INDIA DEVELOPMENT AND RELIEF FUND, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31, 2012

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Desai&Shah, PC, CPAs
Established in 1981

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

Desai & Shah PC CPAs

19785 Crystal Rock Drive, Suite 304, Germantown, MD 20874 | T: 301-528-5595 | F: 301-528-5590 | www.desaicpa.com

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,063,387	
Total Current Assets		$ 1,063,387
FIXED ASSETS		
Equipment	1,397	
Less: Accumulated Depreciation	(1,155)	
Total Fixed Assets		242
OTHER ASSETS		
Investments in Marketable Securities - Note 2	4,913	
Investments in Non Public Entity - Note 2	140,920	
Total Other Assets		145,833
Total Assets		**$ 1,209,462**

NET ASSETS

NET ASSETS		
Unrestricted	$ 138,993	
Temporarily Restricted - Note 3	1,070,469	
Permanently Restricted	-	
Total Net Assets		$ 1,209,462
Total Net Assets		**$ 1,209,462**

See Auditors' Report and Accompanying Notes to Financial Statements

INDIA DEVELOPMENT AND RELIEF FUND, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contribution Income	$ 451,124	$ 669,020	$ -	$ 1,120,144
Investment Income	16,455	-	-	16,455
Special Events	-	7,495	-	7,495
Total Support and Revenue	467,579	676,515	-	1,144,094
EXPENSES				
Program Services				
Grants	323,605	762,995	-	1,086,600
Total Program Services	323,605	762,995	-	1,086,600
Functional Expenses				
Management and General	32,327	-	-	32,327
Fund Raising	9,685	-	-	9,685
Total Functional Expenses	42,012	-	-	42,012
Total Expenses	365,617	762,995	-	1,128,612
Increase (Decrease) in Net Assets	**101,962**	**(86,480)**	**-**	**15,482**
Net Assets - Beginning of Year	36,242	1,156,949	-	1,193,191
Unrealized Gains	789	-	-	789
Net Assets - End of Year	$ 138,993	$ 1,070,469	$ -	$ 1,209,462

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

(SUPPLEMENTARY FINANCIAL INFORMATION)

FOR THE YEAR ENDED DECEMBER 31, 2012

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

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets		$ 15,482
Adjustments to Reconcile Increase in Net Assets		
to Net Cash Provided Operating Activities		
Depreciation	$ 161	
Decrease in Accounts Payable	(1,957)	
Total Adjustments		(1,796)
Net Cash Provided by Operating Activities		13,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Stocks (Non Cash Contributions)	(4,124)	
Net Cash Used in Investing Activities		(4,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions Receivable Bhutada Ltd. Partnership	(3,507)	
Net Cash Used in Financing Activities		(3,507)
INCREASE IN CASH AND CASH EQUIVALENTS		6,055
Cash and Cash Equivalents - Beginning of the Year		1,057,332
Cash and Cash Equivalents - End of the Year		**$ 1,063,387**
SUPPLEMENTAL INFORMATION:		
Interest Paid		$ 0
Income Tax Paid		$ 0

See Auditors' Report and Accompanying Notes to Financial Statements

INDIA DEVELOPMENT AND RELIEF FUND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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:

	FMV at Date of Gift	FMV at Dec 31, 2012	Unrealized Gain Accumulative As of Dec 31, 2012
Merrill Lynch & Other			
Temporarily Restricted/Unrestricted:	$ 60,539	$ 145,833	$ 85,294

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.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment Int/Div	$ 16,455	$ -	$ -	$ 16,455
Unrealized Gain	$ 789	$ -	$ -	$ 789
Total Invest. Earnings	$ 17,244	$ -	$ -	$ 17,244

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: SUSEQUENT 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.