

AUDITOR'S REPORT

I have audited the attached Balance Sheet of **GRAMALAYA URBAN AND RURAL DEVELOPMENT INITIATIVES AND NETWORK (GUARDIAN)** No.7/1,Star Avenue, Behind Taj Marriage Hall, Karur By Pass Road, Trichy - 620 002 as on 31st March 2013 and the Receipts and Payments Account and the Income and Expenditure Account for the Year ended 31.03.2013 and report that :

1. I have obtained all the necessary information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
2. In my opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from my examination of the books maintained at the Head office and at the Branch office of the Company.
3. Vouchers in support of the entries to the Cash Book for the various payments were produced for my audit.
4. Receipts and Payments Account and the Income and Expenditure Account dealt with in this report were in agreement with the books of accounts.

In my opinion and to the best of my knowledge and according to the information and explanations furnished to me the accounts exhibit a true and fair view :

- i) In the case of the Balance Sheet of the State of affairs as on 31st March 2013 .
 - ii) In the case of the Receipts and Payments Account of the Receipts and Payments for the year ended 31st March 2013.
- and
- iii) In the case of Income and Expenditure Account of the Excess of Income over Expenditure for the year ended 31st March 2013.

PLACE : TRICHY
DATE : 15.05.2013




CHARTERED ACCOUNTANT

ROY JOHN THOMAS, B.Com., F.C.A.,
CHARTERED ACCOUNTANT
M.No. 200/25188

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN MY REPORT

OF EVEN DATE TO THE MEMBERS OF

GRAMALAYA URBAN AND RURAL DEVELOPMENT INITIATIVES

AND NETWORK (GUARDIAN)

I. In respect of items stated in paragraph 4 of the order :

1. The Company has maintained proper record to show full particulars including quantitative details and situation of fixed assets.
2. The fixed assets have been physically verified by the Management at reasonable intervals. The discrepancies notice were not material and have given effect in the books of account.
3. The company has not neither granted secured nor unsecured loans to the company, firms or other parties listed in the register required to be maintained under section 301 of the companies Act, 1956.
4. The company has an internal control system as inherited and passed from the business taken over, with measures to deal with large number of low value cash transactions in the rural areas where it is operating. The company is working to improve the same to meet its future growth plans.
5. There are no contracts and arrangements, which need to be entered in to register maintained under section 301 of the Act.
6. The company has an internal audit system commensurate with the size of the Company and nature of its business fort the purchase of fixed Assets and the Sale/rendering of Services.
7. The company has generally been regular in depositing statutory dues with appropriate authorities. As on the last date of the financial year, there are no dues outstanding for more than Six months.
8. The company has availed loans from financial institutions and banks and there has been no default in respect of repayment of principal or interest.



9. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The company does not deal or trade in shares or debentures or other investments.
11. The company has not given any guarantees.
12. The company had applied term loans for the purpose for which it has been raised.
13. The company is in the business of providing micro finance, which involves provision of short-term loans up to a maximum period of 18 Months in all cases. Most of the funds raised for these purposes are medium and long term and were rotated in the business until they become due for payment. The details of payments in respect of borrowings falling due within the next three year are reported in the Financial Statements.
14. The company has not issued any debentures during the year.
15. The company during the year has not raised any money through public issue of shares.
16. During the year, there was no misappropriation or frauds occurred in the company.
17. Other clauses of the order are not applicable to the company.

PLACE : TRICHY

DATE : 15.05.2013



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M.No. 200/25188

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Chartered Accountant

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 Tiruchirapalli-620 002.
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**'GRAMALAYA URBAN AND RURAL DEVELOPMENT INITIATIVES AND NETWORK
 (GUARDIAN)**

No.7/1, STAR AVENUE, BEHIND TAJ MARRIAGE HALL, KARUR BY PASS ROAD, TRICHY 620 002.

GENERAL ACCOUNT - ABRIDGED

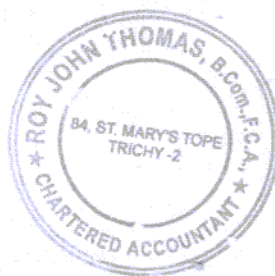
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2013

RECEIPTS	Rs.Ps.	PAYMENTS	Rs.Ps.
Opening Balance :		Loan Disbursement	91,735,000.00
Cash on Hand	78,959.00	Cash Security refunded	2,575,950.00
Cash at Banks	1,529,700.69	Risk Fee Adjustment	14,480.00
Fixed Deposits	7,230,000.00	Loan Repayment	24,888,113.00
		Interest Paid	9,577,822.00
		Operating Expenses	7,428,745.92
		Advances	1,346,639.00
Loan from Banks & Fis	58,555,196.00	Assets Purchased	206,902.00
Income from Operations	13,360,403.00	Others	115,635.00
Other Incomes	1,837,318.26		
Other Receipts	593,148.82		
Principal Collection - Watsan	72,673,040.00	Closing Balance :	
		Cash on Hand	150,665.00
		Cash at Banks	4,182,813.85
		Fixed Deposits	13,635,000.00
	<u><u>155,857,765.77</u></u>		<u><u>155,857,765.77</u></u>

Vide my report of even date

Place : Trichy

Date : 15.05.2013



(Signature)
(ROY JOHN THOMAS)
CHARTERED ACCOUNTANT

ROY JOHN THOMAS, B.Com., F.C.A.,
 CHARTERED ACCOUNTANT
 M.No. 200/25188

For Gramalaya Urban And Rural Development
 Initiatives And Network,

(Signature)
 Director

(Signature)
 Director

ROY JOHN THOMAS, B.Com., F.C.A.

Chartered Accountant

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(GUARDIAN)**

No.7/1, STAR AVENUE, BEHIND TAJ MARRIAGE HALL, KARUR BY PASS ROAD, TRICHY 620 002.

GENERAL ACCOUNT - ABRIDGED

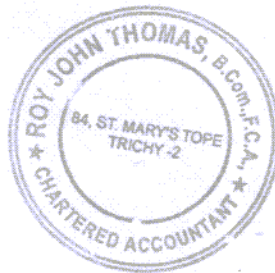
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2013

EXPENDITURE	Rs.Ps	INCOME	Rs.Ps
To Interest Paid	8,213,854.00	Income from Operations	13,360,403.00
Operating Expenses	7,420,265.92	Other Incomes	1,844,614.26
Depreciation	282,461.00	Interest Receivable	870,832.00
Bad Debts	19,095.00		
Excess of Income Over Expenditure	140,173.34		
	<u>16,075,849.26</u>		<u>16,075,849.26</u>

Vide my report of even date

Place : Trichy

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[Signature]
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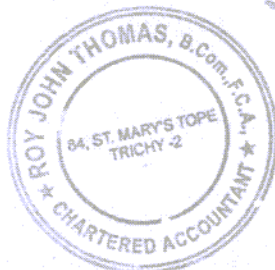
GENERAL ACCOUNT - ABRIDGED

BALANCE SHEET AS AT 31.03.2013

LIABILITIES	Rs.Ps	ASSETS	Rs.Ps
Reserves & Surplus :		Fixed Assets :	
Op.Balance	3,914,528.91	Equipments	192,740.00
(-)I.T. Paid	376,920.00	Vehicles	578,287.00
(+)Excess of		Furniture	243,015.00
Income Over		Computers	79,596.00
Expenditure	<u>140,173.34</u>		
	3,677,782.25	Current Assets :	
Current Liabilities :		Loans and Advances :	
Loans and Advances :		SHG / JLG Loan Outstanding	82,929,982.00
Term Loan Milaap	5,233,194.00	Staff Vehicle Loans	143,845.00
Term Loan IOB-Thottiam	47,988,934.00	Project Advance	656,376.00
Term Loan Acumen Fund, USA	44,237,565.00	Fuel Advance	7,302.86
Cash Securities	2,530,048.00	Rent Advance	445,000.00
Loan Loss Reserve	1,055,996.46	Festival Advance	94,000.00
Risk Fees	532,685.00	Staff Loan	266,750.00
LIC Claim	70,000.00	GMF, Trichy	600,000.00
		Interest Receivable	870,832.00
		Advance - LPF	250,000.00
		Closing Balance :	
		Cash on Hand	150,665.00
		Cash at Banks	4,182,813.85
		Fixed Deposits	13,635,000.00
	<u><u>105,326,204.71</u></u>		<u><u>105,326,204.71</u></u>

Place : Trichy

Date : 15.05.2013



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