



Madhukar Hegde & Co
Chartered Accountants

PAN: AALPH0760M

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**AUDIT REPORT OF KARNATAKA STATE SOUHARDA FEDERAL
CO-OPERATIVE LTD., BANGALORE FOR THE YEAR ENDING
31ST MARCH 2011.**

1. Name and address of the Organisation:

Karnataka State Souharda Federal Co-operative Ltd., # Nirman Bhavan, Dr.Rajkumar Road, 1st Block, Rajajinagar, Bangalore-10.

2. Registration Number and Date:

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

3. Names and Designation of Executives:

- | | | |
|------------------------------|---|-------------------|
| a) Sri. S.R. Sathishchandra | : | President |
| b) Sri. Gurunath Jantikar | : | Vice-President |
| c) Sri. Sharanagouda G Patil | : | Managing Director |

4. Period of Audit:

01.04.2010 to 31.03.2011

5. Compliance Report:

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

6. Membership:

The total number of members including banks and Cooperatives registered under Souharda Act as on 31.03.2011 was 1654 whereas it was 1347 as on 31.03.2010.

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



Sl.No	Particulars	31.03.2009	31.03.2010	31.03.2011
1	Banks	19	19	19
2	Credit Co-operatives	692	826	988
3	Housing Co-operatives	5	5	5
4	Thriffs	148	149	153
5	Others	266	348	489
	Total	1130	1347	1654

The membership of the federal co-operative has gone up by 307 during the year 2010-11. The growth in membership during the year was about 22.79% 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/-. Accordingly, the Federal Co-operative has repaid seventh instalment of Rs.1,00,000/- in the month of October 2010.

b) Secured Loan from Bank:

The Federal co-operative had 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 loan had been availed to purchase vehicle for Chairman and towards other expenses. The same had 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 31.03.2011 was Rs.6513007.79. The same has been shown as liability in the balance sheet of Federal co-operative. The opening balance in this account as on 01.04.2010 was Rs.1737880.06. This has been shown as payable under liabilities side.



The following are the details of the same

2% Education Fund	Rs. 35816.00
Mahamandala	Rs.6477191.79
Total	Rs.6513007.79

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. 9726539.10 as on 01.04.2010. During the year it has received Rs.5854675.13 towards 1% education fund from member co-operatives. Out of the total amount, an amount of Rs.4443473.50 has been transferred to income account and remaining balance of Rs.11137740.73 has been shown as liability in the balance sheet as on 31.03.2011.

The following are the details of the same.

1% Education Fund 2007-08	Rs. 1100567.23
1% Education Fund 2008-09	Rs. 4659251.26
1% Education Fund 2009-10	Rs. 5377922.24
Total	Rs.11137740.73

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 seven instalments of Rs.100,000/- till date and the balance outstanding as on 31.3.2011 was Rs.300,000/-.

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 2009-10. For this purpose the Federal has collected the following deposits from concerned co-operatives as on 31.03.2011.

Security Deposit	Rs.1,75,50,000.00
Trading Deposit	Rs.1,97,24,755.49
Total	Rs.3,72,74,755.49



It is suggested to transfer the said activity to another organisation to avoid cumbersome income tax procedures like, dual taxation, E-TDS returns, assessment etc.

13. Provision for expenses:

The following provisions have been made as on 31.3.2011.

• Avalokhana Sabhe Expenses	Rs.43903.00
• Provision for salary (Yellamma)	Rs. 9900.00
• Telephone Charges	Rs. 4534.00
• Audit Fee	Rs.66180.00

Avalokhana Sabhe Expenses:

The Federal Co-operative has made provision of Rs.43903/- towards expenses payable for the Avalokhana Sabhe held at Sindhanur during February 2011. This has been paid during the current year.

Audit Fee:

The Federal Co-operative has made provision of Rs.66180/- including service tax and other expenses for the statutory audit for the year 2010-11.

14. Other Liabilities:

The following are the details of other liabilities as on 31.3.2011.

• E-stamping Commission Payable	Rs.127812.34
• Employee PF	Rs. 93492.50
• Nere Parihara Nidhi	Rs. 379.00
• EMD	Rs. 68000.00

	Rs.289683.84

It is advised to open account with PF authorities and remit PF along with employer's contribution to the credit of concerned employee account.

15. Bank Reconciliation and Balance Confirmation:-

The reconciliation statements for all the bank accounts have been prepared and they are in order except for ING Vysya Bank Reserve account, where only Rs.176/- has been credited to the account by the bank for cheque amount of Rs.3176/-. It is advised to take up the issue with the ING Vysya Bank to rectify the mistake at their end. Confirmations of balances as on 31.03.2011 obtained from all banks.



16. Investments:

The Federal co-operative held the following investments as on 31.03.2011.

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
Fixed deposit with SBM	50,00,000/-	50,00,000/-	26.04.2012
Fixed deposit with SBM	50,00,000/-	50,00,000/-	03.06.2012
Fixed deposit with SBM	50,00,000/-	50,00,000/-	15.10.2011
Fixed deposit with SBM	30,00,000/-	30,00,000/-	01.09.2011
Fixed deposit with SBM	30,00,000/-	30,00,000/-	15.12.2011

Investments in IDFC Bonds:

The Federal co-operative has invested in 0% IDFC bonds to the extent of Rs.250000/-. We are unable to comment on the position of the investment as the market value as on 31.03.2011 was not available for the said investment. Hence, the market value as on 31.03.2010 has been retained in the balance sheet as on 31.3.2011.

Investments in IIBI 2028 Bonds:

The market value of 0% IIBI 2028 bonds as on 31.03.2011 was not available and hence we are unable to comment on the sufficiency of provision made. No provision made during the year.

Investments in SIFSL:

The Federal Co-operative had invested Rs.5,60,000/- in Souharda Integrated Financial Services Ltd during 2007-08 and the same had been withdrawn during the year under audit.

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

17. Fixed Deposits:

The Federal co-operative has invested Rs.2,10,00,000/- in fixed deposits with State Bank of Mysore as on 31.03.2011. at 6.5% to 8.00% rate of interest.

18. Fixed Assets:

Following are the details of fixed assets held as on 31.03.2011. (Amount in Rupees)

Computer	168586.00
Computer-Software	1794.00
Computer- Education	435537.00



Computer E- Stamping	21497.00	
Furniture & Fixtures	6183964.00	
Office Equipment	223697.00	
Vehicle	1258697.00	
Xerox Machine	91390.00	

Total	8385162.00	
Less: Depreciation	<u>958069.00</u>	74,27,093.00

Furniture and Fixtures:

The Federal co-operative has shifted its operation to Nirman Bhavan, Rajajinagar and had spent Rs.4837991/- for furniture and interior work. Contract was awarded through tender. It has also spent Rs.837815/- towards interior and furniture work at Belgaum divisional office. It is advised to take ratification of the general body for the same.

Vehicle:

The federal co-operative has sold old car during the year for Rs.400000/-.

19. Staff Advances:

Following are the details of advances outstanding as on 31.03.2011.

Salary Advance- Bhavan Rao	Rs.24920.00
Salary Advance- Girish	Rs.10000.00
Salary Advance- Kruthy	Rs.25000.00
Salary Advance- Raghunandan	Rs.19960.00
Salary Advance- Sunil	Rs.27500.00
Salary Advance- Srikanth	Rs.52300.00
Salary Advance- Vinod	Rs.33750.00
Salary Advance- Y Kumar	Rs.13750.00
Salary Advance- Manjunath	Rs.18700.00
Petrol Advance- Manjunath	Rs.15755.00

20. Other Advances:

Following are the details of other advances as on 31.03.2011. (Amount in Rupees)

Suspense Vinivine Rs.313196.00

The Federal co-operative had spent Rs. 293196/- in connection with the administration of Vinivine Souharda Co-operative Ltd up to 31.03.2010 and during the year it had incurred Rs.20000/- towards liquidator's salary and the balance amount recoverable as on 31.03.2011 was Rs.313196.

It is advised to recover the same from the said co-operative at the earliest.



Suspense Green Credit Rs.26000/-

The Federal co-operative had appointed administrator for Green Credit Souharda Co-operative, Bangalore and had incurred Rs.26000/- towards expenses related to the same. It is advised to recover the same from the said co-operative at the earliest.

Murulidhar B K Rs.60000/-

The Federal co-operative has availed consultancy services of Sri. Murulidhar B K in connection with interior work and had paid Rs.60000/- as advance as on 31.3.2011.

Coherent Technologies Rs.100000/-

The Federal co-operative has paid Rs.100000/- as advance to Coherent Technologies towards development of office automation software. It is advised to get the software installed at the earliest.

21. Other Assets:

Following are the details of other assets held on 31.03.2011.

	Amount (Rs)	
Rent Deposit	190,000.00	
Internet Deposit	3,400.00	
SHCIL	5,407.44	
TDS Due- Interest	248,490.00	
Telephone Deposit	<u>6,800.00</u>	4,54,097.44

TDS Due:

The following are the details of TDS Due as on 31.03.2011

TDS Due- Interest	Rs.120,137.00
TDS Due- SHCIL	Rs.128,353.00

Total	Rs.248490.00

22. Board of Directors:

The election to the present board of directors was held during March 2011. The total number of directors of the Federal Co-operative as on 31.03.2011 was 22 including one special invitee. The present board (new) took charge with effect from 01.04.2011 and has tenure up to 31.03.2016. The list of directors as on 31.03.2011 and their attendance at board meetings has been annexed to this report.



23. Board Meetings:

On our verification of minutes of the meetings we found that seven board meetings were held during the year 2010-11. The meetings were held as per the provisions of K S S Act and also byelaw of the Federal Co-operative. It is stated that none of the directors was absent for three consecutive meetings without leave of absence.

24. Board Meeting and Chairman Expenses:

Following expenses were incurred towards board meetings and chairman expenses during the year 2010-11.

Board Meeting Allowances	Rs. 962583.00
Board Meeting Expenses	Rs. 91869.50
Chairman Travelling Expenses	Rs. 84023.00
Rent Allowance	Rs. 108000.00
Honorarium to Chairman	Rs. 120000.00
Sub Committee Meeting Expenses	Rs. 81074.00
Vehicle Expenses	Rs. 289781.00
Travelling Expenses- Directors	Rs. 313621.00

Total	Rs.2050951.50

Board Meeting allowances:

The above includes fixed travelling allowances at the rate of Rs.6/- per KM as approved by the general body. However, it is advised to reimburse travelling expenses on the basis of mode of travel on actual basis as the fixed allowances are not allowed to be deducted as per Income Tax Act. In case any director travels by car, the same may be reimbursed by obtaining declaration from the director concerned.

Travelling Expenses- Directors:

The above includes fixed halting allowances on travelling for official duty. It is advised to make a comprehensive travelling rule for the same including employee TA Rules that needs to be approved by the general body.

The ratification of the general body needs to be obtained for the above expenditure incurred during the year.

It is advised to get the declaration for having spent the allowances on yearly basis from all the directors as it is required to be produced to Income Tax department at the time of assessment.



25. 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.44,43,473.50. Hence, there is no surplus or shortage in education fund group.

It is advised make a clear bifurcation between administrative expenses and education expenses.

26. Workshops:

The Federal co-operative has organised 26 work shops including promotional workshops covering various aspects during the year for the benefit of member co-operatives.

27. 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.

28. 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 and petrol expenses have not been mentioned in the register. It is advised to mention the same.

29. 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 31.03.2011.

30. Budget vs Actual:

On our scrutiny of the budget for the year 2010-11 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.

It is advised make separate budget for divisional offices to have more control.

31. Defaulters:

The Federal Co-operative has prepared list of defaulters as on 31.03.2011 and as per the list prepared 621 member co-operatives have defaulted in payment of fees and other funds. The list of the same has been enclosed to this report.



32. PF:

It is advised enrol the employee under P F Act and contribute the contribution made by the employees along with employer's contribution.

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

Place: Bangalore
Date: 22.06.2011.



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

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



Madhukar Hegde & Co
Chartered Accountants

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Rajajinagar, Bangalore- 560 010.

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, 2011 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 test basis, evidence supporting the evidence and disclosures in the financial statements. An audit also includes assessing the Accounting standards 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, 2011 and
b) In case of Income & Expenditure Account, of the excess of expenditure over income for the year ended on that date.

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



Madhukar G Hegde
Proprietor. M.No.206777

Place : Bangalore
Date : 22.06.2011

Karnataka State Souharda Federal Co-Operative Ltd.
Nirman Bhavan, Dr.Rajkumar Road, Rajajinagar, Bangalore - 560 010.
Balance Sheet as at 31st March 2011

31-03-2010	Liabilities	Sch.	31-03-2011	31-03-2010	Assets	Sch.	31-03-2011
67,088.00	General Fund			2,812,207.00	Fixed Assets	4	7,427,093.00
50,467.96	Opening Balance		117,555.96	8,556,220.00	Investments	5	22,759,328.00
	Add: Surplus for the year (265,060.04)		(147,504.08)		Current Assets Loans and Advances		
	Borrowings		300,000.00		Cash in Hand		50,997.00
400,000.00	Loan from State Government			30,273.00	Cash at Bank	6	121,120,398.83
1,502,795.00	Loan from Bank			19,312,467.68	Loans and Advances	7	12,888,542.50
11,464,419.16	Current Liabilities and Provisions	1	17,650,748.52	443,546.00	Other Assets	8	454,097.44
55,150.00	Co-op. Education Fund		66,180.00	321,292.44			
994.00	Audit Fee Payable		198,997.00				
1,092.00	TDS Payable		58,337.00				
	Provision for Expenses	2	289,683.84				
	Other Liabilities	3	372,747,55.49				
17,934,000.00	E Stamping Deposits						
31,476,006.12	Total		55,691,197.77	31,476,006.12	Total		55,691,197.77

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

For Karnataka State Souharda Federal Co-Operative Ltd.

G. Thirumala
President

D. S. S. S.
Managing Director

CERTIFICATE: Certified that we have audited the accounts of the Karnataka State Souharda Federal Co-Operative Ltd., Bangalore for the year 2010-11 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

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



Place: Bangalore
Date : 22.06.2011

Karnataka State Souharda Federal Co-Operative Ltd.
Nirman Bhavan, Dr.Rajkumar Road, Rajajinagar, Bangalore - 560 010.

Income and Expenditure Account for the year ending 31st March 2011

31-03-2010	EXPENDITURE	Sch	31-03-2011	31-03-2010	INCOME	Sch.	31-03-2011
1,288,697.00	Board Meeting/ Directors Expenses	9	1,363,526.50	3,731,930.00	Annual Membership Fee	20	4,493,551.00
350,849.48	Office Expenses	10	502,909.24	5,407.44	Other Income		2,544.00
836,405.00	Salary	11	1,090,495.00	6,883.00	Interest Income	21	466,267.24
247,686	Telephone,Courier & Postage	12	281,123.00	3,980,563.00	Education Fund Income	22	4,933,640.50
225,802.00	Vehicle Expenses	13	173,447.00	370,813.00	E - Stamping Income	23	1,494,895.00
89,933.00	Printing and Stationery		105,972.50	-	Excess Expenditure over Income		265,060.04
11,831.00	Travelling Expenses	14	31,961.00				
195,045.00	Rent, Electricity, Water	15	146,980.00				
279,537.00	General Body Expenses	16	501,034.00				
102,615.00	Professional Charges	17	132,478.00				
293,248.00	Depreciation		690,298.00				
-	Election Expenses		217,456.00				
3,980,563.00	Education Fund Expenses	18	4,933,640.50				
142,717.00	E-Stamping Expenses	19	1,484,637.04				
50,467.96	Excess of income over Expenditure		-				
8,095,596.44	Total		11,655,957.78	8,095,596.44			11,655,957.78

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. Srinivas
President

S. S. Srinivas
Managing Director

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



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

Place: Bangalore
Date : 22.06.2011

Schedules for Balance Sheet and Income and Expenditure Account for the year ending 31-03-2011

1 Co-Operative Education Fund			9 Board Meeting/ Directors Expenses		
1% Education Fund 2007-08	1,100,567.23		Board Meeting Allowances	962583.00	
1% Education Fund 2008-09	4,659,251.26		Board Meeting Expenses	91869.50	
1% Education Fund 2009-10	5,377,822.24		Chairman's Quarter Rent	108,000.00	
Mahamandala	6,477,191.79		Sub Committee Meeting Exp	81074.00	
2% Education Fund 2007-08	35,816.00	17,650,748.52	Honourarium to Chairman	120,000.00	1,363,526.50
2 Provisions			10 Office Expenses/ Other Expenses		
Avalokana Sabhe Expenses	43,903.00		Interest Paid	15,203.00	
E-stamping outstanding expenses	14,434.00	58,337.00	Bank Charges	1081.30	
3 Other Liabilities			Computer Maintenance	63951.00	
E-stamping Commission Payable	127,812.34		Insurance	40503.00	
Employee PF	93,492.50		Office Maintainance	95694.94	
Nere Parihara Nidhi	379.00		Belgaum Office Expenses	259335.00	
EMD	68,000.00	289,683.84	Misc Expenses	7611.00	
4 Fixed Assets			Inspection Expenses	19530.00	502,909.24
Computer	168586.00		11 Salary		
Computer-Software	1794.00		Salary	919,184.00	
Computer- Education	435537.00		Employees Exgratia	112436.00	
E Stamping Computer	21497.00		Employer's Contribution to PF	34275.00	
Furniture and Fixtures	6183964.00		Additional workload pay	3000.00	
Office Equipments	223697.00		Driver Daily Allowance	21600.00	1,090,495.00
Vehicle	1258697.00		12 Telephone, Courier & Postage		
Xerox Machine	91390.00		TELEPHONE, TELEX AND FAX	111570.00	
Total	8385162.00		Postage	169553.00	281,123.00
Less: Depreciation	958069.00	7,427,093.00	13 Vehicle Expenses		
5 Investments			Petrol Expenses	116335.00	
0% IBI 2028 Bonds	1500000.00		Vehicle Expenses- Admin	57112.00	173,447.00
0% IDFC 2026	272581.00		14 Travelling Expenses		
E Stamping FD A/c- SBM	18070527.00		Travelling Expenses	14576.00	
State Bank of Mysore FD A/c	3000000.00		Local Conveyance	17385.00	31,961.00
Shares in NYC	1000.00		15 Rent, Electricity, Water		
Total	22844108.00		Office Rent	121,980.00	
Less: Provision for investments	84,780.00	22,759,328.00	Electricity Charges	25000.00	146,980.00
6 Cash at Bank			16 Professional Charges		
E Stamping Axis Bank A/c-7593	5200110.29		Legal Expenses	9073.00	
E Stamping Axis - 838	395967.00		Professional Charges	57225.00	
Belgaum - Bank	23362.00		Audit Fees	66180.00	132,478.00
Canara Bank, Nere Parihara Nidhi	4945.00		18 Education Fund Expenses		
Canara Bank, Shantinagar	696832.52		Akila Bharatha Sahakara Saptaha Ex	10595.00	
ING Vysya Bank SB A/c	1219240.10		Books and Periodicals	34759.00	
ING Vysya Reserve A/c	3182724.94		Chairman Travelling Exp	84023.00	
Shushruti Bank C/A -36	3990.98		Depreciation-Edu Fund	261322.00	
SBM SB A/c	1384867.00	12,112,039.83	Employees Exgratia - Edun	143536.00	
7 Loans and Advances			Local Conveyance (Edun)	369.50	
Belgaum - General Advance	-5000.00		Office Rent-Education	299400.00	
Driver- Petrol Advance	15755.00		Petrol Expenses Education	116334.00	
E Stamping SHCIL	12152711.50		Postage Edun	33831.00	
Murulidhar B K	60000.00		Printing and Stationery-Edun	651671.00	
Coherent Technologies	100000.00		Professional Charges-Edun	8000.00	
Salary Advance- Bhavan Rao	24920.00		Promotional Expenses	84575.00	
Salary Advance - Girish	10000.00		Publicity	107339.00	
Salary Advance Kruty	25000.00		Public Relation	177061.50	
Salary Advance-Manjunath	18700.00		Salary (Education)	1046419.50	
Salary Advance - Raghunandan	19960.00		Samalochana Sabhe Exp.	133972.00	
Salary Advance Suresh	27500.00		Samavesha Expenses	375804.00	
Salary Advance - Srikanth	52300.00		Telephone Telex (Edun)	138284.00	
Salary Advance - Vinod	33750.00		Travelling Expenses- Directors-Edu	6075.00	
Salary Advance - Y Kumar	13,750.00		Travelling Expenses- Directors	284729.00	
Suspense- Green Credit	26,000.00		Workshop Expenses-Edun	935541.00	4,933,640.50
Suspense- Vinivinc	313,196.00	12,888,542.50			
8 Other Assets					
Rent Deposit	190,000.00				
Internet Deposit	3,400.00				
SHCIL	5,407.44				
TDS- Interest	120,137.00				
TDS- SHCIL	128,353.00				
Telephone Deposit	6,800.00	454,097.44			



19 E-Stamping Expenses		
Application Form Charges	164750.00	
Bank Charges	942.04	
Computer Maintenance	6088.00	
Depreciation	6449.00	
Electricity	40614.00	
Local Conveyance	22799.00	
Office Maintaince	26835.00	
Postage Exp.	37961.00	
Printing & Stationery Exp.	81721.00	
Rent	263200.00	
Staff Salary	633569.00	
Staff Welfare	21548.00	
Telephone Telex Exp.	114004.00	
Training Exp.	41340.00	
Travelling Exps	22817.00	1484637.04
20 Annual Membership Fee		
Annual Fee- 2004-05	250.00	
Annual Fee- 2005-06	1,000.00	
Annual Fee- 2006-07	9,500.00	
Annual Fee- 2007-08	50,636.00	
Annual Fee- 2008-09	91,859.00	
Annual Fee- 2009-10	197,891.00	
Annual Fee- 2010-11	4,142,415.00	4,493,551.00

21 Interest Income		
ING Vysya Bank	106,796.24	
Interest on IT	645.00	
SBM	358826.00	466,267.24
22 Education Fund Income		
Education 1% Transfer	4443473.50	
Canara Interest Income	3829.00	
Other Receipts	50588.00	
Workshop Delegation Fee	435750.00	4933640.50
23 E-Stamping Income		
Interest from SBM FD	907693.00	
Interest Income- Axis Bank	296202.00	
Penalty on ACC	60000.00	
Processing Charges	231000.00	1494895.00



KARNATAKA STATE SOUHARDA FEDERAL CO OPERATIVE LTD.,
Nirman Bhavan, Dr.Rajkumar Road, Rajajinagar, Bangalore - 560 010.

Schedule for Fixed Assets and Depreciation as on 31.03.2011 - 17

Name of the Asset	WDV as on		Additions made		Deletion	Gross Block as on 31.3.2011	Rate	Depreciation Amount (Rs)	WDV as on 31-03-2011
	31-03-2010	Before Oct-3	After Oct-3	After Oct-3					
Computer	86184.00	33,000.00	49,402.00	-	-	168586.00	60%	86331.00	82255.00
Computer Software	1794.00	-	-	-	-	1794.00	60%	1076.00	718.00
Furniture & Fixtures	526658.00	837,815.00	4,837,991.00	18,500.00	18,500.00	6183964.00	10%	376497.00	5807467.00
Office Equipment	94707.00	-	128,990.00	-	-	223697.00	15%	23880.00	199817.00
Vehicle	1658697.00	-	-	400,000.00	400,000.00	1258697.00	15%	188805.00	1069892.00
Xerox Machine	91,390.00	-	-	-	-	91390.00	15%	13709.00	77681.00
Total	2,459,430.00	870,815.00	5,016,383.00	418,500.00	418,500.00	7928128.00		690298.00	7237830.00
Computer-Education Fund	352,777.00	82,760.00	-	-	-	435537.00	60%	261322.00	174215.00
Computer-E Stamping	-	-	21,497.00	-	-	21497.00	60%	6449.00	15048.00
TOTAL	2812207.00	953,575.00	5037880.00	418500.00	418500.00	8385162.00		958069.00	7427093.00



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 Federal Cooperative follows accounting policies consistently in accordance with the provisions of Karnataka Souharda Sahakari 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 31.03.2011.

4. Investments:


Investments are shown at market value as on 31.03.2010 as market value as on 31.3.2011 was not available.

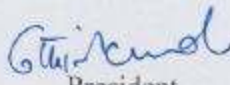
5) Estimated Amount of commitment for capital expenditure not provided – Nil
Previous year – Nil

6) There are no contingent liabilities as on 31.03.2011.

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

For Karnataka State Souharda Federal Co-operative Ltd


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


President


Managing Director

Place: Bangalore
Date: 22/06/2011.



KARNATAKA STATE SOUHARDA FEDERAL CO-OPERATIVE LTD, BANGALORE
Directors Details as on 31.03.2011

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

