
Office Equipments	10%	36,290	0	0	0	0	36,290	2,940	0	9,835	26,455	29,395
Total		32,20,268	0	26,999	0	0	32,47,267	1,40,431	0	22,97,475	9,54,792	10,68,224

M R C Ravi  
Chairperson

As per our report of even date annexed  
For R V K S And Associates  
Chartered Accountants  
Firm No.008572S

  
Johnson Thangaraj  
Treasurer



**R. Mohan**  
**Partner**

M No.203911

UDIN: 20203911AAAFJ7714

**Vrutti**  
No. 25 AECS Layout Ashwathnagar Bangalore - 560 094

**Receipts & Payments Account - Consolidated**

Particulars		Amt in (₹) for the year ended 31st March 2020	Amt in (₹) for the year ended 31st March 2019
<b>Opening Balance:</b>			
Cash on Hand		-	-
Cash at Bank		3,69,41,638	4,40,61,304
Fixed Deposit			51,50,310
	<b>A</b>	<b>3,69,41,638</b>	<b>4,92,11,614</b>
<b>Add: Receipts</b>			
Grants received		9,59,34,327	9,82,45,017
Donations		9,35,543	14,04,739
Other Income		7,06,371	48,27,290
Income Tax Refund Received		19,93,449	9,07,981
Rent Deposit Received		-	0
Advance for Statutory Payments		2,62,959	2,37,843
Interest from Designated Bank		14,71,477	8,35,600
	<b>B</b>	<b>10,13,04,126</b>	<b>10,64,58,470</b>
<b>Less: Payments</b>			
Other Advance		-6,45,515	17,23,831
Change in Advance for Statutory Payments		2,51,928	94,578
Purchase of fixed assets		26,999	59,974
Staff Advance		177	8,490
Change in TDS		3,37,410	2,35,473
Grant Expenses and Other expenses for the year		10,82,28,273	11,66,06,104
	<b>C</b>	<b>10,81,99,273</b>	<b>11,87,28,450</b>
<b>Closing Balance</b>	<b>(A + B - C)</b>	<b>3,00,46,494</b>	<b>3,69,41,636</b>
Cash on Hand		3,14,247	0
Cash at Bank		2,92,32,247	3,69,41,638
Fixed deposits		5,00,000	0
		<b>3,00,46,494</b>	<b>3,69,41,638</b>

This is the Receipts and Payments account referred to in our report of even date

For Vrutti

MRC Ravi  
Chairperson

  
Balakrishnan.S

Secretary

  
Johnson Thangaraj  
Treasurer

Date:  
Place: Bangalore

As per our report of even date and  
For R V K S And Associates  
Chartered Accountants  
Firm No.008572S

R.Mohan  
Partner

M No.203911

UDIN: 20203911AAAAFJ7714





**VRUTTI**

No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094

**Notes forming part of Consolidated Balance Sheet**

<b>PARTICULARS</b>	<b>(Amt in ₹)</b>	
	<b>As at 31st Mar 2020</b>	<b>As at 31st Mar 2019</b>
<b>Note 1</b>		
General Reserve- Opening Balance	2,58,00,957	2,41,03,925
Add/Less: Current year surplus / Deficit	-77,16,569	16,97,032
	<b>1,80,84,388</b>	<b>2,58,00,957</b>
<b>Note 2</b>		
<b>CURRENT ASSETS LOANS AND ADVANCES</b>		
Cash at Bank	3,14,247	-
<b>Bank Balances</b>		
Bank Balances - FCRA	38,10,593	89,16,687
Bank Balances - Local	2,59,21,654	2,80,24,951
Total of Cash & Bank balances -(Sch 2)	<b>3,00,46,494</b>	<b>3,69,41,638</b>
<b>Note 3</b>		
<b>Accounts Receivable</b>		
Accounts receivable - FCRA	1,18,90,972	75,79,277
Accounts receivable - Local Account	2,73,77,474	2,63,85,071
	<b>3,92,68,446</b>	<b>3,39,64,348</b>



**VRUTTI**

No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
Notes forming part of Consolidated Balance Sheet

PARTICULARS	(Amt in ₹)	
	As at 31st Mar 2020	As at 31st Mar 2019
<b>Note 4</b>		
<b>Loans &amp; Advances</b>		
Advance-staff and Others -FCRA	12,59,642	8,30,591
Vrutti Main Advance others -Local	44,21,554	49,66,063
	<b>56,81,196</b>	<b>57,96,654</b>
<b>Note 5</b>		
Tax Deducted at Source - FCRA	3,64,939	5,35,182
Tax Deducted at Source - Local Account	34,69,307	49,55,103
	<b>38,34,246</b>	<b>54,90,285</b>
<b>Note 6</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Advance received for programmes -FCRA	25,86,649	60,97,084
Advance received for programmes - Local Account	2,10,50,201	1,92,90,578
	<b>2,36,36,850</b>	<b>2,53,87,662</b>
<b>Note 7</b>		
Sundry Creditors & Expenses Payable- FCRA	1,04,90,741	79,19,512
Sundry Creditors & Expenses Payable- Local Account	2,58,13,195	2,23,93,018
	<b>3,63,03,936</b>	<b>3,03,12,530</b>



**Vrutti**  
No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
**Notes forming part of Consolidated Income & Expenditure Account**

	(Amt in ₹)	
	As at	As at
<b>Income</b>	<b>31st Mar 2020</b>	<b>31st Mar 2019</b>
Note 8		
<b>Grant Income - FCRA</b>		
Network Engagement & Support	-	87,03,388
Enterprise Development & Employment Generation	15,87,783	-
Financial Inclusion & Social Protection	-	6,88,001
Agriculture Extention Activities	23,91,168	18,29,691
Studies Reserach and Training	2,06,12,929	2,83,64,613
Fisheries Extension Activities	47,42,960	13,45,903
Donations	4,38,727	
Interest Income	3,50,800	3,47,264
Other Income	5,79,068	5,53,948
<b>Grant Income - Local Account</b>		
Enterprise Development & Employment Generation		
Financial Inclusion & Social Protection		
Agriculture Extention Activities	7,15,45,692	7,89,08,252
Studies Reserach and Training	6,57,876	37,37,459
Enterprise Development & Employment Generation	14,50,829	
Interest Income	11,20,677	4,88,336
Other Income	1,27,303	42,73,342
Donations	4,96,816	14,04,739
	<b>10,61,02,628</b>	<b>13,06,44,936</b>
<b>Grant Expenses</b>	<b>As at</b>	<b>As at</b>
	<b>31st Mar 2020</b>	<b>31st Mar 2019</b>
Note 9		
<b>Grant Expenses - FCRA</b>		
Network - Engagement and Support	-	86,35,000
Generation	14,83,909	-
Financial Inclusion and Social Protection	-	6,26,000
Agriculture Extention Activities	25,60,878	18,29,691
Studies Reserach and Training	1,86,82,389	2,58,98,007
Fisheries Extension Activities	43,13,001	12,22,330
Gaja Cyclone Relief Expenses		14,07,500
<b>Grant Expenses -Local Account</b>		
Agriculture Extention Activities	7,04,31,758	39,16,671
Studies Reserach and Training	5,97,976	7,60,35,695
Enterprise Development & Employment Generation	13,18,935	
Health and Livelihoods Implementation	2,25,324	1,36,000
	<b>9,96,14,170</b>	<b>11,97,06,894</b>



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**Vrutti**  
No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
**Notes forming part of Consolidated Income & Expenditure Account**

	(Amt in ₹)	
<b>Adminstrative Expenses - FCRA</b>	<b>As at</b>	<b>As at</b>
	<b>31st Mar 2020</b>	<b>31st Mar 2019</b>
<b>Note 10</b>		
Office Rent		12,600
Audit Fees	88,500	64,900
Renewal Charges	-	16,713
Office Maintenance	-	2,89,100
Printing & stationary	-	13,158
Local Travel expenses	28,667	24,920
Bank & Finance charges	127	9,149
Communication charges	69,191	60,460
Write back of sundry receivables	-	2,07,833
Reparis & Maintenance	-	2,962
Professional fees	6,76,451	3,47,512
Office Expenses - Meetings and Workshops	84,509	1,01,520
Society filing fees	30,703	34,930
	<b>9,78,148</b>	<b>11,85,757</b>
<b>Adminstrative Expenses - Local Account</b>	<b>As at</b>	<b>As at</b>
	<b>31st Mar 2020</b>	<b>31st Mar 2019</b>
<b>Note 10</b>		
Audit fees	88,500	64,900
Bank Service Charges	9,406	20,505
Communication expenses	4,37,403	4,01,712
Admin Support Expenses	3,11,540	7,63,648
Office Rent	7,65,564	8,91,715
Membership Fees	0	42,807
Interest on Vehicle Loan	3,166	17,705
Printing and Stationery	94,597	64,737
Professional Fees	17,58,662	6,39,223
Rates & Taxes	17,559	76,337
Society Annual Filing Fees	80,398	93,812
Travel & Conveyance	7,78,668	77,446
Meeting Expenses	2,27,142	4,821
Renewal Fees	24,804	
Interest Expenses	9,90,564	
	<b>55,87,973</b>	<b>31,59,368</b>
<b>Total of Adminstrative Expenses</b>	<b>65,66,121</b>	<b>43,45,125</b>



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**Vrutti**

No.25, 2nd floor, AECS Layout, Ashwathnagar, Bangalore - 560094  
Notes forming part of Consolidated Income & Expenditure Account

	(Amt in ₹)	
Expenses on employment - FCRA	31st Mar 2020	31st Mar 2019
Note 11		
Salaries	22,76,993	26,24,171
Insurance	4,500	16,789
	<u>22,81,493</u>	<u>26,40,960</u>
Expenses on employment - Local Account	As at 31st Mar 2020	As at 31st Mar 2019
Note 11		
Salary	47,51,273	18,11,665
Staff Welfare Expenses	3,67,249	2,21,573
Insurance Cost	98,460	56,971
	<u>52,16,982</u>	<u>20,90,209</u>
<b>Total of Expenses on Employment</b>	<b>74,98,475</b>	<b>47,31,169</b>



A handwritten signature in blue ink, consisting of a stylized 'B' followed by a checkmark-like flourish.