

CA
Madhukar Hegde & Co
Chartered Accountants
BANGALORE

1st Floor,
Venkateshwar Complex,
Dr. Rajkumar Road, 1st N Block,
Rajajinagar, Bangalore-560 010.
Phone: 23127394

**STATUTORY AUDIT REPORT OF
KARNATAKA STATE SOUHARDA
FEDERAL CO-OPERATIVE LIMITED.,
BANGALORE, FOR THE YEAR 2009-2010**

**AUDITORS:
MADHUKAR HEGDE & CO
CHARTERED ACCOUNTANTS**

**ADDRESS:
60/A, I Floor,
Venkateshwar Complex,
Dr. Rajkumar Road, 1st N Block,
Rajajinagar, Bangalore-560 010.
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Empanelment No- BGU 22





Madhukar Hegde & Co
Chartered Accountants

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**AUDIT REPORT OF KARNATAKA STATE SOUHARDA FEDERAL
CO-OPERATIVE LTD., BANGALORE FOR THE YEAR ENDING
31ST MARCH 2010.**

1. Name and address of the Organisation:

Karnataka State Souharda Federal Co-operative Ltd., # 132, K H Road, Bangalore-27.

2. Registration Number and Date:

RSR:SOU/ACT/136/Regn:051/2001-02 dated 04.01.2002 (The Registrar of Karnataka Souharda Co-operatives Bangalore).

3. Names and Designation of Executives:

a) Sri. S.R. Sateeshchandra	:	President
b) Sri. Gurunath Jantikar	:	Vice-President
c) Sri. Narayana Hegde*	:	Managing Director

* Sri Sharana Gouda Patil has been appointed as Managing Director during June 2010.

4. Period of Audit:

01.04.2009 to 31.03.2010

5. Compliance Report:

The Souharda Federal Co-operative has submitted compliance report for the last year audit report.

6. Membership:

The total number of banks and Cooperatives registered under Souharda Act as on 31.03.2010 was 1347 whereas it was 1130 as on 31.03.2009.



Following is the details of member co-operatives for the last three years.

Sl.No	Particulars	31.03.2008	31.03.2009	31.03.2010
1	Banks	19	19	19
2	Credit Co-operatives	574	692	826
3	Housing Co-operatives	5	5	5
4	Thriffs	145	148	149
5	Others	214	266	348
	Total	957	1130	1347

The membership of the federal co-operative has gone up by 217 during the year 2009-10. The growth in membership during the year was about 19.20% when compared to last year.

7. Physical verification of cash:

We have verified the cash maintained at the Federal Co-operative during the course of our audit and found that the physical cash agreed with the book balance.

8. Borrowings:

a) Government Loan:

The Government of Karnataka, vide G O No. CMW176 CLM, 2003, Bangalore, dated 31.10.2003, has sanctioned interest free loan of Rs.10,00,000/- to the Federal Co-operative towards initial establishment cost. A floating charge has been created on the assets (both movable and immovable) against the above said loan. The same has been received by the federal co-operative on 6.3.2004. As per the terms of sanction, the same requires to be repaid in 10 equal annual instalments of Rs.1,00,000/-. The Federal Co-operative has repaid sixth instalment of Rs.1,00,000/- in the month of October 2009.

b) Secured Loan from Bank:

The Federal co-operative has borrowed Rs.15,00,000/- from State Bank of Mysore, Rajajinagar branch during March 2010 against fixed deposit held. The rate of interest charged was 8.5%. The has been availed to purchase vehicle for Chairman and other expenses. The loan has been closed during June 2010.

9. Co-operative Education Fund 2%:

The Federal co-operative has collected 2% Education Fund from member co-operatives on behalf of Karnataka State Co-operative Federation. The part amount has already been remitted to the federation and the remaining balance yet to be remitted, as on 31.03.2010 was Rs.1737880.06. The same has been shown as liability in the balance sheet of Federal co-operative. The opening balance in this account as on 01.04.2009 was Rs.8431096.05. This has been shown as payable under liabilities side.



The following are the details of the same

2% Education Fund 2005-06	Rs. 840.00
2% Education Fund 2006-07	Rs. 2583.29
2% Education Fund 2007-08	Rs. 130850.05
2% Education Fund 2008-09	Rs.1603606.72
Total	Rs. 1737880.06

It was observed that, as per the memorandum of understanding signed with Co-operative Federation on 11.05.2009, the federal co-operative has to recover service charges for collecting 2% education fund. It is suggested to deduct service charges and remit remaining balance to Mahamandala.

10. Education Fund 1%:

The Federal co-operative had accumulated balance of education fund 1% of Rs. 8032120.39 as on 01.04.2009. During the year it has received Rs.4767274.19 towards 1% education fund from member co-operatives. Out of the total amount, an amount of Rs.3072855.48 has been transferred to income account and remaining balance of Rs.9726539.10 has been shown as liability in the balance sheet as on 31.03.2010.

The following are the details of the same.

1% Education Fund 2006-07	Rs.1583539.67
1% Education Fund 2007-08	Rs.3814182.06
1% Education Fund 2008-09	Rs.4328817.37
Total	Rs.9726539.10

11. Government Grants and Loans:

The Federal Co-operative had availed interest free loan of Rs.10,00,000/-, from State Government during the year 2003-04 and has repaid sixth instalment of Rs.100,000/- during the year and the balance outstanding as on 31.3.2010 was Rs.400,000/-.

12. E- Stamping Deposits:

The Federal Co-operative has entered into an agreement with Stock Holding Corporation of India Ltd for the benefit of member co-operatives for issue of E-Stamping during the year. For this purpose the Federal has taken the following deposits from concerned co-operatives as on 31.3.2010.

Security Deposit	Rs. 61,00,000/-
Trading Deposit	Rs.1,18,34,000/-
Total	Rs.1,79,34,000/-



13. Provision for expenses:

The following provisions have been made as on 31.3.2010.

- Audit Fee Rs.55150.00

Audit Fee:

The Federal Co-operative has made provision of Rs.55150/- including service tax and other expenses for the statutory audit for the year 2009-10.

14. Bank Reconciliation and Balance Confirmation:-

The reconciliation statements for all the bank accounts have been prepared and they are in order. Confirmations of balances as on 31.03.2010 obtained from all banks.

15. Investments:

The Federal co-operative held the following investments as on 31.03.2010.

Particulars	Cost (Rs)	Maturity (Rs)	Date of Maturity
0% IDFC 2026	2,50,000/-	10,00,000/-	17.01.2026
0% IIBI 2028 Bonds	15,00,000/-	60,00,000/-	08.09.2028
Investment in SIFS Ltd	5,60,000/-	----	-----
Fixed deposit with SBM	50,00,000/-	53,33,008/-	09.12.2010
Fixed deposit with SBM	12,00,000/-	12,19,890/-	09.04.2010

Investments in IDFC Bonds:

The Federal co-operative has invested in 0% IDFC bonds to the extent of Rs.250000/-. As per the FIMMDA valuation the market price as on 31.03.2010 was Rs.272581/-, whereas the market price as on 31.03.2009 was Rs.253800/- difference amount of Rs.18,781/- recognised as income during the year.

Investments in IIBI 2028 Bonds:

The market value of 0% IIBI 2028 bonds as per FIMMDA as on 31.03.2010 was Rs.14,15,220/- whereas the market price of the same as on 31.03.09 was Rs. 1360800/- and hence excess provision of Rs.54420/- created during 2007-08 reversed during the year.

Investments in SIFS:

The Federal Co-operative has invested Rs.5,60,000/- in Souharda Integrated Financial Services Ltd during 2007-08.



It is advised to collect the audited balance sheet of the company as on 31.03.2010.

It is advised to invest the funds in high yielding securities with in the provisions of K S S Act, 1997.

16. Fixed Deposits:

The Federal co-operative has invested Rs.50,00,000/- and Rs.12,00,000/- in fixed deposits with State Bank of Mysore as on 31.03.2010 at 6.5% and 5% rate of interest respectively.

17. Fixed Assets:

Following are the details of fixed assets held as on 31.03.2010. (Amount in Rupees)

Computer	129269.00	
Computer-Software	4486.00	
Computer- Education	845568.00	
Furniture & Fixtures	568546.00	
Office Equipment	110335.00	
Vehicle	1841242.00	
Xerox Machine	98800.00	

Total	3598246.00	
Less: Depreciation	<u>786039.00</u>	28,12,207.00

18. Staff Advances:

Following are the details of advances outstanding as on 31.03.2010.

Salary Advance- Srikanth	Rs.50400.00
Salary Advance- Shobha	Rs.43500.00
Salary Advance- Vinod	Rs.27700.00
Salary Advance- Y Kumar	Rs.28750.00

19. Other Advances:

Following are the details of other advances as on 31.03.2010. (Amount in Rupees)

Suspense Vinivinc 293196.00

The Federal co-operative had spent Rs. 263196/- in connection with the administration of Vinivinc Souharda Co-operative Ltd up to 31.03.2009 and during the year it had incurred Rs.30000/- towards liquidator's salary and the balance amount recoverable as on 31.03.2010 was Rs.293196.

It is advised to recover the same at the earliest.



20. Other Assets:

Following are the details of other assets held on 31.03.2010.

	Amount (Rs)	
Rent Deposit	190,000.00	
Internet Deposit	3,400.00	
KSCUBF	25,000.00	
SHCIL	5,407.44	
TDS Due	94,485.00	
Telephone Deposit	<u>3,000.00</u>	3,21,292.44

KSUBF:

The Federal Co-operative had conducted Sahakari Saptaha at Hospet jointly with Mahamandala and Karnataka State Co-operative Urban Bank's Federation during 2008-09. As per the understanding KSCUBF has to pay Rs.25000/- as its share for the above said programme and the same has been shown as receivable as on 31.03.2010.

It is advised to collect the same at the earliest.

TDS Due:

The following are the details of TDS Due as on 31.03.2010

TDS for the year 2008-09	Rs.78827.00
TDS for the year 2009-10	Rs.15658.00
Total	<u>Rs.94485.00</u>

21. Board of Directors:

The election to the present board of directors was held during March 2006. The total number of directors of the Federal Co-operative as on 31.03.2010 was 23 including one special invitee. The present board took charge with effect from 01.04.2006 and has tenure up to 31.03.2011. The list of directors and their attendance at board meetings has been annexed to this report.

22. Board Meetings:

On our verification of minutes of the meetings we found that eight board meetings were held during the year 2009-10. The meetings were held as per the provisions of byelaw of the Federal Co-operative. It is stated that none of the directors was absent for three consecutive meetings without leave of absence.



23. Board Meeting and Chairman Expenses:

Following expenses were incurred towards board meetings and chairman expenses during the year 2009-10.

Board Meeting Allowances	Rs. 928560.00
Board Meeting Expenses	Rs. 109929.00
Travelling Expenses	Rs. 2652.00
Rent Allowance	Rs. 45000.00
Honorarium to Chairman	Rs. 120000.00
Sub Committee Meeting Expenses	Rs. 82555.00
Vehicle Expenses	Rs. 225802.00
Chairman Travelling Expenses	Rs. 209748.00
Travelling Expenses- Directors	Rs. 173460.00
Total	Rs.1897706.00

It is advised to submit declaration for having spent the allowances taken on yearly basis to Federal Co-operative as it is required to be produced to Income Tax department at the time of assessment.

24. Education Fund Income/ Expenses:

As per the bye laws of the federal co-operative, 1% of education fund has been recognised as income only to the extent of the expenditure incurred towards education purposes and the remaining amount is shown as liability. The amount transferred to education fund income during the year was Rs.30,72,855/- Hence there is no surplus or shortage in education fund group.

25. Workshops:

The Federal co-operative has organised 39 work shops including promotional workshops covering various aspects during the year for the benefit of member co-operatives.

26. Dead Stock Register:

The Federal Co-operative has maintained the register for fixed assets and entries have been incorporated for the purchases made during the year. We have noticed that the purchases made during earlier years have also been incorporated in this.

27. Vehicle Log Book:

It is observed that the Federal Co-operative has maintained logbook for the maintenance of Vehicle. However, it was observed that the purpose of the journey have not been mentioned in the register. It is advised to mention the same.



28. E-TDS:

It was observed that the Federal co-operative has filed E-TDS returns on quarterly basis as per the provisions of the Income Tax Act and returns have been filed up to 31.12.2009. It is advice to file the return for last quarter as early as possible.

29. Budget vs Actual:

On our scrutiny of the budget for the year 2009-10 and actual expenses incurred during the year, we have observed that some of the expenditures have exceeded the budget and the same needs to be ratified by the general body.

30. Defaulters:

The Federal Co-operative has prepared list of defaulters as on 31.03.2010 and as per the list prepared 517 member co-operatives have defaulted in payment of fees and other funds. The list of the same has been enclosed to this report.

31. Employers Contribution to PPF:

It was observed that the federal co-operative has contributed Rs.35100/- towards public provident fund for the employees. As per the provisions of the Act, employer can contribute to recognised provident fund only. Hence, it is advised to add the contribution to the salary of the employee concerned. It is also advised to get the employees under PF Act.

32. It is advised to use pre printed vouchers containing serial numbers for payment vouchers.

Place: Bangalore
Date: 29.06.2010.



For Madhukar Hegde & Co
Chartered Accountants-FRN.007954S

(Madhukar G Hegde)
Proprietor- M.No.206777



Madhukar Hegde & Co

Chartered Accountants

PAN: AALPH0760M

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Dr. Rajkumar Road, 1st N Block,

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Ph: 2312 7394. Mob: 9448151454

Service Tax: AALPH0760M ST 001

To,
The Members,
Karnataka State Souharda Federal Co-operative Ltd.,
Bangalore.

We have audited the attached balance sheet of Karnataka State Souharda Federal Co-Operative Ltd., Bangalore as at 31st March, 2010 and Income & Expenditure account for the period ended on that date. These financial statements are the responsibility of the Management of the Federal Co-operative. Our responsibility is to express an opinion on these financial statements based on our Audit.

We have conducted the Audit in accordance with the Audit Standards generally accepted in India. Those standards require that we plan and perform the Audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on text basis, evidence supporting the evidence and disclosures in the financial statements an audit also includes assessing the Accounting principles used and significant estimates made by the Management, as well as evaluating financial statements presentation, we believe that our Audit provides reasonable basis for our opinion.

Balance Sheet and Income & Expenditure Account have been drawn up in prescribed forms under the Karnataka Souharda Sahakari Act, 1997, and are in conformity with the generally accepted Accounting Principles in India.

To the best of our knowledge and according to information & explanation given to us and as shown by the books of the co-operative and read together with the accounting policies, we report that:

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of audit.
2. In our opinion, proper books of account as required by law have been kept by the federal co-operative so far as it appears from our examination.
3. The Balance sheet and Income and Expenditure account dealt with by this report are in agreement with the books of account and are drawn up in conformity with the law.



4. the transaction of the federal co-operative, which have come to our notice, have been within the competence of the federal co-operative,

5. Subject to :

Notes forming part of the accounts and our comments & observations contained in the audit memorandum.

We report that in our opinion and to the best of our information and according to the explanation given to us, the accounts give a true and fair view.

- a) In the cases of Balance sheet, the state of affairs of the Federal Co-operative as at 31st March, 2010 and
- b) In case of Income & Expenditure Account, of the excess of income over expenditure for the year ended on that date.

For Madhukar Hedge & Co.,
Chartered Accountants- FRN.007954S



A handwritten signature in green ink, appearing to read "Madhukar G Hegde".

Madhukar G Hegde
Proprietor. M.No.206777

Place : Bangalore
Date : 29.06.2010

Karnataka State Souharda Federal Co-Operative Ltd.
#132, K.H.Road, Bangalore - 560 027.
Balance Sheet as at 31st March 2010

31-03-2009	Liabilities	Sch	31-03-2010	31-03-2009	Assets	Sch.	31-03-2010
	General Fund			1,777,260.00	Fixed Assets	3	2,812,207.00
46,963.53	Opening Balance		67,088.00				
20,124.47	Add: Surplus for the year		50,467.96	10,357,990.21	Investments	4	8,556,220.00
	Borrowings		117,555.96		Current Assets Loans and Advances		
500,000.00	Loan from State Government		400,000.00	5,700.00	Cash in Hand	5	30,273.00
	Loan from Bank		1,502,795.00	2,784,917.47	Cash at Bank	6	19,312,467.68
16,463,216.44	Current Liabilities and Provisions	1	11,464,419.16	1,916,054.76	Loans and Advances	7	443,546.00
55,150.00	Co-op. Education Fund		55,150.00	296,992.00	Other Assets		321,292.44
	Audit Fee Payable		994.00				
	TDS Payable		1,092.00				
53,460.00	Provision for Expenses	2	17,934,000.00				
	E Stamping Deposits						
17,138,914.44	Total		31,476,006.12	17,138,914.44	Total		31,476,006.12

Note: Figures have been regrouped for previous year where necessary.

For Karnataka State Souharda Federal Co-Operative Ltd.

Stu. Senoju
President

NB
Managing Director

CERTIFICATE: Certified that we have audited the accounts of the Karnataka State Souharda Federal Co-Operative Ltd., Bangalore for the year 2009-10 as produced for the audit by the Managing Director and other staff of the Federal and obtained information and clarification during course of audit. In our opinion and to the best of our knowledge the above Balance Sheet exhibits true and fair view of the financial position of the Federal subject to the remarks narrated in the Audit Report.

For Madhukar Hegde & Co.
Chartered Accountants- FRN.007954S



Madhukar G. Hegde
(Madhukar G. Hegde)
Proprietor- M.No.206777

Place: Bangalore
Date : 29.06.2010

Karnataka State Souharda Federal Co-Operative Ltd.
#132, K.H.Road, Bangalore - 560 027.

Income and Expenditure Account for the year ending 31st March 2010

31-03-2009	Particulars	Sch	31-03-2010	31-03-2009	Particulars	Sch.	31-03-2010
1,060,221.36	Board Meeting/ Directors Expenses	8	1,288,997.00	2,806,243.00	Annual Membership Fee	18	3,731,930.00
208,534.65	Office Expenses	9	493,566.48	-	Other Income	19	5,407.44
598,430.00	Salary	10	836,405.00	-	Interest Income		6,883.00
144014.52	Telephone, Courier & Postage	11	247,886.00	-	E - Stamping Income		370,813.00
208043.00	Vehicle Expenses	12	225,802.00	2,776,727.39	Education Fund Income	20	3,980,563.00
131,016.00	Printing and Stationery		89,933.00				
7,954.00	Travelling Expenses	13	11,831.00				
59,400.00	Rent, Electricity, Water	14	195,045.00				
96,127.00	General Body Expenses	15	279,537.00				
92,327.00	Professional Charges	16	102,615.00				
180,051.00	Depreciation	17	293,248.00				
2,776,727.39	Education Fund Expenses		3,980,563.00				
20,124.47	Excess of Income over Expenditure		50,467.96				
5,582,970.39	Total		8,095,596.44	5,582,970.39			8,095,596.44

Note: 1% Education fund transferred to Education fund income account to the extent of expenditure incurred towards the said objectives and remaining balance shown as liability.

For Karnataka State Souharda Federal Co-Operative Ltd..

G. N. Naidu
President

Managing Director



For Madhukar Hegde & Co.
Chartered Accountants- FRN 007954S

M. G. Hegde
(Madhukar G. Hegde)
Proprietor- M.No.206777

Place: Bangalore
Date : 29.06.2010

Schedules for Balance Sheet and Income and Expenditure Account for the year ending 31-03-2010

1 Co-Operative Education Fund			10 Salary		
1% Education Fund 2006-07	1,583,539.67		Salary	690,051.00	
1% Education Fund 2007-08	3,814,182.06		Employees Exgratia	70,623.00	
1% Education Fund 2008-09	4,328,817.37		Employer's Contribution to PF	35,100.00	
Mahamendala	1,603,606.72		Additional workload pay	6,000.00	
2% Education Fund 2005-06	840.00		Staff Motivation program Exp	24,881.00	
2% Education Fund 2006-07	2,583.29		Driver Daily Allowance	9,750.00	836,405.00
2% Education Fund 2007-08	130,850.05	11,464,419.16			
2 Provisions			11 Telephone, Courier & Postage		
Anu Enterprises	1,092.00	1,092.00	Telephone Charges	96,443.00	
			Postage	151,443.00	247,886.00
3 Fixed Assets			12 Vehicle Expenses		
Computer	129,269.00		Petrol Expenses	131,305.00	
Computer-Software	4,486.00		Vehicle Expenses- Admin	94,497.00	225,802.00
Computer- Education	845,568.00		13 Travelling Expenses		
Furniture and Fixtures	566,546.00		Travelling Expenses	3,431.00	
Office Equipments	110,335.00		Local Conveyance	8,400.00	11,831.00
Vehicle	1,641,242.00		14 Rent, Electricity, Water		
Xerox Machine	98,800.00		Office Rent	195,045.00	195,045.00
	3,598,246.00		15 Professional Charges		
Less: Depreciation	786,039.00	2,812,207.00	Legal Expenses	49,015.00	
4 Investments			Professional Charges	3,600.00	
Investment in SIFS Ltd	560,000.00		Audit Fees	50,000.00	102,615.00
0% IBI 2028 Bonds	1,500,000.00		17 Education Fund Expenses		
0% IDFC 2026	272,581.00		Books and Periodicals	11,147.00	
FD with State Bank of Mysore	6,308,419.00		C A Meeting Expenses	30,910.00	
	8,641,000.00		Computer Maintenance- Edu	2,700.00	
Less: Provision for investments	84,780.00	8,556,220.00	Chairman Travelling Expenses	209,748.00	
5 Cash at Bank			Depreciation- Education	492,791.00	
Axis Bank	183,147.23		KSSFCL Nere Panihare Nidhi	500,000.00	
Canara Bank, Nere Panihar Nidhi	4566		Local Conveyance- Education	1,111.00	
Canara Bank, Shantinagar	111,263.52		Office Rent- Education	59,400.00	
ING Vysya Bank SB A/c	80,172.30		Postage- Education	51,385.00	
ING Vysya Reserve A/c	47,902.88		Printing and Stationary	571,427.00	
Shushruti Bank C/A -36	3,990.98		Professional Charges- Edu	111,400.00	
SBM SB A/c	749,849.00	19,312,467.68	Promotional Expenses	9,174.00	
6 Loans and Advances			Publicity	73,699.00	
Salary Advance - Shobha	43,500.00		Public Relation	80,997.00	
Salary Advance - Srikanth	50,400.00		Salary- Education	424,753.00	
Salary Advance - Vinod	27,700.00		Travelling Expense - Director	173,460.00	
Salary Advance - Y Kumar	28,750.00		Vehicle Expenses - Edu	9,137.00	
Suspense- Vinivinc	293,196.00	443,546.00	Xerox machine Maintenance	3,712.00	
7 Other Assets			Telephone, Telex- Edu	117,770.00	
Rent Deposit	190,000.00		Belgaum Region off Exp	102	
Internet Deposit	3,400.00		Workshop Expenses	1,045,740.00	3,980,563.00
KSUBF	25,000.00		18 Annual Membership Fee		
SHCIL	5,407.44		Annual Fee- 2004-05	1,000.00	
TDS Due	94,485.00		Annual Fee- 2005-06	2,250.00	
Telephone Deposit	3,000.00	321,292.44	Annual Fee- 2006-07	28,366.00	
8 Board Meeting/ Directors Expenses			Annual Fee- 2007-08	134,804.00	
Board Meeting Allowances	928,561.00		Annual Fee- 2008-09	357,336.00	
Board Meeting Expenses	109,929.00		Annual Fee- 2009-10	3,208,174.00	3,731,930.00
Chairman's Quarter Rent	45,000.00		19 Other income		
Travelling Expenses - Director	2,652.00			5,407.44	5,407.44
Sub Committee Meeting Exp	82,555.00		20 Education Fund Income		
Honourarium to Chairman 09-10	120,000.00	1,288,697.00	Education 1% Transfer	3,072,855.48	
Office Expenses/ Other Expenses			ING Vysya Interest Income	250,392.52	
9 E Stamping Expenses	142,717.00		Canara Interest Income	19,534.00	
Interest Paid	4,931.99		SBM Interest	120,467.00	
Bank Charges	2,154.00		Interest on Investment	18,781.00	
Computer Maintenance	21,681.00		Interest Income	58,746.00	
New India Assurance Co.Ltd.,	37,231.00		KSCF	40,000.00	
Office Maintenance	48,527.00		Other Receipts	70,717.00	
Misc Expenses	3,561.49		Write back of excess provision	5,442.00	
Inspection Expenses	232,763.00	493,566.48	Workshop Delegation Fee	27,465.00	398,0563.00



KARNATAKA STATE SOUHARDA FEDERAL CO OPERATIVE LTD.,
132, K H ROAD, BANGALORE-27.

Schedule for Fixed Assets and Depreciation as on 31.03.2010 - 16

Name of the Asset	WDV as on		Additions made		Deletion	Gross Block as on 31.3.2010	Depreciation		WDV as on 31-03-2010
	31-03-2009	Before Oct-3	After Oct-3	Rate			Amount (Rs)		
Computer	18349.00	-	114,920.00	60%	4,000.00	129269.00	43085.00	86184.00	
Computer Software	4486.00	-	-	60%	-	4486.00	2692.00	1794.00	
Furniture & Fixtures	269223.00	-	299,323.00	10%	-	568546.00	41888.00	526658.00	
Office Equipment	95441.00	2,599.00	12,295.00	15%	-	110335.00	15628.00	94707.00	
Vehicle	592693.00	-	1,248,549.00	15%	-	1841242.00	182545.00	1658697.00	
Xerox Machine	-	-	98,800.00	15%	-	98800.00	7410.00	91390.00	
Total	980,192.00	2,599.00	1,773,887.00		4,000.00	2752678.00	293248.00	2459430.00	
Computer-Education Fund	797,068.00	-	48,500.00	60%	-	845568.00	492791.00	352777.00	
TOTAL	1777260.00	2,599.00	1822387.00		4000.00	3598246.00	786039.00	2812207.00	



Notes on Accounts:

1) Basis of accounting:

The accounts are prepared under the historical cost convention on accrual basis as a going concern except as stated in note No.2. The bank follows accounting policies consistently in accordance with the provisions of Karnataka State Souharda Act 1997.

2) Revenue recognition:

Income was recognised on mercantile basis and expenditure on accrual basis.

3. Depreciation on Fixed Assets:

Depreciation has been charged as per the Income Tax Act on all assets as on 31.03.2010.

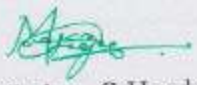
4. Investments:

Investments are shown at market value as on 31.03.2010.

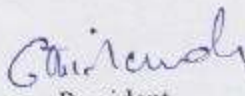
5) Estimated Amount of commitment for capital expenditure not provided – Nil
Previous year – Nil

6) There are no contingent liabilities as on 31.03.2010.

For Madhukar Hegde & Co.
Chartered Accountants-FRN.007954S


(Madhukar. G Hegde)
Proprietor- M.No.206777

For Karnataka State Souharda Federal Co-operative Ltd


President


Managing Director

Place: Bangalore
Date: 29/06/2010.



KARNATAKA STATE SOUHARDA FEDERAL CO-OPERATIVE LTD, BANGALORE
Directors Details as on 31.03.2010

Sl.No.	Name of the Director	Designation	No.Of Meetings	
			Held	Attended
1	Sri Sateeshchandra S R	President	8	8
2	Sri Gurunath Janthikar	Vice-President	8	8
3	Sri Vishwanath C. Hiremath	Director	8	5
4	Sri Shanthinath Pandith	Director	8	7
5	Sri Manohar Maski	Director	8	4
6	Sri Manjunath Siddapur	Director	8	7
7	Sri Vittala Gouda Biradar	Director	8	8
8	Sri Sagar D Chawaj	Director	8	7
9	Sri Rao Saheb Patil	Director	8	7
10	Smt Anagha Limaye	Director	8	7
11	Sri R N Deshpande	Director	8	6
12	Sri M B Kalal	Director	8	7
13	Sri Bhaskar Hegde Kageri	Director	8	8
14	Sri U H Ramappa	Director	8	7
15	Sri Laxmikanth Reddy	Director	8	8
16	Sri Ambli Manjunath	Director	8	8
17	Sri Vishwanath S N	Director	8	8
18	Sri Gopikrishna Rao	Director	8	7
19	Sri Rajeeva H V	Director	8	3
20	Sri Krishna Reddy B H	Director	8	6
21	Sri Sridhar N V	Director	8	7
22	Sri Srinivas Murthy	Director	8	8
23	Sri Bheemaiah C M	Director	2	2
24	Sri Srikanth Hatnuri	Special Invitee	8	4

