

S.V. RAO ASSOCIATES

Chartered Accountants

S V Square, 1st Floor,
8-2-293/82/A/796-B, Road # 36,
Jubilee Hills, Hyderabad - 500 033.

Tel : 91 (40) 23555475

Fax : 91 (40) 23555476

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 31.03.2012 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 31.03.2012, and
- ii) in the case of the Income and Expenditure Account, of the Surplus for the year ending on 31.03.2012.

The prescribed particulars are annexed hereto.

for S V Rao Associates.,

FRN 0031525

Chartered Accountants

Place: HYDERABAD

Date : 09.07.2012


(S.V.Rao)

Partner

Member Ship No. 23903



ANNEXURE

| I | Application of Income from Charitable or Religious Purposes. | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1. | Amount of income of the previous year applied to charitable or religious purposes in India during that year. | Rs.2,06,66,120/- |
| 2. | Whether the trust/institution has exercised the option under clause (2) of the explanation to Sec.11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year. | NO |
| 3. | Amount of Income accumulated or set apart/ finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the Income derived from property held under trust wholly/in part only for such purpose. | Rs. NIL/- Rs. 33,96,989/- |
| 4. | Amount of Income eligible for exemption u/s 11(1)(c). (Give details) | |
| 5. | Amount of Income in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes u/s 11(2). | NIL |
| 6. | Whether the amount of Income mentioned in item 5 above has been invested or deposited in the manner laid down in Sec.11(2)(b)? If so, the details thereof. | Nil |
| 7. | Whether, any part of the Income in respect of which an option was exercised under clause (2) of the Explanation to Sec.11(1) in any earlier year is deemed to be Income of the previous year u/s 11(1B)? If so, the details thereof | NIL |
| 8. | Whether, during the previous year any part of income accumulated or set apart for specified purposes u/s 11(2) in any earlier year- | |
| a) | has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or | NO |
| b) | has ceased to remain invested in any security referred to in sec. 11(2)(b)(i) or deposited in any account referred to in Sec.11 (2) (b) (ii) or Sec.11 (2) (b) (iii) or | No |
| c) | has not been utilized for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, details thereof. | No |
| II | Application or use of Income or Property for the benefit of persons referred to in Section 13(3) | NIL |
| 1. | Whether any part of the income or property of the trust / institution was lent, or continues to be lent in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)? If so, give details of the amount, rate of interest charged and the nature of security, if any. | |

| | | | | | |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------|
| 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 |
| | | | NIL | | |
| | | | | | |
| | | | | | |

for S V Rao Associates
FRN 003152S
Chartered Accountants

Place: HYDERABAD
Date : 09.07.2012

S V Rao

(S V Rao)
Partner

Member Ship No 23903



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

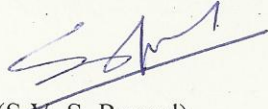
We have audited the accounts of Hrudaya Cure a Little Heart Foundation having Registered Office at 8-2-611/3, Flat No.1, Ground Floor, Nishan-E-Iqbal, Road No.11, Banjara Hills, Hyderabad – 500034, Andhra Pradesh for the year ended March 31, 2012 and examined all relevant books and vouchers and certify that according to the audited accounts:

- i) the brought forward foreign contribution at the beginning of the year April 01, 2011 was Rs.15,000/-.
- ii) foreign contribution of worth Rs.29,90,781/- was received by the Trust during the year 2011-12.
- iii) The balance of unutilized foreign contribution with the Association at the end of the year 2011-12 was Rs.15,000/-.
- iv) Certified that the trust 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 Income and Expenditure is correct and checked by us.

Place: Hyderabad
Date : 10.07.2012



For S V Rao Associates
FRN 03152S
Chartered Accountants


(S.V. S. Prasad)
Partner
Membership No.023903

AUDITORS' REPORT

We have audited the attached Balance Sheet of "**HRUDAYA**" *Cure A Little Heart Foundation* as at 31st March, 2012 and the Income & Expenditure account of the Trust for the period ended on that date annexed there to. 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.

We conducted our audit in accordance with auditing standards 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 misstatements. 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 management, as well as evaluating the overall financial statements presentation.

We believe that our audit provides a reasonable basis in our opinion.

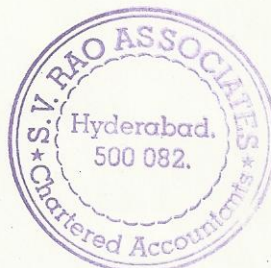
1. Further, we report that:


- a.) 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;
- b.) in our opinion, proper books of accounts as required by law have been kept by the Society so far as appears from our examination of those books;
- c.) the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;
- d.) In our opinion and to the best of our information and according to the explanations given to us, the statements give a true and fair view, subject to our comments in Notes on Accounts;
 - i) In the case of the Balance Sheet, of the state of affairs of the Society as at 31st March, 2012 and
 - ii) In the case of the Income and Expenditure Account, of the Excess of Income over Expenditure for the year ended on that date.

for S.V.RAO ASSOCIATES
FRN : 003152S
Chartered Accountants

Place: HYDERABAD.

Date : 21.06.2012




(S.V. Rao)
Partner
Membership No:023903

Balance Sheet as at March 31, 2012

Amount in Rs.!

| Particulars | Schedule No. | As at 31.03.2012 | | As at 31.03.2011 | |
|------------------------------------------|--------------|------------------|-------------------|------------------|-------------------|
| | | | | | |
| I. SOURCES OF FUNDS: | | | | | |
| 1. Capital Fund | I | | 1,116 | | 1,116 |
| 2. Surplus of Income Over Expenditure | II | | 13,734,907 | | 11,285,073 |
| | | | 13,736,023 | | 11,286,189 |
| II. APPLICATION OF FUNDS: | | | | | |
| 1. Fixed Assets | III | | | | |
| (a) Gross Block | | 130,025 | | 126,275 | |
| (b) Less: Depreciation | | 115,512 | | 113,004 | |
| (c) Net Block | | | 14,513 | | 13,271 |
| 2. Investments | IV | | 11,370,052 | | 14,720,967 |
| 3. Current Assets, Loans and Advances | | | | | |
| (a) Cash and Bank Balances | V | 5,531,239 | | 333,257 | |
| (b) Loans and Advances | VI | 39,677 | | 30,285 | |
| (c) Interest Accrued but not due | | 154,510 | | 30,498 | |
| | | 5,725,426 | | 394,040 | |
| Less: Current Liabilities and Provisions | VII | 3,373,968 | | 3,842,089 | |
| Net Current Assets | | | 2,351,458 | | (3,448,049) |
| | | | 13,736,023 | | 11,286,189 |
| 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.V.Rao
 Partner
 Membership No.023903
 for and on behalf of
S.V.Rao Associates
 Chartered Accountants
 FRN 003152S



M. Yugandhar
 (M. Yugandhar)
 Managing Trustee

(Dr. Gopichand Mannam)
 Trustee

Place: Hyderabad
 Date : 21.06.2012

Hrudaya Cure A Little Heart Foundation
8-2-611/3, Flat No.1
Ground Floor, Nishan-E-Iqbal
Road #11, Banjara Hills,
Hyderabad-500034

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

(Amount in Rs.)

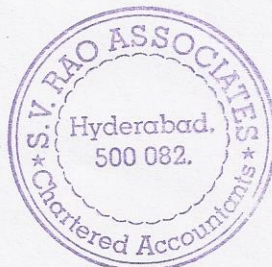
| Particulars | Schedule No. | for the year ending 31.03.2012 | for the year ending 31.03.2011 |
|---------------------------------------------------------|--------------|--------------------------------|--------------------------------|
| I. Income | | | |
| Donations Received | | 21,455,028 | 16,912,651 |
| Other Income | VIII | 1,191,563 | 963,183 |
| | | 22,646,592 | 17,875,834 |
| II. Expenditure | | | |
| Expenditure for Heart Surgery | | 19,274,216 | 14,655,811 |
| Payments and Benefits to Employees | IX | 372,003 | 340,493 |
| Administration and Other Expenses | X | 548,030 | 901,465 |
| Depreciation | III | 2,508 | 3,974 |
| | | 20,196,757 | 15,901,743 |
| III. Surplus (Excess of Income Over Expenditure) | | | |
| | | 2,449,834 | 1,974,092 |
| Surplus carried to Balance Sheet | | 2,449,834 | 1,974,092 |
| 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

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S.V.Rao
 Partner
 Membership No.023903
 for and on behalf of
S.V.Rao Associates
 Chartered Accountants
 FRN: 003152S



M. Yugandhar
 (M. Yugandhar)
 Managing Trustee

(Dr. Gopichand Mannam)
 Trustee

Place : Hyderabad
 Date : 21.06.2012

Hrudaya Cure A Little Heart Foundation
Schedules to Balance Sheet as at March 31,2012

Amount in Rs.

| Particulars | As at 31.03.2012 | | As at 31.03.2011 | |
|------------------------------------------------|------------------|-------------------|------------------|-------------------|
| | | | | |
| I. Capital Fund | | | | |
| Capital Fund | | 1,116 | | 1,116 |
| | | 1,116 | | 1,116 |
| | | | | |
| II. Surplus of Income Over Expenditure | | | | |
| Opening Balance | 11,285,073 | | 9,310,981 | |
| Add: Surplus/(Deficit) during the year | 2,449,834 | | 1,974,091 | |
| | | 13,734,907 | | 11,285,073 |
| | | 13,734,907 | | 11,285,073 |
| | | | | |
| IV. Investment | | | | |
| Deposits with Banks | | 11,370,052 | | 14,720,967 |
| | | 11,370,052 | | 14,720,967 |
| | | | | |
| V. Cash and Bank | | | | |
| Cash in Hand | | - | | 75 |
| Balance with Scheduled Banks | | | | |
| in Current Accounts | | 15,000 | | 15,000 |
| in Savings Accounts | | 5,516,239 | | 318,182 |
| | | 5,531,239 | | 333,257 |
| | | | | |
| VI. Loans and Advances | | | | |
| Deposits | | 25,400 | | 25,400 |
| Tax Deducted at Source Receivable | | 14,277 | | 4,885 |
| | | 39,677 | | 30,285 |
| | | | | |
| VII. Current Liabilities and Provisions | | | | |
| Payable to Unimed Healthcare Pvt Ltd | | 3,337,866 | | 3,816,510 |
| Out standing liabilities | | 36,102 | | 25,579 |
| | | 3,373,968 | | 3,842,089 |
| | | | | |

Hrudaya Cure A Little Heart Foundation
Schedules to Balance Sheet as at March 31, 2012

III. Fixed Assets

(Amount in Rupees)

| Particulars | Gross Block | | | Depreciation | | | Net Block | |
|-----------------------------|---------------------|--------------|---------------------|---------------------|-----------------|---------------------|---------------------|---------------------|
| | As at 01.04.2011 | Additions | As at 31.03.2012 | As at 01.04.2011 | For the Year | As at 31.03.2012 | As at 31.03.2012 | As at 31.03.2011 |
| Computers & Software | 74,612 | - | 74,612 | 72,944 | 1,001 | 73,945 | 667 | 1,668 |
| HandyCam Camera | 32,000 | - | 32,000 | 31,869 | 79 | 31,948 | 52 | 131 |
| Furniture and Fixtures | 19,663 | | 19,663 | 8,191 | 1,147 | 9,338 | 10,324 | 11,471 |
| Printer & Scanner | - | 3,750 | 3,750 | - | 281 | 281 | 3,468 | - |
| Total | 126,275 | 3,750 | 130,025 | 113,004 | 2,508 | 115,512 | 14,512 | 13,270 |
| As at March 31, 2011 | 124,325 | 1,950 | 126,275 | 109,030 | 3,974 | 113,004 | 13,271 | 15,295 |

Hrudaya Cure A Little Heart Foundation**Schedules to Income and Expenditure Account for the year ended March 31, 2012**

Amount in Rs.

| Particulars | For the Year Ending on | |
|----------------------------------------------|------------------------|----------------|
| | 03/31/2012 | 03/31/2011 |
| VIII. Other Income | | |
| Interest on Deposits | 1,191,563 | 963,183 |
| | 1,191,563 | 963,183 |
| | | |
| IX. Payment and Benefits to Employees | | |
| Salaries | 372,003 | 340,493 |
| | 372,003 | 340,493 |
| | | |
| X. Administrative And Other Expenses | | |
| Repairs and Maintenance | 2,510 | 5,413 |
| Bank Charges | 2,640 | 401 |
| Printing and Stationery | 3,098 | 3,127 |
| Telephone and Postage | 7,902 | 13,037 |
| Travelling and Conveyance | 22,223 | 12,795 |
| Rent Paid | 114,000 | 114,000 |
| Electricity Charges | 6,372 | 7,100 |
| Office Maintenance | 14,511 | 18,522 |
| Seminars and Conferences | 298,420 | 718,094 |
| Advertisement Expenses | 76,355 | - |
| Interest | | 8,976 |
| | 548,030 | 901,465 |
| | | |

SCHEDULE XI: NOTES ON ACCOUNTS:

1. Organisation

Hrudaya Cure A Little Heart Foundation was incorporated on April 13, 2005 as a trust. Approval towards registration U/s 12 AA 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 Donors are accounted on cash basis.

Fixed Assets

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

Depreciation on all assets is provided on written down value method as per the rates prescribed in the Income Tax Act 1961.

3. Earnings in Foreign Exchange

Donations Received Rs.2,14,55,028 including received in FE (USD 67,805, equivalent to Rs.29,90,781) (2010-11- USD NIL, Rs.1,69,12,651/-)

4. Expenditure Incurred in Foreign Currency

For the year 2011-12 Rs Nil (2010-11 - Rs Nil)

5. Investments of Rs.1,13,70,052/- (Previous Year Rs.1,47,20,967/-) represents amounts kept under Term Deposit.

6. Previous year figures have been regrouped to confirm with current year groupings.