INDIA DEVELOPMENT AND RELIEF FUND, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31, 2012
INDIA DEVELOPMENT AND RELIEF FUND, INC.
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2012

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<tr>
<td>For the year ended December 31, 2012</td>
<td></td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
India Development and Relief Fund, Inc.
North Bethesda, Maryland

We have audited the accompanying financial statements of India Development and Relief Fund, Inc., (IDRF) (a nonprofit organization) which comprised of financial position as of December 31, 2012, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of India Development and Relief Fund, Inc. as of December 31, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The statement of functional expenses on page 5 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 15, 2013
# Statement of Financial Position

## December 31, 2012

### Assets

**Current Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,063,387</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$1,063,387</strong></td>
</tr>
</tbody>
</table>

**Fixed Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>1,397</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(1,155)</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>242</td>
</tr>
</tbody>
</table>

**Other Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Marketable Securities - Note 2</td>
<td>4,913</td>
</tr>
<tr>
<td>Investments in Non Public Entity - Note 2</td>
<td>140,920</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>145,833</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$1,209,462</strong></td>
</tr>
</tbody>
</table>

### Net Assets

**Unrestricted**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$138,993</td>
</tr>
</tbody>
</table>

**Temporarily Restricted - Note 3**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,070,469</td>
</tr>
</tbody>
</table>

**Permanently Restricted**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Net Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$1,209,462</strong></td>
</tr>
</tbody>
</table>

---

See Auditors' Report and Accompanying Notes to Financial Statements
## Statement of Activities and Changes in Net Assets

### For the Year Ended December 31, 2012

#### Support and Revenue

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Income</td>
<td>$ 451,124</td>
<td>$ 669,020</td>
<td>-</td>
<td>$ 1,120,144</td>
</tr>
<tr>
<td>Investment Income</td>
<td>16,455</td>
<td></td>
<td></td>
<td>16,455</td>
</tr>
<tr>
<td>Special Events</td>
<td>-</td>
<td>7,495</td>
<td>-</td>
<td>7,495</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>467,579</td>
<td>676,515</td>
<td>-</td>
<td>1,144,094</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>323,605</td>
<td>762,995</td>
<td>-</td>
<td>1,086,600</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>323,605</td>
<td>762,995</td>
<td>-</td>
<td>1,086,600</td>
</tr>
<tr>
<td>Functional Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>32,327</td>
<td></td>
<td>-</td>
<td>32,327</td>
</tr>
<tr>
<td>Fund Raising</td>
<td>9,685</td>
<td></td>
<td>-</td>
<td>9,685</td>
</tr>
<tr>
<td><strong>Total Functional Expenses</strong></td>
<td>42,012</td>
<td></td>
<td>-</td>
<td>42,012</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>365,617</td>
<td>762,995</td>
<td>-</td>
<td>1,128,612</td>
</tr>
</tbody>
</table>

### Increase (Decrease) in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (Decrease)</td>
<td>101,962</td>
<td>(86,480)</td>
<td>-</td>
<td>15,482</td>
</tr>
</tbody>
</table>

#### Net Assets - Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets - Beginning of Year</td>
<td>36,242</td>
<td>1,156,949</td>
<td>-</td>
<td>1,193,191</td>
</tr>
<tr>
<td>Unrealized Gains</td>
<td>789</td>
<td></td>
<td></td>
<td>789</td>
</tr>
<tr>
<td><strong>Net Assets - End of Year</strong></td>
<td>$ 138,993</td>
<td>$ 1,070,469</td>
<td>-</td>
<td>$ 1,209,462</td>
</tr>
</tbody>
</table>

See Auditors’ Report and Accompanying Notes to Financial Statements

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INDIA DEVELOPMENT AND RELIEF FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
(SUPPLEMENTARY FINANCIAL INFORMATION)
FOR THE YEAR ENDED DECEMBER 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting &amp; Auditing</td>
<td>$</td>
<td>- $ 5,700 $</td>
<td>- $ 5,700</td>
<td>$ 5,700</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>- $</td>
<td>84</td>
<td></td>
<td>84</td>
</tr>
<tr>
<td>Depreciation</td>
<td>- $</td>
<td>161</td>
<td>-</td>
<td>161</td>
</tr>
<tr>
<td>General &amp; Administrative-Other</td>
<td>1,326</td>
<td></td>
<td></td>
<td>1,326</td>
</tr>
<tr>
<td>Internet Expense</td>
<td>- $</td>
<td>1,048</td>
<td></td>
<td>1,048</td>
</tr>
<tr>
<td>Outside Services</td>
<td>- $</td>
<td>22,766</td>
<td>5,787</td>
<td>28,553</td>
</tr>
<tr>
<td>Postage &amp; Shipping</td>
<td>- $</td>
<td></td>
<td>1,112</td>
<td>1,112</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>- $</td>
<td></td>
<td>2,786</td>
<td>2,786</td>
</tr>
<tr>
<td>Telephone</td>
<td>- $</td>
<td>1,145</td>
<td></td>
<td>1,145</td>
</tr>
<tr>
<td>Travel &amp; Meals</td>
<td>- $</td>
<td>97</td>
<td></td>
<td>97</td>
</tr>
<tr>
<td><strong>Total Functional Expenses</strong></td>
<td>$</td>
<td>- $ 32,327 $</td>
<td>$ 9,685</td>
<td>$ 42,012</td>
</tr>
</tbody>
</table>

See Auditors' Report and Accompanying Notes to Financial Statements
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INDIA DEVELOPMENT AND RELIEF FUND, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>$15,482</td>
</tr>
<tr>
<td>Adjustments to Reconcile Increase in Net Assets</td>
<td></td>
</tr>
<tr>
<td>to Net Cash Provided Operating Activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>$161</td>
</tr>
<tr>
<td>Decrease in Accounts Payable</td>
<td>(1,957)</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td>(1,796)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>13,686</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Stocks (Non Cash Contributions)</td>
<td>(4,124)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td>(4,124)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions Receivable Bhutada Ltd. Partnership</td>
<td>(3,507)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Financing Activities</strong></td>
<td>(3,507)</td>
</tr>
</tbody>
</table>

INCREASE IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in Cash and Cash Equivalents</strong></td>
<td>6,055</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning of the Year</td>
<td>1,057,332</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents - End of the Year</strong></td>
<td>$1,063,387</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL INFORMATION:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Paid</td>
<td>$0</td>
</tr>
<tr>
<td>Income Tax Paid</td>
<td>$0</td>
</tr>
</tbody>
</table>

See Auditors' Report and Accompanying Notes to Financial Statements
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NOTE 1: NATURE OF ACTIVITIES & SIGNIFICANT ACCOUNTING POLICIES

India Development and Relief Fund, Inc ("IDRF") was established by Dr. Vinod Prakash and other members of the Board, as a nonprofit organization, in the state of Maryland in 1987. In 1988, IDRF was approved by the Internal Revenue Service as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. The organization aims to help the needy, disabled, underprivileged or impoverished people in India, and, to a limited extent in Nepal, United States, and other countries, to become self-reliant and modernized, yet rooted in the culture and civilization of their respective countries, by raising tax-exempt contributions in the United States.

These objectives are achieved through various types of assistance, including but not limited to: (a) value-based education and vocational training for children and adults; (b) health care; (c) eco-friendly rural development and environmental protection; (d) women’s empowerment through micro-credit and other means; (e) tools for improving governance; and (f) relief and rehabilitation of victims of natural or man-made disasters.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising From Cash Deposits
The Organization’s cash funds are located in various financial institutions. The amount of deposits as of December 31, 2012 in one of the bank accounts, per bank records, exceeded the federally insured limit of $250,000 per bank.

Property and Equipment
Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation, Repairs and Maintenance
Depreciation is calculated using the double declining method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred. Major renewals and betterments are capitalized. When equipment is sold or retired the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in the statement of activities.
Contributions
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Promise to Give
Support is recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified as unrestricted net assets. As of December 31, 2012, temporarily restricted net assets were $1,070,469. There were no permanently restricted net assets as of December 31, 2012.

Allocation of Expenses
The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses which can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the programs, supporting services and fund raising.

Income Taxes
The Organization is exempt from the income taxes under Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization that is not a private foundation. Accordingly, no provision has been made for income taxes in the financial statements.

NOTE 2: INVESTMENTS

During the year 2000, the Organization had received a donor advised temporarily restricted contribution of 99% equity interest in a non-public limited partnership, the Contributor, in support of organizations engaged in the fulfillment of IDRF’s objectives. Because the Contributor is a closely held company and the main asset of the Contributor is loan due from related party, the Fair Market Value of such investments is not materially different than the cost of the investments.

Income from investments, including both realized and unrealized gains are treated as an increase in unrestricted, temporarily restricted or permanently restricted net assets, as required by the gift instrument. Losses from investments, including both realized and unrealized losses, are treated as reduction in unrestricted, temporarily restricted or permanently restricted net assets, as required by the gift instrument.

Investments as of December 31, 2012 consist of the following:

<table>
<thead>
<tr>
<th>Merrill Lynch &amp; Other</th>
<th>FMV at Date of Gift</th>
<th>Unrealized Gain Accumulative As of Dec 31, 2012</th>
<th>FMV at Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporarily Restricted/Unrestricted:</td>
<td>$ 60,539</td>
<td>$ 85,294</td>
<td>$ 145,833</td>
</tr>
</tbody>
</table>
The following schedule summarizes the investment return (current year only) and its classification in the statement of activities for the year ended December 31, 2012.

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Int/Div</td>
<td>$16,455</td>
<td>$-</td>
<td>$16,455</td>
</tr>
<tr>
<td>Unrealized Gain</td>
<td>$789</td>
<td>$-</td>
<td>$789</td>
</tr>
<tr>
<td>Total Invest. Earnings</td>
<td>$17,244</td>
<td>$-</td>
<td>$17,244</td>
</tr>
</tbody>
</table>

**NOTE 3: RESTRICTIONS ON NET ASSETS**

Temporarily Restricted net assets are available for the following purposes:

- Bhutada Ltd. Fund - Development Projects (India & USA)  $140,920
- Other Donor Advised - Development Projects (India)  471,022
- Multiyear Development Projects – (India)  458,527
- Total  $1,070,469

**NOTE 4: SUBSEQUENT EVENTS:**

No events have occurred subsequent to the balance sheet date and through May 15, 2013 that would require adjustment to, or disclosure in, the financial statements.