INDEPENDENT AUDITOR'S REPORT

The members of,

M/S FRIENDS ASSOCIATION FOR RURAL RECONSTRUCTIONS (FARR), PLOT NO: N-6/474, IRC VILLAGE, NAYAPALLI, BHUBANESWAR, ODISHA, PIN-751015

We have audited the accompanying standalone financial statements of **FRIENDS ASSOCIATION FOR RURAL RECONSTRUCTIONS (FARR)** ("the Society"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Income and Expenditure Account and the Receipts and Payments Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at March 31, 2026, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI)

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Society is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Society in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 a 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 responsible for overseeing the Society's financial reporting process

NAYAK RATH & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ BHUBANESWAR

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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 a 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.

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.

For NAYAK RATH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN-021051N

Place: Bhubaneswar
Dated:12.07.2026

NAYAK RATH & ASSOCIATES BHUBANESWAR CHARTERED ACCOUNTANTS

(CA MANAS RANJAN PRADHAN)
PARTNER
M. No. - 307292

UDIN - 26307292WIMPSV7285

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2026.

1. **SIGNIFICANT ACCOUNTING POLICIES**

a) **Accounting Convention**
The financial statements have been prepared on historical cost convention in accordance with the generally accepted accounting principles in India.

b) **Basis of Accounting**
The Society's incomes and expenses are accounted for on accrual basis.

c) **Fixed Assets**
Assets were stated at cost. Cost comprises of all expenses incurred up to commissioning/putting the assets in use.

d) **Depreciation**
Depreciation has not been provided on the Fixed Assets of the Society.

e) **Income Recognition:**
The income of the society is mainly from Grants, Local Contributions and Interest from Bank utilized for charitable objects.

f) **Adjustment of Previous Years Assets & Liabilities:**
As per resolution passed in the Board Meeting, we have write-off previous year Liabilities in Balance Sheet.

NAYAK RATH & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ BHUBANESWAR

FRIENDS ASSOCIATION FOR RURAL RECONSTRUCTIONS (FARR)
PLOT NO: N/674,IRC VILLAGE,NAYAPALLI,BHUBANESWAR,ODISHA,PIN-751015

CONSOLIDATED BALANCE SHEET AS AT 31.03.2026

FARR FC & NON FC ACCOUNT

LIABILITIES		AMOUNT (RS.)	ASSETS	AMOUNT (RS.)
GENERAL FUND			**FIXED ASSET:**	
Opening Balance	17,07,779.62		As per Schdule (NON FC)	5,23,291.00
Add : Excess of Income Over Expenditure During the year	19,43,655.18		As per Schdule-1 (FC)	26,39,784.74
	36,51,434.80		**CURRENT ASSET:-**	
Add : Payable Written-Off	7,43,311.00	43,94,745.80	Loans & Advance	
			Opening Balance (Muniguda)	26,647.75
			Advances (FC)	21,749.00
CURRENT LIABILITIES:-			Security Deposit (Muniguda)	2,72,100.00
Loan From K K Samal (Hindol Project)		20,000.00	**Cash & Bank Balances:**	
Village Committee deposit (FC)		18,345.00	- Cash in Hand	21,249.33
Loans & Advance (FC)		55,203.25	- Cash at Bank	16,77,710.23
Unsecured Loan (Hindol Project)		1,26,521.00		
Staff Development Fund (Hindol Project)		27,500.00		
Salary Payble (Muniguda Project)		5,40,217.00		
		51,82,532.05		**51,82,532.05**

For NAYAK RATH & ASSOCIATES
Chartered Accountants
FRN - 021051N

NAYAK RATH & ASSOCIATES ★ BHUBANESWAR ★ CHARTERED ACCOUNTANTS

CA.Manas Ranjan Pradhan
Partner
M. No.307292

Place: Bhubaneswar
Date: 12.07.2026

FRIENDS ASSOCIATION FOR RURAL RECONSTRUCTION

PLOT NO: N-6/474, IRC VILLAGE , NAYAPALLI, BHUBANESWAR, ODISHA, PIN-751015

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR PERIOD FROM 01-04-2025 to 31-03.2026

FARR FC & NON FC ACCOUNT

EXPENDITURE	AMOUNT (RS.)	AMOUNT (RS.)	INCOME	AMOUNT (RS.)	AMOUNT (RS.)
NABARD Programme Exp.			**GRANT- IN- AID:**		
- Staff Salary	7,71,800.00		**FARR Muniguda :**		
- FRM salary	1,40,000.00	9,11,800.00	- Dhwani Foundation	3,36,000.00	
DHWANI FOUNDATIN			- NABARD Karamahan	11,45,087.00	
- Consultancy paid for organisation			- NABARD Baramahuala	10,51,301.00	
Development	1,08,000.00	1,08,000.00	- PKVY	6,56,000.00	31,88,388.00
Administrative expences			**FARR Hindol:**		
- Travel and administretive	40,335.00		- CDAO cum PD ATMA, Dhenkanal	14,82,836.00	
- Salary project Coordinator	1,80,000.00		- BAO Office, Dhenkanal	54,414.00	15,37,250.00
- Account and finance person	2,09,800.00		**Bank interest:-**		
- Rent & Repair	26,390.00	4,56,525.00	**FARR Muniguda :**		
			General A/C	1,840.00	
Miscellanious Exp.		58,089.00	FCRA A/C	65.00	1,905.00
Bank Charges		1,386.60	**FARR Hindol:**		
EPF Deposit		1,40,500.00	GenA/c No11624705570	405.00	
TDS Deposited		15,000.00	SHREE ANNA A/C41405382869	7,883.00	
SHREE ANNA ABHIYAN (Hindol)			SIRD A/cno-35512262241	238.00	
- Non- Residential training			FCRA A/C	27.00	8,553.00
for Women Campaing team	16,000.00		**FARR Kalahandi:**		
- Awareness campaign in			FCRA A/C	19,990.00	19,990.00
villages to increase house			**FARR Muniguda :**		
hold consumption	40,000.00		Misc. Receipts		2,55,000.00
- Training on SMI	32,000.00		Contribution		1,94,200.00
- Field day celeberation	20,000.00		**FARR Hindol:**		
- CCE based on sampling and documentati	22,500.00		Rent Received		1,16,000.00
- Non- Residential training			Electricity Bill Received		3,419.00
of CRPs & Progressive farmer	56,000.00		Donation		88,600.00
- Food Festival	75,000.00				
- Awareness campaign On					
Procurement, Marketing	80,000.00				
- Prog. Facilitation cost	11,92,957.00				
- Misc Expenses @2% of Programme Cost	47,678.36	15,82,135.36			
General (Hindol)					
- Staff Salary	10,000.00				
- Office Maintainance	25,000.00				
- TA to Project Co-Ordinator	14,500.00				
- Purchase of Seed	5,662.36				
- DSR Training Programe	50,000.00	1,05,162.36			
SIRD (Hindol)					
- Salary	44,000.00				
- office Maintenance	41,400.00				
- Printing & Stationary	5,000.00				
- Misc. Cost	2.36	90,402.36			
FARR (FCRA):					
Bank Commission Federal	649.00				
Misc. Expenses Hindol Project	0.14	649.14			
" Excess of Income over Expenditure during the Period		19,43,655.18			
		54,13,305.00			**54,13,305.00**

For NAYAK RATH & ASSOCIATES
Chartered Accountants
FRN - 021051N

NAYAK RATH & ASSOCIATES BHUBANESWAR CHARTERED ACCOUNTANTS

CA.Manas Ranjan Pradhan
Partner
M. No.307292

PLACE : BHUBANESWAR
Date: 12.07.2026

FRIENDS ASSOCIATION FOR RURAL RECONSTRUCTION

PLOT NO: N-6/474, IRC VILLAGE , NAYAPALLI, BHUBANESWAR, ODISHA, PIN-751015

CONSOLIDATED RECEIPT AND PAYMENT STATEMENT OF PERIOD FROM 01-04-2025 to 31-03.2026

FARR FC & NON FC ACCOUNT

RECEIPTs	AMOUNT (RS.)	AMOUNT (RS.)
Opening Balance		
Cash in Hand	22,138.33	
Cash at Bank	11,28,876.05	11,51,014.38
GRANT- IN- AID:		
FARR Muniguda :		
- Dhwani Foundation	3,36,000.00	
- NABARD Karamahan	11,45,087.00	
- NABARD Baramahuala	10,51,301.00	
- PKVY	6,56,000.00	31,88,388.00
FARR Hindol:		
- CDAO cum PD ATMA, Dhenkanal	14,82,836.00	
- BAO Office, Dhenkanal	54,414.00	15,37,250.00
Bank Interest;-		
FARR Muniguda :		
General A/C	1,840.00	
FCRA A/C	65.00	1,905.00
FARR Hindol:		
GenA/c No11624705570	405.00	
SHREE ANNA A/C41405382869	7,883.00	
SIRD A/cno-35512262241	238.00	
FCRA A/C	27.00	8,553.00
FARR Kalahandi:		
FCRA A/C	19,990.00	19,990.00
FARR Muniguda :		
Misc. Receipts		2,55,000.00
Contribution		1,94,200.00
FARR Hindol:		
Rent Received		1,16,000.00
Electricity Bill Received		3,419.00
Donation		88,600.00
		65,64,319.38

PAYMENTs	AMOUNT (RS.)	AMOUNT (RS.)
NABARD Programme Exp.		
- Staff Salary	7,71,800.00	
- FRM salary	1,40,000.00	9,11,800.00
DHWANI FOUNDATIN		
- Consultancy paid for organisation Development	1,08,000.00	1,08,000.00
Administrative expences		
- Travel and administretive	40,335.00	
- Salary project Coordinator	1,80,000.00	
- Account and finance person	2,09,800.00	
- Rent & Repair	26,390.00	4,56,525.00
Miscellanious Exp.		58,089.00
Bank Charges		1,386.60
Securirty for ZSS (NHM)		1,20,000.00
EPF Deposit		1,40,500.00
TDS Deposited		15,000.00
Loan Refunded:		
- Basanta Kumar Swain		25,000.00
- Pramila Swain		50,000.00
- Usha Rani Khatua		1,00,000.00
Salary Payable Paid		10,40,710.00
SHREE ANNA ABHIYAN (Hindol)		
- Non- Residential training for Women Campaing team	16,000.00	
- Awareness campaign in villages to increase house hold consumption	40,000.00	
- Training on SMI	32,000.00	
- Field day celeberation	20,000.00	
- CCE based on sampling and documentatio	22,500.00	
- Non- Residential training of CRPs & Progressive farmer	56,000.00	
- Food Festival	75,000.00	
- Awareness campaign On Procurement, Marketing	80,000.00	
- Prog. Facilitation cost	11,92,957.00	
- Misc Expenses @2% of Programme Cost	47,678.36	15,82,135.36
General (Hindol)		
- Staff Salary	10,000.00	
- Office Maintainance	25,000.00	
- TA to Project Co-Ordinator	14,500.00	
- Purchase of Seed	5,662.36	
- DSR Training Programe	50,000.00	
- Loan repayment	60,000.00	1,65,162.36
SIRD (Hindol)		
- Salary	44,000.00	
- office Maintenance	41,400.00	
- Printing & Stationary	5,000.00	
- Misc. Cost	2.36	90,402.36
FARR (FCRA):		
Bank Commission Federal	649.00	
Misc. Expenses Hindol Project	0.14	649.14
" **Closing Balance**		
Cash in Hand	21,249.33	
Cash at Bank	16,77,710.23	16,98,959.56
		65,64,319.38

For NAYAK RATH & ASSOCIATES
Chartered Accountants
FRN - 021051N

NAYAK RATH & ASSOCIATES BHUBANESWAR CHARTERED ACCOUNTANTS

CA.Manas Ranjan Pradhan
Partner
M. No.307292

PLACE : BHUBANESWAR
Date: 12.07.2026