

INDEPENDENT AUDITOR'S REPORT

To
The Members of Governing Body
Vrutti
Bengaluru

Opinion

We have audited the accompanying Consolidated (Local contribution Section & Foreign Contribution Section) Financial Statements of **Vrutti-Livelihood Resource Centre, No.25, 2nd Floor, AECS Layout, Ashwathnagar, Bangalore 560094** which comprise the Balance Sheet as at 31st March 2025, the Statement of Income & Expenditure for the year ended, the Receipts and Payments Account 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,

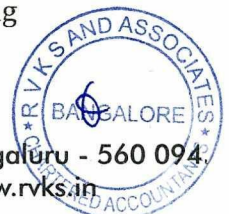
- (i) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2025;
- (ii) in the case of the Statement of Income & Expenditure, of the Excess of Income Over Expenditure for the year ended on that date.
- (iii) in the case Receipts and Payment Account, of the cash flows 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.

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



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Bengaluru : Sanjaynagar, Devanahalli, Basavanagudi & Nelamangala

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 skepticism 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.

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


Venugopal C

Partner

M.No.226247

UDIN:25226247BMIPNE3296

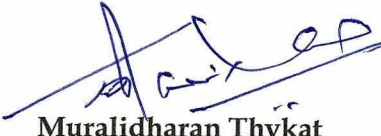


Place: Bengaluru

Date: 20/08/2025

VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094
Statement of Income

PAN	AAAJC0156H	
Status	Trust(AOP)	
Financial Year	2024-25	
Assessment Year	2025-26	
Date of Formation	13-03-2002	
Details of Income returned		
Particulars	Amount (in Rs.)	Amount (in Rs.)
INCOME (as per statement of Income & Expenditure)		28,99,27,111
Minimum amount to be applied for charitable purpose in India i.e. 85% of the income		24,64,38,044
Amount applied for charitable purpose during the year	28,85,51,056	
Less: Amount spent out of set apart amount u/s 11(2) in FY 2023-24	-	
Less: Expenditure claimed on provisional basis (Expenses not paid on or before 31st March 2024)	1,17,21,966	
	27,68,29,090	
Add : Expenditure disallowed in the previous year(FY 23-24) and allowed in the current year u/s 40 (a) (ia)	74,44,423	
Actual Amount applied for charitable purpose during the year		28,42,73,513
Amount accumulated or set-apart for specified purpose u/s 11(2)		-
Amount for which option excercised as per clause 2 of explanation 1 to section 11(1)		
Amount not exceeding 15% accumulated u/s 11(1)(a)		56,53,598
		28,99,27,111
Tax on the above	-	
Add:Edu Cess & SHE Cess at 4%	-	
Total tax Payable		-
Less:- Tax Deducted at Source		74,499
		(74,499)
		(74,500)
	Tax Refundable	
	Round off u/s 288B	
For Vrutti		
		
Muralidharan Thykat Chairman	M B Giridhar Goud Treasurer	Siddhi Harkant Mankad Secretary
Date:		
Place:Bangalore		

VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

Balance Sheet - Consolidated

Amt in (₹)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
SOURCE OF FUNDS			
Restricted Funds			
Earmarked Funds	2	1,38,19,969	2,04,77,916
Specific Funds	3	25,61,000	25,61,000
Un Restricted Funds			
General Reserve	4	2,45,62,910	2,31,86,857
		4,09,43,879	4,62,25,773
APPLICATION OF FUNDS			
Fixed Assets			
Tangible Assets	5A	5,27,538	5,85,671
Intangible Assets	5B	2,96,576	4,94,294
Investments			
Long Term Investments	6A	5,00,000	5,00,000
Current Investments	6B	-	2,00,07,377
Deposits	6C	7,86,867	7,49,520
Current Assets	6D	5,39,23,701	3,47,02,174
TOTAL ASSETS	(A)	5,60,34,682	5,70,39,036
Liabilities			
Long Term Liabilities		0	0
Current Liabilities	7	1,50,90,803	1,08,13,263
TOTAL LIABILITIES	(B)	1,50,90,803	1,08,13,263
Net Assets	(A) - (B)	4,09,43,879	4,62,25,773
Total		4,09,43,879	4,62,25,773

1: Significant Accounting Policies Notes referred to above form an integral part of Balance Sheet.

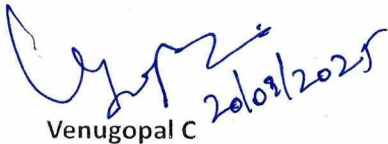
This is the Balance Sheet referred to in our report of even date

For R V K S And Associates

Chartered Accountants

FRN: 008572S

For Vrutti


20/08/2025

Venugopal C

Partner

M No. 226247



Muralidharan Thykat

Chairman



Siddhi Harkant Mankad

Secretary



M B Giridhar Goud

Treasurer

Date: 20/08/2025

Place: Bengaluru



VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

Statement of Income and Expenditure for the year - Consolidated

Amt in (₹)

PARTICULARS	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
Income			
Restricted Income			
Grant Income	8	28,62,70,980	19,04,87,356
Unrestricted Income			
Donations	9	82,300	16,94,114
Interest Income	10	35,73,231	25,16,337
Other Income	11	600	8,90,918
Total Income		28,99,27,111	19,55,88,725
Expenditure			
Programme Costs			
Restricted Expenditure - Grants	8	26,54,44,356	18,45,72,768
3fold Model Initiatives	8a	1,02,50,678	0
Establishment and Other Expenses			
Administration Expenses	12	80,61,439	51,89,274
Expenses on employment	13	35,50,995	37,30,026
Other Expenses	14	9,70,079	8,51,868
Depreciation	5	2,73,509	4,19,897
Total Expenditure		28,85,51,056	19,47,63,833
Excess of Income Over Expenditure		13,76,055	8,24,892
Balance transferred to General Reserve		13,76,055	8,24,892

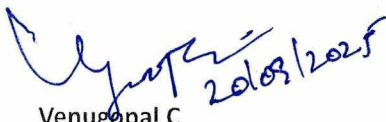
1. Significant Accounting Policies Notes referred to above form an integral part of the statmement of Income & Expenditure.

This is the Statement of Income and Expenditure referred to in our report of even date

For R V K S And Associates

Chartered Accountants

FRN: 008572S


20/09/2025

Venugopal C

Partner

M No. 226247

For Vrutti



Muralidharan Thykat

Chairman



Siddhi Harkant Mankad

Secretary



M B Giridhar Goud

Treasurer

Date: 20/09/2025

Place: Bengaluru



VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

Receipt and Payments Account - Consolidated

Amt in (₹)

Particulars		For the year ended 31st March 2025	For the year ended 31st March 2024
Opening Balance:			
Cash on Hand		-	-
Cash at Bank		2,73,53,589	3,83,20,159
Fixed Deposit		2,05,07,377	5,00,000
	A	4,78,60,966	3,88,20,159
Add: Receipts			
Grants received		27,77,87,966	20,76,28,678
Donations		82,300	16,94,114
Interest from Designated Bank		34,94,318	25,12,325
Other Income		600	8,90,918
Other Advances Received		78,347	2,41,935
Staff Advance Received		0	1,15,885
Rent Deposit Received		1,99,773	4,29,860
TDS Refund Received		54,600	61,551
Statutory Payments		0	70,548
Sale of Fixed Asset		13,317	0
	B	28,17,11,221	21,36,45,814
Less: Payments			
Rental Advance Paid		2,37,120	40,080
Staff Advance Paid		1,55,314	-
Other Advances Paid		1,45,283	554,739
Purchase of fixed assets		30,975	16,800
Adminstration Expenses		1,07,84,593	1,30,57,193
Grant Expenses for the year			
Project expenses		26,74,57,195	18,44,66,693
Project administration expenses		61,37,007	64,26,111
Grant returned to donor		10,50,695	43,391
	C	28,59,98,182	20,46,05,007
Closing Balance	(A + B - C)	4,35,74,005	4,78,60,966
Cash on Hand		-	-
Cash at Bank		4,30,74,005	2,73,53,589
Fixed deposits		5,00,000	2,05,07,377
		4,35,74,005	4,78,60,966

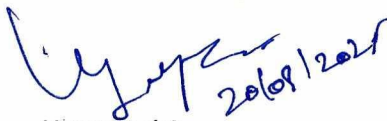
This is the Receipts and Payments Account referred to in our report of even date

For R V K S And Associates

Chartered Accountants

FRN: 008572S

For Vrutti



Venugopal C

Partner

M No. 226247

Date: 20/09/2025

Place: Bengaluru



Muralidharan Thykat

Chairman



M B Giridhar Goud

Treasurer



Siddhi Harkant Mankad

Secretary



VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

Notes forming part of the Balance Sheet - Consolidated

Note 2 - Earmarked Funds

Local Contribution

Domain/ Donor	Opening Advance Balance as on 01-04-24	Opening Receivable Balance as on 01-04-24	Fund Received during the year	Interest earned	Amount returned	Written off	Receivable for the year 31-03-25	Total	Expended	Advance Balance as on 31-03-25
Agriculture Extension Activities	16,84,277	19,42,457	11,66,88,955	2,69,871	10,50,695	500	23,01,543	11,81,95,612	11,57,77,979	22,95,824
Enterprise Development & Employment Generation	0	0	1,69,56,145	2,790	0	0	2,04,000	1,71,62,935	1,71,62,936	0
Studies Research And Training	0	0	0	0	0	0	0	0	0	0
Fisheries Extension Activities	0	38,371	2,56,47,588	1,70,089	0	0	1,02,960	2,58,82,266	2,58,82,266	0
Total (A)	16,84,277	19,80,828	15,92,92,688	4,42,750	10,50,695	500	26,08,503	16,12,40,813	15,88,23,180	22,95,825

Foreign Contribution

Domain/ Donor	Opening Advance Balance as on 01-04-24	Opening Receivable Balance as on 01-04-24	Fund Received during the year	Interest earned	Amount returned	Written off	Receivable for the year 31-03-25	Total	Expended	Advance Balance as on 31-03-25
Agriculture Extension Activities	5,45,400	1,51,946	6,60,32,439	3,85,215	0	0	10,60,432	6,78,71,540	6,10,37,865	68,33,675
Enterprise Development & Employment Generation	1,49,39,911	0	1,61,89,268	1,42,113	0	0	0	3,12,71,292	3,12,71,292	0
Studies Research and Training	33,08,327	4,77,887	3,62,73,571	0	0	0	7,25,100	3,98,29,112	3,51,38,643	46,90,469
Fisheries Extension Activities	0	0	0	0	0	0	0	0	0	0
Total (B)	1,87,93,638	6,29,833	11,84,95,278	5,27,328	0	0	17,85,532	13,89,71,944	12,74,47,800	1,15,24,144
Grand Total (A+B)	2,04,77,915	26,10,661	27,77,87,966	9,70,078	10,50,695	500	43,94,035	30,02,12,757	28,62,70,980	1,38,19,969



VRUTTI

No. 25 Sri Raghavendra Nilaya 2nd Floor AECS Layout Ashwathnagar Bengaluru - 560 094

Notes forming part of Balance Sheet - Consolidated

Note 3

Amt in (₹)

Particulars	As at 31st March 2025	As at 31st March 2024
Specific Funds		
Corpus Funds	17,60,000	17,60,000
Market Guarantee Fund	8,01,000	8,01,000
Total Specific Funds	25,61,000	25,61,000

Note 4

Particulars	As at 31st March 2025	As at 31st March 2024
General Reserve		
General Reserve- Opening Balance	2,31,86,856	2,23,61,965
Add/Less: Current year surplus / Deficit	13,76,054	8,24,891
Total General Reserve	2,45,62,910	2,31,86,856

Note 6A

Particulars	As at 31st March 2025	As at 31st March 2024
Long term Investment		
Fixed Deposits	5,00,000	5,00,000
Total Long term Investment	5,00,000	5,00,000

Note 6B

Particulars	As at 31st March 2025	As at 31st March 2024
Current Investments		
Current Investments	0	2,00,07,377
Total Current Investments	0	2,00,07,377

Note 6C

Particulars	As at 31st March 2025	As at 31st March 2024
Deposits		
Rental Deposit	7,86,867	7,49,520
Total Deposits	7,86,867	7,49,520

Note 6D

Particulars	As at 31st March 2025	As at 31st March 2024
Current Assets		
Cash & Bank balances	4,30,74,005	2,73,53,589
Accounts Receivables	43,94,035	26,10,661
Loans & Advances	17,94,694	2,74,315
Tax Deducted at Source	25,82,036	25,62,137
Prepaid Expenses	20,74,517	19,01,472
Bank Interest Receivable	4,414	0
Total Current Assets	5,39,23,701	3,47,02,174

Note 7

Particulars	As at 31st March 2025	As at 31st March 2024
Current Liabilities		
1) Sundry Creditors		
Sundry Creditors - Projects	14,67,803	8,87,790
Sundry Creditors - Others	22,830	17,287
2) Staff Advance	7,14,785	1,96,800
3) Expenses Payables	58,12,350	25,69,218
4) Provisions	65,52,568	41,33,658
5) Statutory Payables	5,20,466	30,08,511
Total Current Liabilities	1,50,90,803	1,08,13,264



VRUTTI

No. 25 Sri Raghavendra Nilaya 2nd Floor AECS Layout Ashwathnagar Bengaluru - 560 094

FIXED ASSETS SCHEDULE - Consolidated

Note -5A

Particulars	Rate of Dep	Gross Block				Depreciation		Net Block		Amt in (₹)
		As on 01-04-24	Additions >180 days	Additions <180 days	Deletions	Sold Value	As on 31-03-25	As on 01-04-24	For the year	
Computers	40%	10,42,473	0	0	57,800	0	9,84,673	10,00,707	16,706	11,743
Office Equipments	10%	4,37,033	30,975	0	0	0	4,68,008	2,79,006	18,900	1,70,102
Furniture and fixture	10%	11,41,238	0	0	0	0	11,41,238	7,87,314	35,392	3,18,532
Vehicle	15%	0	0	0	0	0	0	0	0	0
Mobile Phones	15%	71,998	0	0	0	0	71,998	40,044	4,793	27,161
Total		26,92,742	30,975	0	57,800	0	26,65,917	21,07,071	75,791	5,27,538

Note -5B

Particulars	Rate of Dep	Gross Block				Depreciation		Net Block		Amt in (₹)
		As on 01-04-24	Additions >180 days	Additions <180 days	Deletions	Sold Value	As on 31-03-25	As on 01-04-24	For the year	
Software	40%	8,23,824	0	0	0	0	8,23,824	3,29,530	1,97,718	2,96,576
Total		8,23,824	0	0	0	0	8,23,824	3,29,530	1,97,718	4,94,294
Grand Total		35,16,566	30,975	0	57,800	0	34,89,741	24,36,601	2,73,509	10,79,965



Note 8: Restricted Expenditure - Grants

	Amt in (₹)		
	Total Grant Expenditure	Management Cost	Grant Income recognised
Schedule 8A			
General Contribution Section	14,87,93,926	1,01,51,582	15,88,23,180
Schedule 8B			
Foreign Contribution Section	11,66,50,430	1,07,97,371	12,74,47,800
Total	26,54,44,356	2,09,48,953	28,62,70,980
Previous Year	18,45,72,768	1,48,24,294	19,04,87,356

Local Contribution

Donor Name	Amt in (₹)				
	Project Staff Cost	Programme Cost	Project Administration Expenses	Total Grant Expenditure	Management Cost
Agriculture Extension Activities	2,25,14,706	8,40,78,973	18,03,101	10,83,96,780	75,03,021
Enterprise Development & Employment Generation	43,73,222	1,12,91,999	81,647	1,57,46,869	14,16,067
Fisheries Extension Activities	43,28,827	1,87,94,538	15,26,412	2,46,49,777	12,32,494
Project Expenses not receivable	0	500	0	500	0
Total Grant Income	3,12,16,755	11,41,66,010	34,11,160	14,87,93,926	1,01,51,582
Previous Year Grant Income	2,92,02,124	7,91,17,892	46,08,566	11,29,28,582	79,61,937
					11,19,80,819

Foreign Contribution

Details of the Grant Income and Grant Expenditure					
Donor Name	Amt in (₹)				
	Project Staff Cost	Programme Cost	Project Administration Expenses	Total Grant Expenditure	Management Cost
Agriculture Extension Activities	1,39,03,682	3,95,44,194	22,80,927	5,57,28,802	53,09,058
Enterprise Development & Employment Generation	55,09,737	2,25,80,995	3,30,525	2,84,21,256	28,50,042
Studies Research and Training	34,06,355	2,89,79,621	1,14,395	3,25,00,371	26,38,271
Total Grant Income	2,28,19,774	9,11,04,809	27,25,847	11,66,50,430	1,07,97,371
Previous Year Grant Income	1,74,67,623	5,23,59,017	18,17,545	7,16,44,186	68,62,356
					7,85,06,537

Note 8a: 3fold Model Initiatives

Particulars	Amt in (₹)	
	As at 31st March 2025	As at 31st March 2024
Programme Cost	1,02,50,678	0
Total	1,02,50,678	0



VRUTTI

No. 25, Sri Raghavendra Nilaya , 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

Notes forming part of Income and Expenditure - Consolidated

Note 9

Amt in (₹)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Donations		
Donation	82,300	16,94,114
Total Donations	82,300	16,94,114

Note 10

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest Income		
Interest on Saving Account	28,24,423	24,74,713
Interest on Fixed Deposits	7,44,988	39,527
Interest on IT Refund	3,820	2,097
Total Interest Income	35,73,231	25,16,337

Note 11

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Other Income		
Expenses not Payable	0	8,90,318
Membership Fee	600	600
Total Other Income	600	8,90,918

Note 12

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Adminstrative Expenses		
Audit fees	2,95,000	2,95,000
Bank Charges	19,291	1,821
Communication expenses	8,47,981	7,69,210
Office Maintenance	4,85,024	2,66,339
Office Rent	12,53,598	9,59,120
Printing and Stationery	1,81,126	65,977
Professional Fees	17,30,262	16,09,683
Rates & Taxes	3,38,215	775
Travel & Conveyance	19,24,103	4,16,951
Meeting Expenses	6,41,396	4,50,407
Renewal Fees	55,517	1,53,402
Annual Society Filing Fees	2,89,926	2,00,589
Total Adminstrative Expenses	80,61,439	51,89,274



Note 13

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Expenses on Employment		
Salary	28,08,958	13,42,694
Employer contribution to Labour Welfare Fund	0	492
Staff Welfare Expenses	2,08,485	5,18,641
Staff insurance	5,33,552	18,68,199
Total Expenses on Employment	35,50,995	37,30,026

Note 14

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Other Expenses - Interest Paid to Donors		
Hongkong and Shanghai Banking Corporation Limited (HSBC)	3,85,216	4,13,997
Walmart Inc	1,42,113	1,91,600
Edelgive Foundation	2,57,315	61,914
HDFC Bank	0	1,038
IDFC First Limited - KA and MP	0	59,264
Godrej Agrovet Limited	0	36,513
LiC Housing Finance Limited	0	62,316
Godrej Agrovet Limited and Godrej Tysons Food Limited	0	14,552
Godrej Consumer Products Limited	0	10,674
SAP Labs India	1,82,645	0
Godrej Housing Finance Limited	2,790	0
Total Other Expenses	9,70,079	8,51,868



VRUTTI

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

1. BACKGROUND:

Vrutti ("the organization") is registered under Karnataka Societies Registration Act, 1960, vide registration no. 1143:2001-02 dated 13.03.2002.

2. BASIS OF PREPARATION:

Society follows an accrual method of accounting. Accounts have been prepared on going concern basis under historical cost convention. All the figures reported in the Financial Statements are in Indian Rupees. The preparation of financial statements requires the organization to make estimates and assumptions that affect the figures reported in financial statements. The actual results could differ from these estimates. For Computation of Income tax, cash method of accounting is followed as per the Income Tax Act.

3. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements of the organization include accounts of foreign contribution, local contributions and donations received.

4. FUND ACCOUNTING:

The organization has followed the principle of having separate funds for each of the program focus areas. Funds available under each program area are classified into three categories pursuant to donor-imposed restrictions, organizational policies & applicable law – Restricted Funds, Designated Funds and Unrestricted Funds.

4.1 Restricted Funds-

Restricted funds are fund's whose use has been limited by donors or applicable law to a specific time period and/or for a specific purpose. As & when the restrictions are satisfied, funds to that extent are transferred to Income & Expenditure Account in case of revenue expenditure and capital expenditure.



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

4.2 Unrestricted funds

These unrestricted funds which are further designated or set aside by the governing body for specific purposes.

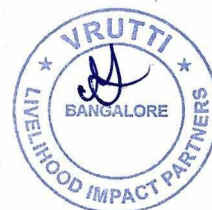
4.3 General Funds

These are unconditional expendable funds available for use at the discretion of Governing Body for furtherance of the Organization's objectives. These funds are neither restricted by donor nor designated for specific purpose by the Governing Body. All unrestricted unutilized donations are credited to General Fund. Surplus or deficit arising out of the operations in each of the Program Focus Areas is adjusted against the respective general fund.

It is assumed that at times fluctuations will occur in projected income and expenditure, which cannot be fully anticipated during the planning process. In the light of such circumstances, it is the policy of the Organization to maintain a prudent level of General Fund to provide stability and flexibility.

4.4 Method of Accounting of Interest

Interest earned out of grant funds, either from savings account or fixed deposits, are initially recognized as interest income on all grant funds and in the cases of interest income which are to be returned to the donors as per the conditions of the grant agreement with the donors, such interest incomes are considered as "income" and considered as expenditure, thereby nullifying the effect of interest income.



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

5. REVENUE RECOGNITION:

- 5.1 All the incomes are recognized when the Organization is legally entitled to collect it and the amount can be quantified with reasonable accuracy, on an accrual basis.
- 5.2 Interest on deployment of funds is recognized using the time proportion method, based on the underlying interest rates.
- 5.3 General Contribution includes unspecified donations received. Such contributions are not subject to any donor-imposed restrictions and are recognized as income in the period of receipt, in accordance with the organization's accounting policies and applicable financial reporting standards.
- 5.4 Membership fees received from the members are recognised on a receipt basis, in accordance with the cash accounting principle.
- 5.5 Restricted Funds received towards recurring expenditure are credited to specific income accounts to the extent restrictions are satisfied.

6. PROPERTY PLANT, AND EQUIPMENT & DEPRECIATION :

Property, plant and equipment are shown at cost and donations in kind are capitalized at nominal value. The depreciation for fixed assets is provided on a written down value basis at the rates prescribed in the Income-tax Act, 1961. Maintenance, repairs and investment in minor assets are charged off to Income & Expenditure Account. That expenditure which will materially increase the value of the asset or extend its useful life is capitalized.

The assets which have fulfilled their useful life are retired at the book value and are charged off to the Income & Expenditure Account. Amounts realized on sale of assets to the extent of written down value are credited to the asset account. Profit or loss resultant to the sale is charged to the Income & Expenditure Account. However, assets purchased out of specific grant receipts for implementing the project have been expensed off during the year of purchase.



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7. DEPRECIATION:

Depreciation on property, plant and equipment is provided on the written-down value method at the following rates::

SL No	Asset	Dep. Rate (in %)
1	Equipment	
	Electrical Equipment	10%
	Office Equipment	15%
2	Furniture & Fixtures	
	All types of furniture	10%
3	Vehicle	
	All types of car	15%
4	Computer	
	Computers & Accessories	40%
5	Software	40%

8. FOREIGN EXCHANGE TRANSACTION:

Transactions denominated in foreign currency are converted to Indian rupees and recorded as per the exchange rates prevalent on the date of transaction. The resultant net Exchange differences are recognized in the Income and expenditure account.

9. INVESTMENTS:

Investments are made in accordance with provisions under Section 11 of Income Tax Act. Investments of all the funds are pooled together. Each participating fund enters & withdraws from the pool based on fund movement. Investments are stated at value as on 31st March 2025, including interest accrued but not received.



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

9. TAXATION:

The Organization is registered under Section 12AA(1)(b)(i) of Income Tax Act 1961 vide CIT(E)BLR/12A/K-113/AAAJC0156H/ITO(E)-2/Vil 2014-15 dt 31/12/2014 of Director Income Tax (Exemptions) and is renewed with the registration number: AAAJC0156HE20214 which is valid till 31/03/2026. As such, the income of the organization is exempt from taxation of its income and gains. The income is Exempt subject to conditions specified under Section 11 and 13 of the Income tax Act. The organisation is registered under FCRA and has received the registration renewal vide Ref No. 0300027472021 dated 25/02/2022 with registration number 094421378 for a period of 5 years with effect from 01-04-2022.

11. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership over the lease term are classified as operating lease. Operating lease payments are recognized as expenses in the statement of Income and Expenditure. The organization has taken certain office spaces under an operating lease basis. The future minimum lease rental payables towards non-cancellable operating leases as at the balance sheet date are as below:

Amt in (₹)		
Particulars	As at March 31 2025	As at March 31 2024
Not later than one year	9,08,998	6,60,755
Later than one year not later than 5 years	13,56,004	24,46,500
Later than 5 years	0	0

12. STAFF BENEFIT FUND

a. Gratuity

The Organization has carried out Gratuity Valuation for the year 2024-25. The following Table provides the disclosure in accordance with Revised AS – 15 in respect of Gratuity for the year ended and as at March 31, 2025.



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

Amt in (₹)

No	Particulars	Financial Year 2024-25	Financial Year 2023-24
I.	Change in Defined benefit Obligations:		
	Projected Defined Benefit obligations at the beginning of the year	31,88,324	36,38,637
	Current Service Cost	10,06,929	9,98,298
	Interest Cost	2,98,560	3,35,264
	Past Service Cost		
	Actuarial Losses / (Gain)	3,54,662	50,077
	Liabilities Assumed in Acquisition/ (Settled on Divestiture)	-138,355	-
	Benefits paid	-133,471	-18,33,952
	Projected Defined Benefit obligations at the end of the year	45,76,648	31,88,324
II.	Change In Plan Assets		
	Plan assets at the beginning of the year at Fair Value	NIL	NIL
	Contributions by the employer	1,33,471	18,33,952
	Benefits paid	-133,471	-18,33,952
	Plan assets at the end of the year at Fair Value	NIL	NIL
III.	Present Value of Defined Benefit Obligation	45,76,648	31,88,324
	Plan Assets at the end of the year at Fair Value *	NIL	NIL
	Total Liability as at the end of the year **	45,76,648	31,88,324
IV.	Financial Assumptions at the Valuation Date		
	Discount Rate (P.A)	6.80%	7.20%
	Salary Escalation Rate	7%	7%



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

b. Leave Encashment

The Organization has carried out Leave Encashment for the year 2024-25. The following Table provides the disclosure in accordance with Revised AS – 15 in respect of Leave Encashment for the year ended and as at March 31, 2025.

(Amount in Rs)

Particulars	As at March 31,2025
Current liability	1,93,245
Non-Current liability	17,82,676
Net Liability	19,75,921

The following table summarizes the relevant information in respect of active members of the scheme.

No. of Employees	Avg.Per day leave Encashment Salary (in Rs.)	Avg.Age (in Years)	Avg.Unrestricted Leave Balance (days)	Avg. Restricted Leave Balance (days)
85	1,164.36	37.54	12.01	12.01



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

Summary of the Compensated Absence Benefits

The policy of compensated absence as applicable to the employees of the Company has been communicated to us and a summary of our understanding on the same is reproduced below:

Society's Compensated Absence Policy		
General Policy	Leave cycle	1 January to 31 December
	Divisor used for per day salary	Monthly salary / 30 days
Accrual of Leave	No. of leave that accrue during the year	12 days
Accumulation Limits	Maximum leave allowed to be accumulated:	
	· for encashment	2 days
	· for availment	2 days
	Leave in excess of maximum	Lapsed
Leave Encashment	Encashment allowed whilst in service	No
	Encashment allowed on separation, if yes, on what contingency	All types of separation from the Organisation
	Definition of salary for encashment	Basic Salary
Leave Availment	Availment allowed whilst in service	Yes
	Definition of salary for availment	Not Applicable

Financial Assumptions at the Valuation Date:

Particulars	31st March 2025
Discount Rate (p.a)	6.80%
Salary Escalation Rate (p.a)	7.00%



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

13. SEGMENT REPORTING:

Geographical Segment:

It is based on the geographical location of the donor and expenses incurred out of such source. The geographical segment is broadly classified into contributions received from Indian sources and contributions received from foreign sources. The geographic sector-wise financials are as follows;

Balance Sheet:

Amt in (₹)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Indian	Foreign	Indian	Foreign
SOURCE OF FUNDS:				
<i>Restricted Funds</i>				
Earmarked Funds	22,95,825	1,15,24,144	16,84,278	1,87,93,638
Specific Funds	25,61,000		25,61,000	
<i>Un Restricted Funds</i>				
General Fund	1,40,48,385	1,05,14,525	97,10,693	1,34,76,163
Total	1,89,05,210	2,20,38,669	1,39,55,971	3,22,69,801
APPLICATION OF FUNDS:				
<i>Fixed Assets</i>				
Tangible Assets	4,78,247	49,291	5,58,660	27,011
Intangible Assets	2,96,576		4,94,294	-
<i>Investments</i>				
Long Term Investments	5,00,000		5,00,000	
Current Investments	0	0	0	2,00,07,377
Deposits	4,01,867	3,85,000	3,44,520	4,05,000
Current Assets	2,61,71,550	2,77,52,151	1,90,35,928	1,56,66,246
TOTAL ASSETS	2,78,48,240	2,81,86,442	2,09,33,402	3,61,05,634
<i>Liabilities</i>				
Long Term Liabilities				-
Current Liabilities	89,43,030	61,47,773	69,77,431	38,35,833
TOTAL LIABILITIES	89,43,030	61,47,773	69,77,431	38,35,833
Net Assets	1,89,05,210	2,20,38,669	1,39,55,971	3,22,69,801
Total	1,89,05,210	2,20,38,669	1,39,55,971	3,22,69,801



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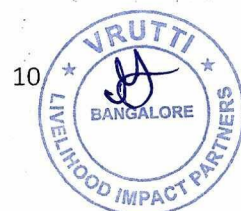
No. 25, Sri Raghavendra Nilaya, 2nd Floor, AECS Layout, Ashwathnagar, Bengaluru - 560 094

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

Statement of Income and Expenditure

Amt in (₹)

PARTICULARS	for the year ended 31st March 2025		for the year ended 31st March 2024	
	Indian	Foreign	Indian	Foreign
Income				
Restricted Income				
Grant Income	15,88,23,180	12,74,47,800	11,19,80,819	7,85,06,537
Unrestricted Income				
Donations	82,300	0	16,46,969	47,145
Interest Income	13,41,564	22,31,667	8,54,449	16,61,888
Other Income	600	0	7,66,775	1,24,143
Total Income				
Expenditure				
Programme Costs				
Restricted Expenditure - Grants	14,87,93,926	11,66,50,430	11,29,28,582	7,16,44,186
3fold Model Initiatives	0	1,02,50,678	0	0
Establishment and Other Expenses				
Administration Expenses	40,22,935	40,38,504	38,76,846	13,12,428
Expenses on employment	23,85,526	11,65,469	24,69,470	12,60,556
Other Expenses	4,42,750	5,27,329	2,46,271	6,05,597
Depreciation	2,64,814	8,695	4,11,531	8,366
Total Expenditure	15,59,09,951	13,26,41,105	11,99,32,701	7,48,31,133
Excess of Income Over Expenditure	43,37,693	-2,961,638	-4,683,689	55,08,580
Balance transferred to General Reserve	43,37,693	-2,961,638	-4,683,688	55,08,580



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

14. RELATED PARTY DISCLOSURE

As required under "Accounting Standard - 18", issued by Institute of Chartered Accountants of India, the Organization has disclosed the transaction with related parties effected during the Financial Year – 2024-25

14.1 Details of Governing Body Members to whom payments were made:

Sl	Name of the Person	Relationship	Age	Qualification	Specialization
1	Muralidharan Thykat	Chairperson	73	B.Sc.(Agri) PGDBA TCTP Fellow	Banking, development finance value chain finance and Innovative Financing for Farmer Collectives
2	Siddhi Harkant Mankad	Secretary	54	MA Economics, PGDRM	Networks and Collaboration, Research, Development communication. Governance
3	M B Giridhar Goud	Treasurer	56	BSc., Master in Social Work	Community collectives, livelihoods, micro finance, agri-business and social enterprise development.
4	Raghini B	Governing Body Member	52	PGDRM (IRMA).	Women's Livelihoods & Empowerment, Microfinance, NRM, Philanthropy, Institution Building for communities and young professionals, Facilitating Philanthropy for Development Work.
5	N. Raghunathan	Governing Body Member	58	BE(Agri), PGDRM	Designing Programs, Projects, Organisations and Networks. Evaluation and Impact Assessments.
6	Shiv Kumar	Governing Body Member	57	B.Com., PGDRM, PGD-System Analysis & Design	Technology, Innovative Financing, Collaborations, Governance, and Institution building.



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

Salary/Remuneration paid to the Governing Body Members for services rendered to the Organization for the financial year ending March 31, 2025 is as follows:

Amount in Rs			
Nature of Payment	Total Paid	Amount paid out of Restricted funds(grant contracts) in Rs	Balance amount paid from Establishment Expenditure in Rs.
Salaries*	73,13,756	70,94,472	2,19,284
Professional Fees	1,21,39,023	1,21,39,023	0
Reimbursements	9,23,577	6,19,209	3,04,368
*The above figures do not include provision for gratuity payable as the same are actuarially determined for organization as a whole and separate figures for related parties are not available.			

Breakup of Salaries & Professional fees paid to Governing Body Members :

Amount in Rs				
Sl no	Name of the Member	Total Amount	Amount paid out of Restricted funds(grant contracts)	Balance amount paid from Establishment Expenditure
1	Raghini B	30,57,290	30,57,290	0
2	M B Giridhar Goud	20,79,720	20,79,720	0
3	Siddhi Harkant Mankad	21,76,746	19,57,462	2,19,284
	Total Salaries paid	73,13,756	70,94,472	2,19,284
1	N. Raghunathan	1,20,39,023	1,20,39,023	0
2	Muralidharan Thykat	1,00,000	1,00,000	0
	Total Professional Fees Paid	1,21,39,023	1,21,39,023	0
		1,94,52,779	1,92,33,495	2,19,284



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

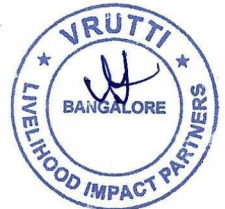
Breakup of the reimbursements made to the Governing Body Members:

Amount in Rs

Sl no	Name of the Member	Total Amount	Amount paid out of Restricted funds(grant contracts)	Balance amount paid from Establishment Expenditure
1	Raghini B	2,45,352	2,19,133	26,219
2	M B Giridhar Goud	2,10,547	2,10,547	0
3	N. Raghunathan	1,20,570	93,100	27,470
4	Muralidharan Thykat	4,182	4,182	0
5	Shiv Kumar	3,42,926	92,247	2,50,679
	Total Reimbursement	9,23,577	6,19,209	3,04,368

14.2 Details of payments made to other related parties:

Sl. No.	Name of the organization / Person	Relationship	Nature of Transactions	Amt in (₹)
1	Catalyst Management Services Pvt Ltd	Private Company in which two members of the Society are shareholders and directors.	Technical Support and Reimbursement of Expenses	1,39,70,558



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

14.3 Details of amounts received from related party:

Sl. No.	Name of the organization	Relationship	Nature of Transactions	Total Amount Received in Rs.
1	Impact Catalyst Foundation INC	Sec 501(c)(3) Corporation in which two members of the Society are Board Members	Grant Receipt	1,08,77,100

All the above transactions are provided at competitive rates and are at arm's length. Some of these professional services are reimbursed by various projects and some are incurred by society. Wherever they are reimbursed by various projects, the relevant expenditure is considered under the head 'Grant Expenditure' in note 8. Necessary contracts have been entered with these organizations/ persons. These organizations/ persons possess necessary technical / commercial expertise to render these services which have been evaluated before these contracts are entered into with these organizations/ persons.

15. General: Previous year's figures have been regrouped and reclassified wherever necessary to confirm with current year's presentation.

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

For Vrutti


22/09/2025

Venugopal C
Partner
M No. 226247
UDIN:


Muralidharan Thykat
Chairman


M B Giridhar Goud
Treasurer



Siddhi Harkant Mankad
Secretary

