



# A K SABAT & Co

## Auditors' Report

To  
The Members  
Udyama

We have audited the attached Balance Sheet of Udyama, Nayagarh - 752069, (a public charitable society registered under Societies Registration Act, 1860), as at 31 March 2012, and also the Income and Expenditure Account and the Receipt and Payment Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of Udyama. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by Udyama so far as appears from our examination of the books.
3. The balance sheet, income and expenditure account and the receipt and payment account dealt with by this report are in agreement with the books of account.
4. The balance sheet, income and expenditure account and the receipt and payment account dealt with by this report are prepared 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 *except that the organisation do not provide for depreciation as per its accounting policy [Ref: Para. (A)2.h of Significant Accounting Policies and Notes to the Accounts]*.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in case of the balance sheet, of the state of affairs of Udyama as at 31 March 2012;
  - (b) in case of income and expenditure account, of the excess of income over expenditure for the year ended on that date; and
  - (c) in case of receipt and payment account, of the receipts and payments for the year ended on that date.

Bhubaneswar  
28 September 2012



For A K Sabat & Co.  
Chartered Accountants  
(Registration No. 321012E)

*P.K. Mahapatra*

P. K. Mahapatra  
Partner  
(Membership No. 052993)

Udyama  
Nayagarh - 752069, Odisha

Balance Sheet as at 31 March, 2012

	Notes		Rupees
<b>Sources of Funds</b>			
Capital Reserve			
For Assets purchased out of Restricted Grants or Received in Kind ( <i>contra</i> )			
As per last Balance Sheet			175,650.00
General Reserve			
Of Foreign Contribution Fund:			
As per last Balance Sheet	1,746.00		
Less: Excess of expenditure over income of the year	51.00	1,695.00	
Of Non-Foreign Contribution Fund:			
As per last Balance Sheet	800,588.06		
Add: Excess of income over expenditure of the year	216,256.66	1,016,844.72	1,018,539.72
			<u>1,194,189.72</u>
<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> )			
As per last Balance Sheet		175,650.00	
Fixed Assets Acquired out of Unrestricted Grants			
As per last Balance Sheet	470,923.00		
Addition for the Year	91,930.00	562,853.00	738,503.00
Current Assets, Loans and Advances (Unsecured considered good)			
Current Assets:			
Cash in hand	5,920.50		
Cash at bank	622,690.22	628,610.72	
Receivable and Advances:			
Grant Receivable	56,300.00		
Programme Advances	4,481.00		
Income Tax Deducted at Source (ITDS)	46,118.00		
Security Deposit - House Rent	5,000.00	111,899.00	
(A)			<u>740,509.72</u>

Continued ...



Udyama  
Nayagarh - 752069, Odisha

Balance Sheet as at 31 March, 2012

	Notes		<u>Rupees</u>
<b>Application of Funds</b>			
Less:			
Current Liabilities and Provisions:			
Project Fund to be spent		176,541.00	
TDS Payable		2,060.00	
Loan		67,000.00	
Office Rent Payable		3,000.00	
A K Sabat & Co		<u>36,222.00</u>	
	(B)	284,823.00	
Net Current Assets	(A-B)		<u>455,686.72</u>
			<u>1,194,189.72</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*

P. K. Mahapatra  
Partner  
Bhubaneswar, 28 September 2012

For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra  
Secretary



Udyama  
Nayagarh - 752069, Odisha

Income and Expenditure Account for the year ended 31 March, 2012

	Notes		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		424,722.00	
Relating to Non-Foreign Contribution		<u>5,785,590.91</u>	6,210,312.91
Relating to Organisation's General Fund:			
Unrestricted Revenue			709,731.66
Excess of expenditure over income transferred to Foreign Contribution General Fund			<u>51.00</u>
			<u>6,920,095.57</u>
<b>Expenditure</b>			
Out of Restricted Grant / Donation / Contribution: 1			
Relating to Foreign Contribution		424,722.00	
Relating to Non-Foreign Contribution		<u>5,785,590.91</u>	6,210,312.91
Out of Unrestricted Fund:			
Organisation's Contribution (contra):			
Foreign Contribution Programmes		57,418.00	
Other Programme Expenses:			
Training / Meeting / Workshop / Camp	126,014.00		
Nursery Expenses	<u>54,545.00</u>	180,559.00	
Administrative Expenses			
Relating to Foreign Contribution	51.00		
Relating to Non-Foreign Contribution	<u>255,498.00</u>	<u>255,549.00</u>	<u>493,526.00</u>
			6,703,838.91
Excess of income over expenditure transferred to Non-Foreign Contribution General Fund			<u>216,256.66</u>
			<u>6,920,095.57</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*

P. K. Mahapatra  
Partner

Bhubaneswar, 28 September 2012



For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra  
Secretary



Udyama  
Nayagarh - 752069, Odisha

Receipts and Payments Account for the year ended 31 March, 2012

	Notes		Rupees
<b>Receipts</b>			
Opening Balance:			
Cash in Hand		5,517.50	
Cash at Bank		<u>1,133,785.47</u>	1,139,302.97
Restricted Grant / Donation / Contribution:	1		
Relating to Foreign Contribution		334,123.00	
Relating to Non-Foreign Contribution		<u>4,559,000.00</u>	4,893,123.00
Deemed Grant / Donation / Contribution:			
Deemed Grant :			
Tata Trust - Opportunity of NRGs		23,073.00	
Tata Trust - Flood Relief Activities Project (Phase-2)		<u>72,472.00</u>	
Jamsetji Tata Trust - Distress Migration		29,939.00	125,484.00
Organisation's Contribution to Programmes (contra)			
Relating to Foreign Contribution			
IWP - Workshop in 2012 at District & Block Level		12,418.00	
FVTRS - AEETSDADM in Orissa Project		<u>44,500.00</u>	
GEAP - Community Preparation for Solar Kiosk		500.00	57,418.00
Local Contributions			
Tata Trust - Flood Relief Activities Project (Phase-2)		<u>442,348.00</u>	625,250.00
Unrestricted Revenue			709,731.66
Receivables:			
Programme Advances		743.00	
TDS Refund by Income Tax Department		5,150.00	
Security Deposit		<u>5,000.00</u>	10,893.00
Loans			67,000.00
Sundry Payables:			
TDS Payable		2,060.00	
A K Sabat & Co		<u>22,000.00</u>	24,060.00
			<u>7,469,360.63</u>
<b>Payments</b>			
Programme Expenses			
Out of Restricted Grant/Donation/Contribution:	1		
Relating to Foreign Contribution		424,722.00	
Relating to Non-Foreign Contribution		<u>5,785,590.91</u>	6,210,312.91
Out of Unrestricted Receipts:			
Organisation's Contribution (contra)			
Relating to Foreign Contribution		57,418.00	
Other Programme Expenses :			
Training / Meeting / Workshop / Camp		126,014.00	
Nursery Expenses		<u>54,545.00</u>	180,559.00
			6,448,289.91



Continued

Udyama  
Nayagarh - 752069, Odisha

Receipt and Payment Account for the year ended 31 March, 2012

	Notes	Rupees
<b>Payments ... Continued</b>		
Administrative Expenses		
Relating to Foreign Contribution	51.00	
Relating to Non-Foreign Contribution	<u>255,498.00</u>	255,549.00
Fixed Assets		91,930.00
Receivables:		
Income Tax Deducted at source	500.00	
Programme Advances	<u>4,481.00</u>	4,981.00
Sundry Payable:		
A K Sabat & Co		40,000.00
Closing Balance:		
Cash in Hand	5,920.50	
Cash at Bank	<u>622,690.22</u>	628,610.72
		<u>7,469,360.63</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*

P. K. Mahapatra  
Partner  
Bhubaneswar, 28 September 2012

For Udyama

*Pradeep Mohapatra*

Pradeep Mohapatra  
Secretary



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Nayagarh - 752069, Odisha

## Notes to the Financial Statements for the year ended 31 March, 2012

Rupees

### 1. Project Fund

Sponsoring Agency	Opening Balance		Received From		Utilised	Closing Balance	
	To receive	To spend	Funders	Others		To receive	To spend
FOREIGN							
FVTRS - AEETSDADM in Orissa Project	-	13,455.00	279,800.00	44,500.00	337,755.00	-	-
FVTRS - Reimbursement of NOIS Admission Fee Project	-	-	15,300.00	-	15,300.00	-	-
SSP - CDRF	-	20,000.00	-	-	20,000.00	-	-
IWP - Workshop in 2012 At District And Block Level	-	-	25,000.00	12,418.00	36,918.00	-	500.00
GEAP - Community Preparation for Solar Kiosk	-	226.00	14,023.00	500.00	14,749.00	-	-
(A)	-	33,681.00	334,123.00	57,418.00	424,722.00	-	500.00
INDIAN							
CDRF	-	14,469.00	-	-	-	-	14,469.00
AKSS for IEC	56,300.00	-	-	-	-	56,300.00	-
Tata Trust - Opportunity of NRGS	-	838,424.91	-	23,073.00	838,424.91	-	23,073.00
Tata Trust - Flood Relief Activities - 2	3,000.00	-	3,183,000.00	514,820.00	3,580,069.00	-	114,751.00
Jamsetji Tata Trust - Distress Migration	11,094.00	-	1,372,000.00	29,939.00	1,367,097.00	-	23,748.00
UNDP-GEF-SGP - Low Carbon Campaign	4,000.00	-	4,000.00	-	-	-	-
(B)	74,394.00	852,893.91	4,559,000.00	567,832.00	5,785,590.91	56,300.00	176,041.00
(A+B)	74,394.00	886,574.91	4,893,123.00	625,250.00	6,210,312.91	56,300.00	176,541.00

### 2. Significant Accounting Policies and Notes to the Accounts

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention on accrual basis.

##### 2. Fixed Assets and Depreciation

- Assets acquired out of Restricted Grants for Project purposes are charged off as Expenditure / Utilization of the Grant – as per Donor/s Agreements.
- In order to reflect that these Assets are held in trust for and on behalf the Donor/s Agencies for the Project purposes – are reflected in the Balance Sheet, as "Contra", at their cost of Acquisition.
- Assets received in kind are recognized as Income at their values as declared by the Donor/s if not at their market value.
- Correspondingly, they are charged off as Expenditure / Utilization of the Grant – as per the Donor/s Agreements.
- Sale proceeds of Assets acquired out of Restricted Grants (in cash or in kind) are accounted in the year of realization, as Receipt. Such revenue is utilized as per specific Covenants of Donor/s Agreements.





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## Notes to the Financial Statements for the year ended 31 March, 2012

### 2. Significant Accounting Policies and Notes to the Accounts ... Continued

- f. Correspondingly, the "Contra" items of such Assets and the respective reserves there against, disclosed in the Balance Sheet are reduced to the extent of their cost of acquisition.
- g. Assets acquired out of unrestricted resources/ internal accruals are capitalized at cost of acquisition.
- h. Depreciation is not charged on Assets so long as its usefulness to the organisation is not impaired.

### 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) NOTES TO THE ACCOUNTS

- 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.





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Nayagarh - 752069, Odisha

## Notes to the Financial Statements for the year ended 31 March, 2012

### 2. Significant Accounting Policies and Notes to the Accounts ... Continued

3. 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.
4. Deemed Grant / Donation / Contribution include Rs.57,418 and unrestricted revenue include Rs.1,37,500 being inter-unit transfers within the organisation.
5. 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.
6. Year end balance confirmation certificate of bank accounts has not been received.
7. 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.
8. Previous year's figures have been rearranged to conform with the revised presentation.

In terms of our report of even date

For A K Sabat & Co  
Chartered Accountants

P. K. Mahapatra .

P. K. Mahapatra  
Partner  
Bhubaneswar, 28 September 2012

For Udyama

Pradeep Mohapatra

Pradeep Mohapatra  
Secretary

