



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, 2016, 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: Note 2.2(h)],* 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, 2016;
- 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.

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

P. K. Mahapatra

Pradipta Kishore Mahapatra
Partner
(Membership No.52993)

Bhubaneswar
27th September, 2016



Mahapatra House, Jhunjhunwala Garden, Ashok Nagar, Bhubaneswar - 751009
Ph: 91-9437035042, E-mail: peekeyem@gmail.com

Udyama, Nayagarh - 752069, Odisha
Balance Sheet as at 31st March, 2016

	Note		Rupees
Funds and Liabilities			
Funds			
Capital Reserve			
For Assets purchased out of Restricted Grants or Received in Kind (contra)			
Of Foreign Contribution Fund:			
As per last Balance Sheet		1,75,650.00	
Of Non-Foreign Contribution Fund:			
As per last Balance Sheet		<u>2,62,440.00</u>	4,38,090.00
General Reserve			
Of Foreign Contribution Fund:			
As per last Balance Sheet	11,64,782.00		
Add: Excess of income over expenditure of the year	<u>52,981.22</u>	12,17,763.22	
Of Non-Foreign Contribution Fund:			
As per last Balance Sheet	10,23,402.46		
Add: Excess of income over expenditure of the year	<u>1,64,942.00</u>	<u>11,88,344.46</u>	24,06,107.68
Current Liabilities			
Project Fund to be spent	1	5,84,307.00	
Salary and Other Expenses Payable		5,82,500.00	
A. K. Sabat & Co.		<u>45,500.00</u>	<u>12,12,307.00</u>
			<u>40,56,504.68</u>
Assets			
Non-current Assets			
Fixed Assets (at cost)			
Fixed Assets Acquired out of Restricted Grant / Donation / Contribution or Received in Kind (contra)			
Relating to Foreign Contribution			
As per last Balance Sheet		1,75,650.00	
Relating to Non-Foreign Contribution			
As per last Balance Sheet		<u>2,62,440.00</u>	4,38,090.00
Fixed Assets Acquired out of Unrestricted Fund:			
Relating to Non-Foreign Contribution			
As per last Balance Sheet		7,46,953.00	
Add: Addition during the year		2,400.00	
Less: Deletion during the year		<u>80,000.00</u>	6,69,353.00
Current Assets			
Investment - Axis Hybrid Fund Series 12 (1282 days) Growth (A2GPGI), at cost being less than NAV on 31.03.2015		7,00,000.00	
Cash in hand		40,656.50	
Cash at bank		<u>16,36,405.68</u>	23,77,062.18
Receivable and Advances:			
Grant Receivable	1	4,92,588.50	
Programme Advances		55,035.00	
Office Rent Advance		7,000.00	
Security Deposit - House Rent		3,000.00	
Income Tax Deducted at Source (ITDS)		<u>14,376.00</u>	<u>5,71,999.50</u>
			<u>29,49,061.68</u>
			<u>40,56,504.68</u>

The accompanying Notes 1 to 3 are an integral part of the Financial Statements.

In terms of our report attached

For A. K. Sabat & Co.

Chartered Accountants

P.K. Mahapatra

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016



For Udyama
Pradeep Mohapatra
Pradeep Mohapatra
Secretary

Udyama, Nayagarh - 752069, Odisha

Statement of Income and Expenditure for the year ended 31st March, 2016

	Note		Rupees
Income			
Restricted Grants / Donations / Contributions:			
Fund utilised during the year recognised as income and transferred to respective Donor Fund:			
Relating to Foreign Contribution		72,23,836.00	
Relating to Non-Foreign Contribution		<u>23,80,917.00</u>	96,04,753.00
Unrestricted Revenue:			
Relating to Foreign Contribution			
Interest on Fixed Deposits	8,438.00		
Miscellaneous Income (Unspent Grant of ICCO Programme)	<u>47,870.22</u>	56,308.22	
Relating to Non-Foreign Contribution			
Bank Interest	17,135.00		
Interest on ITDS Refund	900.00		
Other Receipts	<u>7,24,849.00</u>	<u>7,42,884.00</u>	<u>7,99,192.22</u>
			<u>1,04,03,945.22</u>
Expenditure			
Out of Restricted Grant / Donation / Contribution:	1		
Relating to Foreign Contribution		72,23,836.00	
Relating to Non-Foreign Contribution		<u>23,80,917.00</u>	96,04,753.00
Out of Unrestricted Fund:			
Relating to Foreign Contribution			
Administrative Expenses		3,327.00	
Relating to Non-Foreign Contribution			
Organisation's Contributions towards JTT - DBI Project	1,552.00		
Other Programme Expenses	96,700.00		
Loss on Sale of Fixed Assets (Car)	20,000.00		
Administrative Expenses	<u>4,59,690.00</u>	<u>5,77,942.00</u>	<u>5,81,269.00</u>
Total Expenditure			1,01,86,022.00
Excess of income over expenditure transferred to General Reserve (FC Fund)			1,64,942.00
Excess of income over expenditure transferred to Foreign Contribution General Fund			<u>52,981.22</u>
			<u>1,04,03,945.22</u>

The accompanying Notes 1 to 3 are an integral part of the Financial Statements.

In terms of our report attached

For A. K. Sabat & Co.

Chartered Accountants

P.K. Mahapatra

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016



For Udyama

Pradeep Mahapatra

Pradeep Mahapatra
Secretary

Udyama, Nayagarh - 752069, Odisha

Statement of Receipts and Payments for the year ended 31st March, 2016

	Note		Rupees
Receipts			
Opening Balance:		77,557.50	
Cash in Hand		53,37,933.46	54,15,490.96
Cash at Bank			
Restricted Grant / Donation / Contribution:	1		
Relating to Foreign Contribution		29,80,895.00	
Relating to Non-Foreign Contribution		18,90,736.00	48,71,631.00
Deemed Grant / Donation / Contribution:			
Relating to Foreign Contribution			
ICCO Project		3,19,270.00	
Community Contributions		1,552.00	3,20,822.00
Organisation's Contributions towards ICCO Project:			
Relating to Non-Foreign Contribution			
Jamsetji Tata Trust - Distress Migration Project		39,548.00	
Interest from Bank		35,160.00	74,708.00
Local Contributions			3,95,530.00
Unrestricted Fund:			
Relating to Foreign Contribution		8,438.00	
Interest on Fixed Deposits		47,870.22	56,308.22
Miscellaneous Income (Unspent Grant of ICCO Programme)			
Relating to Non-Foreign Contribution		17,135.00	
Interest from Bank		900.00	
Interest on ITDS Refund		80,000.00	
Sale of Fixed Asset (Car)		7,24,849.00	8,22,884.00
Other Receipts			8,79,192.22
Sundry Payable:			
A. K. Sabat & Co.		45,500.00	
Sundry Payable		3,99,500.00	
Salary and Other Expenses Payable		99,000.00	5,44,000.00
Receivables:			
Security Deposit			10,000.00
Income Tax Deducted at Source (ITDS)			9,000.00
Programme Advances			64,360.00
			1,21,89,204.18
Payments			
Programme Expenses	1		
Out of Restricted Grant/ Donation/ Contribution:			
Relating to Foreign Contribution		72,23,836.00	
Relating to Non-Foreign Contribution		23,80,917.00	96,04,753.00
Out of Unrestricted Receipts:			
Relating to Foreign Contribution			
Administrative Expenses		3,327.00	
Relating to Non-Foreign Contribution			
Organisation's Contributions towards ICCO Project:		1,552.00	
Other Programme Expenses		96,700.00	
Administrative Expenses		4,59,690.00	
Capital Expenses		2,400.00	
Loss on Sale of Fixed Assets (Car)		20,000.00	5,80,342.00
			5,83,669.00



Continued ...

Udyama, Nayagarh - 752069, Odisha

Statement of Receipts and Payments for the year ended 31st March, 2016 ... Continued

	Note		Rupees
Payments			
Receivables:			
Security Deposit			8,000.00
Programme Advances			55,220.00
Office Rent Advance			7,000.00
Sundry Payable:			
A. K. Sabat & Co.		85,500.00	
Salary & Other Expenses Payable		<u>1,68,000.00</u>	2,53,500.00
Closing Balance:			
Cash in Hand		40,656.50	
Cash at bank			
In Fixed Deposit		1,14,917.00	
In Scheduled Bank		<u>15,21,488.68</u>	<u>16,36,405.68</u>
			<u>16,77,062.18</u>
			<u>1,21,89,204.18</u>

The accompanying Notes 1 to 3 are an integral part of the Financial Statements.

In terms of our report attached

For A. K. Sabat & Co.

Chartered Accountants

P.K. Mahapatra .

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016

For Udyama

Pradeep Mohapatra

Pradeep Mohapatra
Secretary



Udyama, Nayagarh - 752069, Odisha

Notes to the Financial Statements for the year ended 31st March, 2016

1. Project Fund

(All figures in Indian Rupee)

Sponsoring Agency	Opening Balance		Received From		Utilised	Closing Balance	
	To receive	To spend	Funders	Others		To receive	To spend
Foreign							
ICCo	-	39,22,119.00	29,80,895.00	3,20,822.00	72,23,836.00	-	-
(A)	-	39,22,119.00	29,80,895.00	3,20,822.00	72,23,836.00	-	-
Indian							
CDRF	-	14,469.00	-	-	-	-	14,469.00
AKSS for IEC (ISM & H)	56,300.00	-	-	-	-	56,300.00	-
Jamseti Tata Trust - DBI, Irrigation	1,81,070.50	-	-	-	20,160.00	2,01,230.50	-
Jamseti Tata Trust - Distress Migration	-	10,89,887.00	17,66,000.00	74,708.00	23,60,757.00	-	5,69,838.00
Center for World Solidarity	3,59,794.00	-	1,24,736.00	-	-	2,35,058.00	-
(B)	5,97,164.50	11,04,356.00	18,90,736.00	74,708.00	23,80,917.00	4,92,588.50	5,84,307.00
(A+B)	5,97,164.50	50,26,475.00	48,71,631.00	3,95,530.00	96,04,753.00	4,92,588.50	5,84,307.00

2. 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.
- 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.
- Assets acquired out of unrestricted resources/ internal accruals are capitalized at cost of acquisition.
- Depreciation is not charged on Assets so long as its usefulness to the organisation is not impaired.

3. Investments

Investments are valued at cost or market whichever is lower.

4. Stock Valuation

All materials purchased are treated as utilisation of fund.

5. Revenue Recognition

- 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.
- 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.
- 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.
- 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.



Continued ...

Udyama, Nayagarh - 752069, Odisha

Notes to the Financial Statements for the year ended 31st March, 2016

2. Significant Accounting Policies ... Continued

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.

3. 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.

Name of Person	Position of Person	Nature of Transaction	Rupees
Pradeep Mohapatra	Secretary	Salary	2,40,000
Rekha Panigrahi	Relative of Secretary	House Rent	1,02,000

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.1,552 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. This statement, though titled "Statement of Receipts and Payments", it is not limited to receipts and payments of cash only but a "Statement of Cash Flow", showing net amount of cash and cash equivalents as well.

9. Previous year's figures have been rearranged, wherever necessary, to conform to the revised presentation.

In terms of our report attached.

For A. K. Sabat & Co.

Chartered Accountants

P.K. Mahapatra

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016



For Udyama

Pradeep Mohapatra

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Secretary