

**M S RAMA RAO & CO.,**  
Chartered Accountants

307, Vijayasree Apartments  
Opp. to Kamma Sangam,  
Ameerpet  
Hyderabad - 500 073  
Phone: 040-23752866

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FORM NO. 10 B  
[See rule 17B]

Audit report u/s 12A(b) of the Income-Tax Act, 1961, in the  
case of charitable or religious trusts or institutions

We have examined the Balance Sheet of **HRUDAYA CURE A LITTLE HEART FOUNDATION** as at 31.03.2008 and the Profit and Loss account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the Audit. In our opinion, proper books of account have been kept by the head office and the branches of the above named trust/institution visited by us so far as appears from our examination of the books, and proper returns adequate for the purpose of audit have been received from branches not visited by us, subject to the comments given below: - NIL -

In our opinion and to the best of our information, and according to information given to us, the said accounts give a true and fair view-

- i) in the case of the Balance Sheet, of the state of affairs of the above named trust/institution as at 31.03.2008, and
- ii) in the case of the Income and Expenditure Account, of the deficit for the year ending on 31.03.2008.

The prescribed particulars are annexed hereto.

Place: HYDERABAD  
Date : 28.08.2008



for M S Rama Rao & Co.,  
Chartered Accountants

A handwritten signature in black ink, appearing to read "P. Durgaprasad".

(P. Durgaprasad)  
Partner  
Member Ship No. 209869

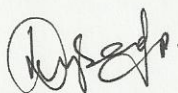
2.	Whether any land, building or other property of the trust/institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any.	
3.	Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details.	
4.	Whether the service of the trust/institution were available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any.	
5.	Whether any share, security, or other property was purchased by or on behalf of the trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid.	
6.	Whether any share, security or other property was sold by or on behalf of the trust/institution during the previous year to any such person? If so, the details thereof together with the consideration received.	
7.	Whether any income or property of the trust/institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted.	
8.	Whether the income or property of the trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details.	
III.	Investments held at any time during the previous year(s) in concerns in which persons referred to in section 13(3) have a substantial interest.	

Sl. No.	Name and address of the concern	Where the concern is a company, No. and class of shares held	Nominal value of the investment	Income from the investment	Whether the amount in col. (4) exceeded 5% of capital of the concern during the previous year- say, Yes/No
			<b>NIL</b>		

Place: HYDERABAD  
Date : 28.08.2008



for M.S.Rama Rao & Co.,  
Chartered Accountants

  
(P. Durgaprasad)  
Partner  
Member Ship No 209869

## *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, 2008 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, 2007 was Rs.16,233 .

(ii) foreign contribution of worth Rs.3,230,219 was received by the Association during the year 2007-08.

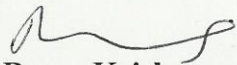
(iii) the balance of unutilised foreign contribution with the Association at the end of the year 2007-08 was Rs.22,519

(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 :July 16, 2008



  
**P. Rama Krishna**  
Partner  
Membership No:22795  
for and on behalf of  
Price Waterhouse  
Chartered Accountants

# *Price Waterhouse*

## AUDITORS' REPORT

We have audited the attached Balance Sheet of “Hrudaya Cure A Little Heart Foundation” (the ‘Trust’) as at March 31, 2008 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, 2008; and
- ii. In case of Income and Expenditure Account, of the excess of expenditure over Income for the year ended March 31, 2008.

Place: Hyderabad  
Date : July 07, 2008



  
**P.Rama Krishna**  
Partner  
Membership No: 22795  
for and on behalf of  
Price Waterhouse  
Chartered Accountants


**Hrudaya Cure A Little Heart Foundation**  
**Balance Sheet as at March 31, 2008**

Particulars	Schedule No.	2008		2007	
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS:</b>					
1. Capital Fund	I		1,116		1,116
2. Surplus of Income Over Expenditure	II		1,264,841		1,442,807
			<b>1,265,957</b>		<b>1,443,923</b>
<b>II. APPLICATION OF FUNDS:</b>					
1. Fixed Assets	III				
(a) Gross Block		121,162		93,688	
(b) Less: Depreciation		93,204		67,973	
(c) Net Block		27,958	27,958	25,715	25,715
2. Investments	IV		2,000,000		2,300,000
3. Current Assets, Loans and Advances					
(a) Cash and Bank Balances	V	405,997		819,054	
(b) Loans and Advances	VI	30,435		27,933	
(c) Interest Accrued but not due		16,882		13,679	
		453,314		860,666	
Less: Current Liabilities and Provisions	VII	1,215,315		1,742,459	
Net Current Assets			(762,001)		(881,793)
			<b>1,265,957</b>		<b>1,443,923</b>
Notes to Accounts	XI				

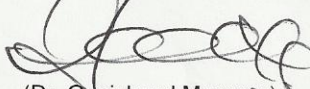
The schedules referred above form an integral part of Balance Sheet

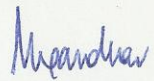
This is the Balance Sheet referred to in our report of even date.

for Hrudaya Cure A Little Heart Foundation

  
**P. Rama Krishna**  
 Partner  
 for and on behalf of  
**Price Waterhouse**  
 Chartered Accountants



  
 (Dr. Gopichand Mannam)  
 Managing Trustee

  
 (M. Yugandhar)  
 Trustee

Place: Hyderabad  
 Date : JULY 07, 2008

Hrudaya Cure A Little Heart Foundation  
Schedules to Balance Sheet as at March 31,2008

Particulars	2008		2007	
	Rs.	Rs.	Rs.	Rs.
<b>I. Capital Fund</b>				
Capital Fund		1,116		1,116
		<u>1,116</u>		<u>1,116</u>
<b>II. Surplus of Income Over Expenditure</b>				
Opening Balance	1,442,807		929,749	
Add: Surplus/(Deficit) during the year	(177,966)	1,264,841	513,058	1,442,807
		<u>1,264,841</u>		<u>1,442,807</u>
<b>IV. Investment</b>				
Deposits with Andhra Bank		2,000,000		2,300,000
		<u>2,000,000</u>		<u>2,300,000</u>
<b>V. Cash and Bank</b>				
Cash in Hand		3,512		3,643
With Scheduled Banks:				
On Current Accounts		22,520		16,232
On Savings Accounts		379,965		799,179
		<u>405,997</u>		<u>819,054</u>
<b>VI. Loans and Advances</b>				
Deposits		25,550		25,550
Tax Deducted at Source Receivable		4,885		2,383
		<u>30,435</u>		<u>27,933</u>
<b>VII. Current Liabilities and Provisions</b>				
Payable to Quality Care India Limited		1,178,928		1,742,459
Provision for Expenses		36,387		-
		<u>1,215,315</u>		<u>1,742,459</u>



Hrudaya Cure A Little Heart Foundation  
Schedules to Balance Sheet as at March 31, 2008

III. Fixed Assets

(Amount in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2007	Additions	Deletions	As at 31.03.2008	As at 01.04.2007	For the Year	On deletions	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
Computers & Software	45,188	27,474	-	72,662	37,958	20,822	-	58,780	13,882	7,230
HandyCam Camera	32,000	-	-	32,000	26,880	3,072	-	29,952	2,048	5,120
Furniture and Fixtures	16,500	-	-	16,500	3,135	1,337	-	4,472	12,028	13,365
<b>Total</b>	<b>93,688</b>	<b>27,474</b>	<b>-</b>	<b>121,162</b>	<b>67,973</b>	<b>25,231</b>	<b>-</b>	<b>93,204</b>	<b>27,958</b>	<b>25,715</b>
<b>As at March 31, 2007</b>	<b>93,688</b>	<b>-</b>	<b>-</b>	<b>93,688</b>	<b>47,963</b>	<b>20,010</b>	<b>-</b>	<b>67,973</b>	<b>25,715</b>	<b>-</b>




**Hrudaya Cure A Little Heart Foundation**  
**Income and Expenditure Account for the year ended March 31, 2008**

Particulars	Schedule No.	2008	2007
		Rs.	Rs.
<b>I. Income</b>			
Donations Received		3,214,836	3,176,397
Other Income	VIII	652,754	548,748
		<b>3,867,590</b>	<b>3,725,145</b>
<b>II. Expenditure</b>			
Expenditure for Heart Surgery		2,963,167	2,581,538
Payments and Benefits to Employees	IX	394,790	397,225
Administration and Other Expenses	X	662,368	213,314
Depreciation		25,231	20,010
		<b>4,045,556</b>	<b>3,212,087</b>
<b>III. Surplus / (Deficit) of Income Over Expenditure</b>		(177,966)	513,058
<b>Surplus carried to Balance Sheet</b>		<b>(177,966)</b>	<b>513,058</b>
Notes to Accounts	XI		

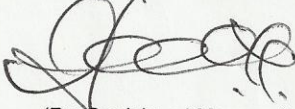
The schedules referred to above form an integral part of Income and Expenditure Account

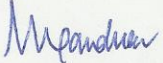
This is the Income and Expenditure Account referred to in our report of even date.

for Hrudaya Cure A Little Heart Foundation

  
**P.Rama Krishna**  
 Partner  
 for and on behalf of  
**Price Waterhouse**  
 Chartered Accountants



  
 (Dr. Gopichand Mannam)  
 Managing Trustee

  
 (M. Yugandhar)  
 Trustee

Place : Hyderabad  
 Date : JULY 07, 2008



**Hrudaya Cure A Little Heart Foundation**

**Schedules to Income and Expenditure Account for the year ended March 31, 2008**

Particulars	2008	2007
	Rs.	Rs.
<b>VIII. Other Income</b>		
Service Charges Received	445,000	465,000
Interest on Deposits (Tax Deducted at Source - Rs. 4,885 ) ( 2007- Rs.2,383)	207,754	83,748
	<b>652,754</b>	<b>548,748</b>
<b>IX. Payment and Benefits to Employees</b>		
Salaries	394,790	397,225
	<b>394,790</b>	<b>397,225</b>
<b>X. Administrative And Other Expenses</b>		
Repairs and Maintenance	2,000	6,690
Bank Charges	4,195	12,915
Printing and Stationery	872	9,364
Telephone and Postage	29,043	36,321
Travelling and Conveyance	9,787	8,937
Rent Paid	114,000	118,500
Electricity Charges	10,525	3,144
Office Maintenance	12,045	10,646
Seminars and Conferences	474,901	-
Miscellaneous Expenditure	5,000	6,797
	<b>662,368</b>	<b>213,314</b>



**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. 3,230,219 (2007 – Rs. 1,988,365)

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

Rs. Nil (2007 – Rs. Nil)

5. Previous year figures have been regrouped to conform with current year groupings.

