



# A. K. SABAT & Co.

## Independent Auditor's Report

To the Members of Udyama, Nayagarh - 752069

### Report on the Financial Statements

We have audited the accompanying financial statements of Udyama, a public charitable society registered under Societies Registration Act, 1860, ("the Society"), which comprise the Balance Sheet as at March 31, 2014, the statement of Income and Expenditure and the statement of Receipts and Payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Society's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Society in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable to a Not-for-Profit Organisation. 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 and to the best of our information and according to the explanations given to us, *subject to that the organisation do not provide for depreciation [Ref: Significant Accounting Policies in para 2(A)2.h of Notes to the Financial Statements]*, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2014;
- in the case of the Statement of Income and Expenditure, of the excess of income over expenditure of the Society for the year ended on that date.
- in the case of the Statement of Receipts and Payments, of the receipts and payments of the Society for the year ended on that date.

Bhubaneswar  
23 September, 2014



for A. K. Sabat & Co.  
Chartered Accountants  
Firm's Registration Number: 321012E

P.K. Mahapatra

Pradipta Kishore Mahapatra  
Partner  
Membership Number: 052993

Mahapatra House, Jhunjunwala Garden, Ashok Nagar, Bhubaneswar - 751009  
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Udyama, Nayagarh - 752069, Odisha

**Balance Sheet**, as at 31 March, 2014 ... *Continued*

				<u>Rupees</u>
<b>Application of Funds</b>				
Receivable and Advances:				
Grant Receivable	1	4,64,900.00		
Programme Advances		14,920.00		
Security Deposit - House Rent		5,000.00		
Loan to Staffs		-		
Income Tax Deducted at Source (ITDS)		21,718.00	5,06,538.00	
	(A)		<u>21,62,271.96</u>	
Current Liabilities and Provisions:				
Project Fund to be spent	1	15,13,805.50		
Salary Payable		1,24,000.00		
A. K. Sabat & Co.		45,000.00		
	(B)		<u>16,82,805.50</u>	
Net Current Assets	(A-B)			<u>4,79,466.46</u>
				<u>14,89,853.46</u>

The accompanying Notes 1 and 2 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P.K. Mahapatra*

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 23 September 2014



For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra

Secretary



Udyama, Nayagarh - 752069, Odisha

# Balance Sheet as at 31 March, 2014

	Note		Rupees
<b>Sources of Funds</b>			
Capital Reserve			
For Assets purchased out of Restricted Grants or Received in Kind ( <i>contra</i> )			
Of Foreign Contribution Fund:			
As per last Balance Sheet		1,75,650.00	
Of Non-Foreign Contribution Fund:			
As per last Balance Sheet		-	
Add: Addition during the year		2,40,384.00	4,16,034.00
General Reserve			
Of Foreign Contribution Fund:			
As per last Balance Sheet	1,389.00		
Less: Excess of expenditure over income of the year	600.00	789.00	
Of Non-Foreign Contribution Fund:			
As per last Balance Sheet	8,55,848.72		
Add: Excess of income over expenditure of the year	2,17,181.74	10,73,030.46	10,73,819.46
			14,89,853.46
<b>Application of Funds</b>			
Fixed Assets (at cost)			
Fixed Assets Acquired out of Restricted Grant / Donation / Contribution or Received in Kind ( <i>contra</i> )			
Relating to Foreign Contribution			
As per last Balance Sheet		1,75,650.00	
Relating to Non-Foreign Contribution			
As per last Balance Sheet		-	
Add: Addition during the year		2,40,384.00	4,16,034.00
Fixed Assets Acquired out of Unrestricted Fund:			
Relating to Non-Foreign Contribution			10,73,819.46
As per last Balance Sheet		5,62,853.00	4,89,853.46
Add: Addition during the year		31,500.00	5,94,353.00
Current Assets, Loans and Advances (Unsecured considered good)			
Current Assets:			
Cash in hand	28,424.50		
Cash at bank	16,27,309.46	16,55,733.96	



Continued ...

Udyama, Nayagarh - 752069, Odisha

# Statement of Receipts and Payments for the year ended 31 March, 2014

	Note		Rupees
<b>Receipts</b>			
Opening Balance:			
Cash in Hand		16,495.50	
Cash at Bank		35,918.22	52,413.72
Restricted Grant / Donation / Contribution:	1		
Relating to Foreign Contribution		-	
Relating to Non-Foreign Contribution		51,50,846.00	51,50,846.00
Deemed Grant / Donation / Contribution:			
Deemed Grant (Interest from Bank):			
Jamsetji Tata Trust -DBI, Irrigation	55,259.00		
Jamsetji Tata Trust - Distress Migration	44,980.00	1,00,239.00	
Organisation's Contribution to Programmes ( <i>contra</i> )			
Relating to Non-Foreign Contribution			
VYK Project	42,239.00		
Balmer Lawrie Project	110.00	42,349.00	
Local Contributions			
Jamsetji Tata Trust - Distress Migration		37,285.00	1,79,873.00
Unrestricted Fund:			
BGREI Balangir		75,000.00	
BGREI Nabarangapur		62,500.00	1,37,500.00
Other Receipts			4,54,865.00
Interest			1,571.00
Sundry Payable:			
A. K. Sabat & Co		45,000.00	
Salary Payable		1,50,000.00	1,95,000.00
Receivables:			
Loans to Staffs		15,000.00	
Income Tax Deducted at Source (ITDS)		500.00	15,500.00
			<u>61,87,568.72</u>

## Payments

Programme Expenses			
Out of Restricted Grant/ Donation/ Contribution	1		
Relating to Foreign Contribution		-	
Relating to Non-Foreign Contribution		38,49,838.50	38,49,838.50
Out of Unrestricted Receipts:			
Organisation's Contribution ( <i>contra</i> )			
Relating to Non-Foreign Contribution		42,349.00	
Other Programme Expenses :			
JTT Migration Programme Expenses	2,566.00		
Nursery Expenses	68,572.00	71,138.00	39,63,325.50



Continued ...



Udyama, Nayagarh - 752069, Odisha

Statement of Income and Expenditure for the year ended 31 March, 2014

	Note	Rupees
<b>Income</b>		
Restricted Grants / Donations / Contributions:		
Fund utilised during the year recognised as income and transferred to respective Donor Fund:		
Relating to Foreign Contribution	-	
Relating to Non-Foreign Contribution	38,49,838.50	38,49,838.50
Relating to Organisation's General Fund:		
Unrestricted Fund:		
BGREI Balangir	75,000.00	
BGREI Nabarangapur	62,500.00	1,37,500.00
Unrestricted Revenue	4,54,865.00	
Interest	1,571.00	4,56,436.00
Excess of expenditure over income transferred to General Reserve (FC Fund)		600.00
		<u>44,44,374.50</u>
<b>Expenditure</b>		
Out of Restricted Grant / Donation / Contribution 1		
Relating to Foreign Contribution	-	
Relating to Non-Foreign Contribution	38,49,838.50	38,49,838.50
Out of Unrestricted Fund:		
Relating to Non-Foreign Contribution		
Organisation's Contribution (contra):		
VYK Project	42,239.00	
Balmer Lawrie Project	110.00	42,349.00
Other Programme Expenses:		
JTT Migration Programme Expenses	2,566.00	
Nursery Expenses	68,572.00	71,138.00
Administrative Expenses		
Relating to Foreign Contribution	600.00	
Relating to Non-Foreign Contribution	2,63,267.26	2,63,867.26
		<u>3,77,354.26</u>
		42,27,192.76
Excess of income over expenditure transferred to General Fund		2,17,181.74
		<u>44,44,374.50</u>

The accompanying Notes 1 and 2 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P.K. Mahapatra*

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 23 September 2014



For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra  
Secretary

Udyama, Nayagarh - 752069, Odisha

Statement of Receipts and Payments for the year ended 31 March, 2014 ... Continued

	Note	Rupees
<b>Payments</b>		
Administrative Expenses		
Relating to Foreign Contribution	600.00	
Relating to Non-Foreign Contribution	<u>2,63,267.26</u>	2,63,867.26
Fixed Assets		31,500.00
Programme Advances		14,920.00
Security Deposit		5,000.00
Sundry Payable:		
A. K. Sabat & Co.	52,222.00	
Salary Payable	<u>2,01,000.00</u>	2,53,222.00
Closing Balance:		
Cash in Hand	28,424.50	
Cash at Bank	<u>16,27,309.46</u>	16,55,733.96
		<u>61,87,568.72</u>

The accompanying Notes 1 and 2 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P.K. Mahapatra*

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Partner

Bhubaneswar, 23 September 2014



For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra

Secretary



Udyama, Nayagarh - 752069, Odisha

Notes to the Financial Statements for the year ended 31 March, 2014 ... *Continued*

2. Significant Accounting Policies and Other Notes

3. Investments

Investments are valued at cost.

4. Stock Valuation

All materials purchased are treated as utilisation of fund.

5. Revenue Recognition

- a. In consonance with the Covenants (Grant Agreements with the Donors), the Grants are recognized as Income to the extent they are utilized in the respective year/s.
- b. The balance of unutilized Grants - which in terms of the Grant Agreements, are specifically restricted / agreed to belong to the Donor/s are carried forward in the respective Donor/s accounts as Donor/s Funds to be utilized in the subsequent years.
- c. The income earned on funds, assets relating to the Donor/s or in course of executing its programme; are treated as part of the Grant/s, in terms of the Donor/s Agreements.
- d. Revenue from fixed price contracts is recognised on percentage completion basis.

6. Foreign Exchange Transaction

Foreign Currency transactions, if any, are accounted at the exchange rate prevailing on the date of transaction.

7. Prior Period and Extra Ordinary Items

Identifiable and material items of income and expenses pertaining to prior period and / or extraordinary items are disclosed separately.

8. Provision, Contingent Liabilities and Contingent Asset

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(B) Other Notes

1. Contingent Liability: Claims against the Society not acknowledged as debts - Nil.
2. Provision for Taxation: The Society being an institution for charitable purpose under the provisions of the Income-tax Act, 1961 and accordingly having registered itself under Section 12A of the said Act and having complied with the provision of sec. 11 to 13 of it, its income is exempt under Section 11 of the Act and hence no provision for Income- tax is necessary.
3. During the year under consideration the amounts mentioned below have been paid to the persons referred to in section 13(3) that are reasonable considering the service rendered, their qualification, experience and responsibilities undertaken; are not in excess of what may be reasonably paid for such services at arms length price; and do not result in any undeserved benefit to the said persons and are only against adequate services rendered to the society. Accordingly these payments do not attract the provision of section 13(1)(c), read with 13(2), of the Income Tax Act, 1961.



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Notes to the Financial Statements for the year ended 31 March, 2014 ... Continued

2. Significant Accounting Policies and Other Notes

Name of Person	Position of Person	Nature of Transaction	Rupees
Pradeep Mohapatra	Secretary	Salary	2,40,000
Rekha Panigrahi	Relative of Secretary	House Rent	1,01,000
Prafulla Majhi	Governing Body Member	Salary	30,000
Baidya Bhusan Mahapatra	Governing Body Member	Fees for Consultancy	18,000

4. For brevity, detailed break-up of Receipt and Payment & Income and Expenditure relating to various programmes are not made part of these consolidated final statements. However individual receipt and payment accounts, income and expenditure accounts, balance sheets, narrative reports and utilisation certificates pertaining to various Programme Funds prepared, authenticated and certified by the auditors from time to time are furnished to the Donors as per contractual agreement.
5. Deemed Grant / Donation / Contribution include Rs.42,349 being inter-unit transfers within the organisation.
6. For programme expenses incurred in rural areas, it is not always possible to obtain proper bills and supporting. However keeping in view the nature of expenses, the Management considers them to be bonafide and genuine and have been booked to appropriate head of account.
7. Yearend balance confirmation certificate of bank accounts has not been received.
8. The "Receipt and Payment Account" forming part financial statements strictly speaking is a "Cash Flow Statement" since in the traditional definition sense it is not reflecting a mere summary of cash receipts and payments alone but includes cash equivalents also.
9. Previous year's figures have been rearranged, wherever necessary, to conform to the revised presentation.

In terms of our report of even date

For A. K. Sabat & Co.  
Chartered Accountants

*P. K. Mahapatra*  
Pradipta Kishore Mahapatra  
Partner  
Bhubaneswar, 23 September 2014



For Udyama

*Pradeep Mohapatra*  
Pradeep Mohapatra  
Secretary