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Telephone 91 (40) 23301364/65
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Price Waterhouse

Certificate to Form FC-3 under The Foreign Contribution (Regulation) Act, 1976

We have audited the accounts of Hrudaya Cure a Little Heart Foundation, H.No: 8-2-611/3, Flat No. 1, Ground Floor, Nishan-E-Iqbal, Road No: 11, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh for the year ended March 31, 2007 and examined all relevant books and vouchers and certify that according to the audited accounts:

(i) the brought forward foreign contribution at the beginning of the year April 01, 2006 was Rs.569,710 .

(ii) foreign contribution of worth Rs.1,988,365 was received by the Association during the year 2006-07.

(iii) the balance of unutilised foreign contribution with the Association at the end of the year 2006-07 was Rs.16,233.

(iv) Certified that the Association has maintained the accounts of foreign contribution and records relating thereto in the manner specified in section 13 of the Foreign Contribution (Regulation) Act, 1976 read with sub-rule (1) of rule 8 of the Foreign Contribution (Regulation) Rules, 1976.

(v) The information furnished in this certificate and in the enclosed Balance Sheet and Statement of Receipt and Payment is correct as checked by us.

Place: Hyderabad
Date : May 3, 2007



P. Gopinath
S.Gopalakrishnan
Partner
Membership No:18863
for and on behalf of
Price Waterhouse
Chartered Accountants

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AUDITORS' REPORT

We have audited the attached Balance Sheet of “Hrudaya Cure A Little Heart Foundation” (the ‘Trust’) as at March 31, 2007 and the Income and Expenditure Account for the year ended on that date, which are in agreement with the books of account maintained by the Trust. These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

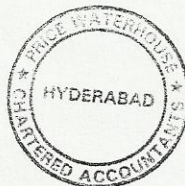
We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, the Trust has kept proper books of account so far as appears from our examination of those books.

To the best of our information and according to the explanations given to us, the said accounts give a true and fair view:

- i. In the case of Balance Sheet, of the state of affairs of the Trust as at March 31, 2007; and
- ii. In case of Income and Expenditure Account, of the excess of Income over Expenditure for the year ended March 31, 2007.

Place: Hyderabad
Date : May 03, 2007



P. Gopinath
S.Gopalakrishnan
Partner

Membership No: 18863
for and on behalf of
Price Waterhouse
Chartered Accountants

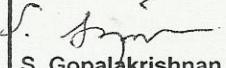
Hrudaya Cure A Little Heart Foundation
Balance Sheet as at March 31, 2007

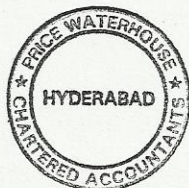
Particulars	Schedule Reference	2007		2006	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS:					
1. Capital Fund	I		1,116		1,116
2. Surplus of Income Over Expenditure	II		1,442,807		929,749
			1,443,923		930,865
II. APPLICATION OF FUNDS:					
2. Fixed Assets	III				
(a) Gross Block		93,688			
(b) Less: Depreciation		67,973			
(c) Net Block		25,715	25,715		45,725
3. Investments	IV		2,300,000		1,300,000
4. Current Assets, Loans and Advances					
(a) Cash and Bank Balances	V	819,054			
(b) Loans and Advances	VI	27,933			
(c) Interest Accrued		13,679			
		860,666			
Less: Current Liabilities and Provisions	VII	1,742,459			
Net Current Assets			(881,793)		(414,860)
			1,443,923		930,865
Notes to Accounts	XI				

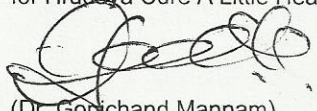
The schedules referred above form an integral part of Balance Sheet

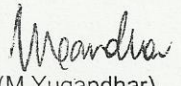
This is the Balance Sheet referred to in our report of even date.

for Hrudaya Cure A Little Heart Foundation


S. Gopalakrishnan
Partner
for and on behalf of
Price Waterhouse
Chartered Accountants




(Dr. Gopichand Mannam)
Managing Trustee


(M. Yugandhar)
Trustee

Place: Hyderabad
Date : May 03, 2007

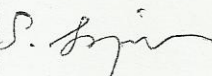
Hrudaya Cure A Little Heart Foundation
Income and Expenditure Account for the year ended March 31, 2007

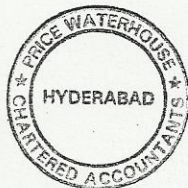
Particulars	Schedule Reference	2007	2006
		Rs.	Rs.
I. Income			
Donations Received		3,176,397	3,324,708
Other Income	VIII	548,748	148,216
		3,725,145	3,472,924
II. Expenditure			
Expenditure for Heart Surgery		2,581,538	1,707,860
Payments and Benefits to Employees	IX	397,225	273,774
Administration and Other Expenses	X	213,314	513,578
Depreciation		20,010	47,963
		3,212,087	2,543,175
III. Surplus of Income Over Expenditure		513,058	929,749
Surplus carried to Balance Sheet		513,058	929,749
Notes to Accounts	XI		

The schedules referred to above form an integral part of Income and Expenditure Account

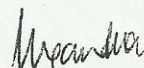
This is the Income and Expenditure Account referred to in our report of even date.

for Hrudaya Cure A Little Heart Foundation


S. Gopalakrishnan
Partner
for and on behalf of
Price Waterhouse
Chartered Accountants




(Dr. Gopichand Mannam)
Managing Trustee


(M. Yugandhar)
Trustee

Place : Hyderabad
Date : May 03, 2007

Hrudaya Cure A Little Heart Foundation
Schedules to Balance Sheet as at March 31,2007

Particulars	2007		2006	
	Rs.	Rs.	Rs.	Rs.
I. Capital Fund				
Opening Balance	1,116		-	
Add: Additions during the year		1,116	1,116	1,116
		1,116		1,116
II. Surplus of Income Over Expenditure				
Opening Balance	929,749		-	
Add: Additions during the year	513,058		929,749	
		1,442,807		929,749
		1,442,807		929,749
IV. Investment				
Deposits with Andhra Bank		2,300,000		1,300,000
		2,300,000		1,300,000
V. Cash and Bank				
Cash in Hand		3,643		2,622
With Scheduled Banks:				
On Current Accounts		16,232		569,710
On Savings Accounts		799,179		384,107
		819,054		956,439
VI. Loans and Advances				
Deposits		25,550		39,400
Tax Deducted at Source Receivable		2,383		2,383
		27,933		41,783
VII. Current Liabilities and Provisions				
Payable to Quality Care India Limited		1,742,459		1,395,685
Provision for Expenses		-		38,377
		1,742,459		1,434,062



Hrudaya Cure A Little Heart Foundation
Schedules to Balance Sheet as at March 31,2007

III. Fixed Assets

(Amount in Rupees)

Particulars	Gross Block			Depreciation				Net Block		
	As at 01.04.2006	Additions	Deletions	As at 31.03.2007	As at 01.04.2006	For the Year	Deletions	As at 31.03.2007	As at 31.03.2007	As at 31.03.2006
Computers	45,188	-	-	45,188	27,113	10,845	-	37,958	7,230	18,075
HandyCam	32,000	-	-	32,000	19,200	7,680	-	26,880	5,120	12,800
Furniture & Fixtures	16,500	-	-	16,500	1,650	1,485	-	3,135	13,365	14,850
Total	93,688	-	-	93,688	47,963	20,010	-	67,973	25,715	45,725



Hrudaya Cure A Little Heart Foundation
Schedules to Income and Expenditure Account for the year ended
March 31,2007

Particulars	2007	2006
	Rs.	Rs.
VIII. Other Income		
Service Charges Received	465,000	120,000
Interest on Bank Deposit (Tax Deducted at Source - Rs. Nil)	83,748	28,216
(2006- Rs.2,383)	548,748	148,216
IX. Payment and Benefits to Employees		
Salaries	397,225	272,697
Staff Welfare Expenses	-	1,077
	397,225	273,774
X. Administrative And Other Expenses		
Repairs and Maintenance	6,690	15,276
Bank Charges	12,915	3,571
Printing and Stationery	9,364	47,526
Telephone and Postage	36,321	28,516
Travelling and Conveyance	8,937	272,422
Rates and Taxes	-	540
Rent Paid	118,500	88,000
Electricity Charges	3,144	2,628
Office Maintenance	10,646	18,620
Website expenses	-	10,510
Miscellaneous Expenditure	6,797	25,969
	213,314	513,578



Hrudaya Cure A Little Heart Foundation
Schedules to Balance Sheet and Profit and Loss Account

XI. NOTES TO ACCOUNTS

1. Organisation

Hrudaya Cure A Little Heart Foundation was incorporated on April 13, 2005 as a trust. Approval towards registration U/s.12AA of the Income Tax Act,1961 was received from the Director of Income Tax (Exemptions), Hyderabad vide their order dated September 21, 2005.

2. Significant Accounting Policies

Basis of preparation of Financial Statements

These accounts have been prepared as per the generally accepted accounting principles, under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted for on their accrual including provisions/adjustments for committed obligations and amounts payable or receivable during the period.

Revenue recognition

Donations received from domestic and overseas for performing the heart surgery on cash basis.

Fixed Assets

Fixed Assets are accounted for at cost of acquisition inclusive of inward freight, duties, taxes and incidentals costs if any.

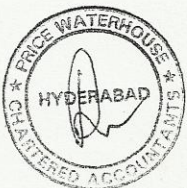
Depreciation on all the assets is provided on Written Down Value method as per the rates prescribed in Income Tax Act 1961.

3. Earnings in foreign exchange (on receipt basis)

Donations received Rs. 19,88,365 (2006 – Rs. 10,36,695)

4. Expenditure incurred in foreign currency (on payment basis)

Travelling Expenses Rs. Nil (2006 – Rs. 2,65,380)



A handwritten signature in black ink, appearing to be "S. Srinivas", written over a circular stamp.

A handwritten signature in black ink, appearing to be "Meandran", written to the right of the first signature.

1 Total foreign contribution available in 2007

Bal. as per 2006 FC3 statement-	569710
Foreign contribution received during the year	1988365
Total	2558075 A

2 Utilization during the year

Other Expenses

Bank Charges -	12842
Admin Charges	465000
Total	477842 B

3 Payment for medical aid (A-B)

<u>Less:</u>	A	2558075
	B	477842
		<u>2080233</u>

Less: Balance as at year end : 16233 >

Payment for hospital bills **Total** 2064000

This balance is as per Citibank statement as on March 31, 2007