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Income Tax Department, Government of India

ACKNOWLEDGEMENT OF RECEIPT OF FORM (Other Than ITR)

Name	UNITED WAY OF HYDERABAD	PAN	AAAAU3174C
Form No	10B	Assessment Year	2016-17
e-Filing Acknowledgement Number	499184141151016	Date of e-Filing	15/10/2016

*For and on behalf of,
e-Filing Administrator*

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FORM NO.10

[See rule 17(2)]

Statement to be furnished to the Assessing Officer/Prescribed Authority under sub-section (2) of section 11 of the Income-tax Act, 1961

To,

The Assessing Officer

I, **SUCHITRA ELLA** on behalf of **UNITED WAY OF HYDERABAD** Permanent Account Number **AAAAU3174C** hereby bring to your notice that it has been decided by a resolution passed by the trustees/governing body, by whatever name called, on **09/08/2016** that, out of the income of the trust/institution/association for the previous year, relevant to the assessment year **2016-17** an amount of Rs **13688309** which is **15.7** per cent of the income of the trust/institution/association for the said previous year, shall be accumulated or set apart for carrying out the purposes of the trust/association/institution. The details of the amount, the purpose and period of the proposed accumulation or setting apart is as under:-

Sl.No	Purpose for which amount is being accumulated or set apart	Amount	Period of accumulation/ setting apart ending on
1	IMPLEMENTATION OF PROJECTS ON EDUCATION, HEALTHCARE AND LIVE LIHOOD ENHANCEMENT	13688309	30/03/2020

2. The amount so accumulated or set apart has been invested or deposited in any one or more of the forms or modes specified in sub-section(5) of section 11 of the Income-tax Act, 1961.

3. It is further brought to your notice that the said **UNITED WAY OF HYDERABAD** had in respect of an assessment year preceding the relevant assessment year given the statement regarding accumulation or setting apart of an amount as required under sub-section (2) of section 11 of the Income-tax Act, 1961 as detailed below:

S.No.	Year of accumulation	Date of filing Form 10	Amount accumulated	Period for which accumulated/ set apart	Amount applied up to the end of the previous year	Amount remaining for application	Amount deemed to be income within meaning of sub- section (3) of section 11
1							

4. It is also brought to your notice that , out of incomes detailed in 3 above, due to the order/ injunction of the court the income as detailed below could not be applied for the purpose for which it was accumulated or set apart:-

S.No.	Amount of income	Previous year in which accumulated or set apart	Period during which it could not be applied due to court order	Details of court order
1				

Date	Designation	Address
17/10/2016	CHAIRPERSON	54, SATHGURU, SAGAR SOCIETY, ROAD NO 2, BANJARA HILLS, HYDERABAD - 500033, TELANGANA .

Audit report under section 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 M/s. United Way of Hyderabad, AAAAU3174C [name and PAN of the trust or institution] as at 31/03/2016 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 purposes of the audit. In our opinion, proper books of account have been kept by the head office and the branches of the abovenamed institution visited by us so far as appears from our examination of the books, and proper Returns adequate for the purposes of audit have been received from branches not visited by us, subject to the comments given below:

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 institution as at 31/03/2016 and

(ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on 31/03/2016

The prescribed particulars are annexed hereto.

Place Hyderabad

Date 20/09/2016

Name

Kedarnath Subbarao

Membership Number

020037

FRN (Firm Registration Number)

004086S

Address

Plot 108,Durga Kutir,Jyothi Colony,Kakaguda,Secunderabad

ANNEXURE

Statement of particulars

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES

1.	Amount of income of the previous year applied to charitable or religious purposes in India during that year (₹)	60568519
2.	Whether the <u>institution</u> has exercised the option under clause (2) of the Explanation to section 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 <u>finally set apart</u> 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 <u>wholly</u> for such purposes. (₹)	Yes 13104146
4.	Amount of income eligible for exemption under section 11(1)(c) (Give details)	No
5.	Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) (₹)	13688309
6.	Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b) ? If so, the details thereof.	Yes 22500000
7.	Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B) ? If so, the details thereof (₹)	No
8.	Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 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 section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or	No
	(c) has not been utilised for purposes for which it was accumulated or set apart during the period for which	No

it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

1.	Whether any part of the income or property of the 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.	No
2.	Whether any part of the income or property of the 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.	No
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	No
4.	Whether the services of the institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any	No
5.	Whether any share, security or other property was purchased by or on behalf of the institution during the previous year from any such person? If so, give details thereof together with the consideration paid	No
6.	Whether any share, security or other property was sold by or on behalf of the institution during the previous year to any such person? If so, give details thereof together with the consideration received	No
7.	Whether any income or property of the 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	No
8.	Whether the income or property of the institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details	No

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

S. No	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment(₹)	Income from the investment(₹)	Whether the amount in col. 4 exceeded 5 per cent of the capital of the concern during the previous year-say, Yes/No
Total					

Place
Date

Hyderabad
20/09/2016

Name
Membership Number
FRN (Firm Registration Number)
Address

Kedarnath Subbarao
020037
004086S
Plot 108,Durga Kutir,Jyothi Col
ony,Kakaguda,Secunderabad

Form Filing Details

Revision/Original Original

//Certified True Copy//

EXTRACT OF THE RESOLUTION PASSED BY BOARD MEMBERS OF UNITED WAY OF HYDERABAD AS ON TUESDAY, THE 9TH DAY OF AUGUST, 2016, 6.00 P.M. AT M/s. DELOITTE CONSULTING INDIA PRIVATE LIMITED, RAHEJA MINDSPACE, BUILDING NO 9, DELOITTE CAMPUS - BLOCK F, 8TH FLOOR, OPP.WESTIN HOTEL, HI-TECH CITY, MADHAPUR, HYDERABAD 500081

To take note of the retention of excess income over expenditure beyond the prescribed limits of fifteen percent for the financial year 2015-2016, ending as on 31st March 2016:

"RESOLVED THAT the Board of United Way of Hyderabad does hereby take note of the excess income over expenditure for the financial year ending 2015-2016, which amounts to INR 26792455/- (Rupees Two crore sixty seven lacs ninety two thousand four hundred and fifty five Only) and the Board hereby records that funds has been retained beyond the prescribed limit of fifteen percent which is primarily because the projects implemented by UWH have different timelines, for example there are projects that have a Jan to Dec time line few others also have October to September time line.

RESOLVED FURTHER THAT the Board hereby agrees to utilize the aforementioned excess funds in the current financial year i.e., 2016-2017 and hereby authorizes UWH to file the necessary forms, documents, declarations to the Income Tax department or any other Statutory Authority, and do, perform all the other necessary/ancillary things, in accordance with the applicable laws, through its Authorized Signatories.

RESOLVED FURTHER THAT the Board is hereby authorized to submit a copy of the foregoing resolution to the concerned government department, agency or any other body, as and when required."

For an on behalf of United Way of Hyderabad

A handwritten signature in black ink, appearing to read "Suchitra K Ella".

Suchitra K Ella
Chairperson

Place: Hyderabad

Date: 9th August 2016



Subbarao Vamanan & Co
Chartered Accountants

Independent Auditor's Report
To the Board of Directors of United Way of Hyderabad


We have audited the attached balance sheet of United Way of Hyderabad ('the Society') as at 31 March 2016 and the income and expenditure account of the Society for the year then ended, annexed thereto. These financial statements are the responsibility of the Society'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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 purposes of our audit;
- b. in our opinion, proper books of accounts have been kept by the Society so far as appears from our examination of the books;
- c. balance sheet and the income and expenditure account dealt with by this report are in agreement with the books of account;
- d. as there are presently no authoritatively established accounting principles for the specialized aspects related to charitable institutions not having any commercial activity, these statements have been prepared on the basis of accounting policies referred to in the Note 1 to the financial statements. On this basis, 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Society as at 31 March 2016; 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 SUBBARAO VAMANAN & Co.
CHARTERED ACCOUNTANTS


Kedamath Subbarao
Partner

Place: Hyderabad

Dated: 9 AUG 2016

*Durga Kutir, 1st Floor, Plot # 108, Jyothi Colony, Kakaguda,
Secunderabad -15. Phone # 65987754*

UNITED WAY OF HYDERABAD			
BALANCE SHEET AS ON 31st MARCH 2016			
PARTICULARS	Note Ref	As on 31st Mar'16 Amount in Rs.	As on 31st Mar'15 Amount in Rs.
<u>FUNDS AND LIABILITIES</u>			
FUNDS:			
Excess of income over expenditure	3	401,02,091	133,09,636
CURRENT LIABILITIES:			
Sundry Payables		17,191	-
Other Liabilities		5,050	-
		401,24,332	133,09,636
<u>ASSETS</u>			
NON CURRENT ASSETS			
FIXED ASSETS:			
Tangible assets	4	5,30,557	1,05,192
CURRENT ASSETS:			
Cash and cash equivalents	5	391,69,152	31,04,263
Fixed Deposit		-	100,00,000
Rental Deposit		1,08,000	-
Interest Accured on Fixed Deposit		-	41,918
Statutory Reclevables		2,71,385	58,263
Advances to Employees & Vendors		45,238	-
		401,24,332	133,09,636

Notes 1 & 2 relate to Corporate Information and Significant Accounting Policies respectively. The accompanying are integral part of these financial statements.

As per our report of even date attached

For Subbarao Vaman & Co.
Chartered Accountants
(Firm registration No. 0040865)

Kedarnath Subbarao
Partner
Membership No. 020037



for and on behalf of the Board of Directors of
United Way of Hyderabad

Syichitra K. Ella
Chairman

Ramesh Kaza
Vice Chairman

Place : Hyderabad

Date : 9 AUG 2016

Place : Hyderabad

Date : 9 AUG 2016

UNITED WAY OF HYDERABAD			
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016			
PARTICULARS	Note Ref	Year Ended 31st Mar'16 Amount in Rs.	Year Ended 31st Mar'15 Amount in Rs.
I. Income			
Donations received	6	869,79,708	377,67,881
II. Other Income		3,81,266	5,82,623
III. TOTAL INCOME (I + II)		873,60,974	383,50,504
IV. Expenditure			
Grants to NGO's	7	436,68,593	336,94,179
Grant Expenses		103,93,597	21,72,070
Personnel cost		28,96,202	20,10,402
Bank charges		114	1,035
Administration Expenses		17,75,485	4,98,261
Event charges		8,85,965	-
Travel and conveyance		3,33,358	2,03,763
Communication Charges		18,000	1,69,712
Telephone charges		44,135	15,904
Rent & Taxes		3,46,357	-
Audit fee		-	36,749
Depreciation		2,06,713	88,000
V. TOTAL EXPENDITURE		605,68,519	388,90,075
(Shortfall) / Excess of income over expenditure (III-V)		267,92,455	(5,39,571)

Notes 1 & 2 relate to Corporate Information and Significant Accounting Policies respectively. The accompanying are integral part of these financial statements.

As per our report of even date attached

For Subbarao Vamanan & Co.
Chartered Accountants
(Firm registration No. 0040865)

Kedarnath Subbarao
Partner
Membership No. 020037




Place : Hyderabad

Date : - 9 AUG 2016

for and on behalf of the Board of Directors of
United Way of Hyderabad


Suchitra K. Ella
Chairman


Ramesh Kaza
Vice Chairman

Place : Hyderabad

Date : - 9 AUG 2016

UNITED WAY OF HYDERABAD		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016		
PARTICULARS	Year Ended 31st Mar'16 Amount in Rs.	Year Ended 31st Mar'15 Amount in Rs.
(A) Cash Flows From Operating Activities		
Donations Received	868,04,712	377,67,881
Grant to NGO's(incl.grant expenses)	(540,62,190)	(358,66,249)
Personnel cost	(28,96,202)	(20,10,402)
Other Administration Expenses	(33,81,173)	(9,25,424)
Advance to Employees & Vendors	(45,238)	-
Rental Deposit	(1,08,000)	-
Net Cash flow from operating activites (A)	263,11,909	(10,34,194)
(B) Cash Flows From Investing Activities		
Purchase of Fixed Assets	(6,32,078)	(1,85,992)
Investment in Fixed Deposits	100,00,000	(100,00,000)
Net Cash flow from Investing Activities (B)	93,67,922	(101,85,992)
(C) Cash Flow From Financing Activities		
Interest Received From Fixed Deposits	3,85,057	4,82,442
Net Cash flow from Investing Activities (C)	3,85,057	4,82,442
Net Cash & Cash Equivalents(A+B+C)	360,64,889	(107,37,744)
Balances at the Beginning		
Cash Balance	600	600
Bank Balances	31,03,663	138,41,407
Balances at the End	391,69,152	31,04,263

Break-up of Closing Cash & Bank as on 31st Mar'16	As on 31st Mar'16	As on 31st Mar'15
i) HDFC	389,10,541	29,45,652
ii) HSBC	1,58,011	1,58,011
iii) Kotak Mahindra	1,00,000	-
iv) Cash	600	600
TOTAL	391,69,152	31,04,263

As per our report of even date attached

For Subbarao Vamanan & Co.

Chartered Accountants

(Firm registration No. 00408651)



Kedarnath Subbarao

Partner

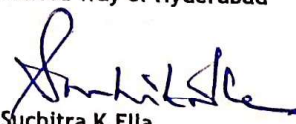
Membership No. 020037




Place : Hyderabad

Date : 9 AUG 2016

for and on behalf of the Board of Directors of
United Way of Hyderabad


Suchitra K. Ella
Chairman


Ramesh Kaza
Vice Chairman

Place : Hyderabad

Date : 9 AUG 2016

United Way of Hyderabad

Notes forming part of Balance Sheet

1. Background

United Way of Hyderabad (the "Society") is a not-for-profit organization registered on 20 October 2010 as a society with its registered office at Hyderabad under the Andhra Pradesh Societies Registration Act, 2001. The societies' core focus areas are Livelihoods, Health and Education. The society in-turn works with the local communities and NGO's to achieve its objectives. The activities of the society are restricted to the state of Andhra Pradesh.

The Society is managed by the members of Board of Directors in accordance with the rules and regulations laid down in Memorandum of Association of the Society.

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and on accrual basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to charitable society's which do not carry out any commercial activity, these statements have been prepared in accordance with the significant accounting policies as described below. The financial statements are presented in Indian rupees rounded off to nearest rupee.

b. Use of estimates

The preparation of the financial statements in conformity with the significant accounting policies requires that the Board of Directors of the Society make estimates and assumptions that affect the reported amounts of income and expenditure of the year and reported balances of assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue recognition

Unrestricted grants are recognised as revenue when received. Revenue from restricted grants is recognised based on fulfillment of conditions as stipulated in the agreement with the donor.

d. Income tax

The Society is registered under Section 12AA of the Income tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Society is exempt from tax, subject to the compliance of terms and conditions specified in the Act and rules made thereunder.

e. Cash and cash equivalents

Cash and cash equivalents comprise balance in current account with banks.



Note 1: Significant accounting policies (continued)

f. Provisions and contingent liabilities

The Society creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

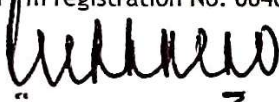
Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.



UNITED WAY OF HYDERABAD		
NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET		
PARTICULARS	As on 31st Mar'16 Amount in Rs.	As on 31st Mar'15 Amount in Rs.
<u>Note 3: Excess of Income over Expenditure</u>		
Opening balance	133,09,636	138,49,207
Add: Balance carried forward for the year	267,92,455	(5,39,571)
Total	401,02,091	133,09,636

As per our report of even date attached

For Subbarao Vamanan & Co.
Chartered Accountants
(Firm registration No. 0040865)



Kedarnath Subbarao

Partner

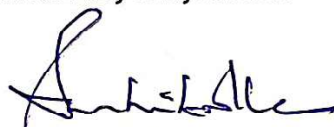
Membership No. 020037



Place : Hyderabad

Date : - 9 AUG 2016

for and on behalf of the Board of Directors of
United Way of Hyderabad



Suchitra K. Ella

Chairman



Ramesh Kaza

Vice Chairman

Place : Hyderabad

Date : - 9 AUG 2016

UNITED WAY OF HYDERABAD												
NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET												
NOTE 4: Fixed Assets schedule forming part of Balance sheet												
Amount in Rs.												
Sl.no	Particulars	Gross Block					Depreciation @ WDV				Net Block	
		As on 1st Apr'15	Additions Before 1st Oct'15	Additions After 1st Oct'15	Deletions	As on 31st Mar'16	As on 1st Apr'15	For the year	On deletions	As at 31st Mar'16	As on 1st Apr'15	As on 31st Mar'16
1	Computers & Peripherals	2,03,992	85,369	1,69,864	-	1,59,225	98,800	1,65,296	-	2,64,096	1,05,192	1,95,129
2	Plant & Machinery (Electrical Equipment)	-	82,507	15,243	-	97,750	-	13,519	-	13,519	-	84,231
3	Furniture and Fixtures	-	2,08,860	52,735	-	2,61,595	-	23,523	-	23,523	-	2,38,072
4	Software	-	17,500	-	-	17,500	-	4,375	-	4,375	-	13,125
	GRAND TOTAL	2,03,992	3,94,236	2,37,842	-	8,36,070	98,800	2,06,713	-	3,05,513	1,05,192	5,30,557

As per our report of even date attached

for and on behalf of the Board of Directors of
United Way of Hyderabad

For Subbarao Vamanan & Co.
Chartered Accountants
(Firm registration No. 0040865)

Kedarnath Subbarao
Partner
Membership No. 020037



Place : Hyderabad

Date :- 9 AUG 2016

Suchitra K. Ella
Chairman

Ramesh Kaza
Vice Chairman

Place : Hyderabad

Date :- 9 AUG 2016

UNITED WAY OF HYDERABAD		
NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET		
PARTICULARS	As on 31st Mar'16 Amount in Rs.	As on 31st Mar'15 Amount in Rs.
Note 5: Cash and cash equivalents		
Balance with banks - In current accounts	391,68,552	31,03,663
Cash in hand	600	600
Total	391,69,152	31,04,263

UNITED WAY OF HYDERABAD		
NOTES TO ACCOUNTS FORMING PART OF INCOME AND EXPENDITURE ACCOUNT		
NOTE 6: Dontions received		
Funding Agency	Purpose	Reciepts
1.) Deloittee	EDUCATION /HEALTH/LIVELIHOOD	389,85,783
2.) Bank Of America Corporation	EDUCATION	101,21,937
3.) Synchrony Financial	EDUCATION /HEALTH/LIVELIHOOD	80,80,913
4.) General Electric Company	EDUCATION	66,01,951
5.) ADP	LIVELIHOOD	52,79,350
6.) Others	EDUCATION /HEALTH/LIVELIHOOD	179,09,774
TOTAL		869,79,708

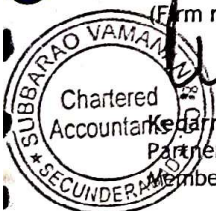
NOTE 7: Grants given to NGO's		<i>Amo</i>
Category	Grants given to NGO's till 31st Mar'2016	
1.) Health		28,16,031
2.) Education		298,53,970
3.) Livelihood		57,17,456
4.) Donations To various NGO's		13,63,085
5.) Others		39,18,051
TOTAL		436,68,593

Note 8 The society does not have any related parties as defined under AS-18, "Related Party Disclosures", accordingly the disclosure requirements are not relavent

Note 9 The Society does not have minimum number of employees as required for applicability of Payment of Gratuity Act,1972 and hence no provision and disclosures have been made in this regard

As per our report of even date attach for and on behalf of the Board of Directors of
United Way of Hyderabad

For Subbarao Vamanan & Co.
Chartered Accountants
(Firm registration No. 0040865)



Kedarnath Subbarao
Partner
Membership No. 020037


Suchitra K. Ella
Chairman


Ramesh Kaza
Vice Chairman

Place : Hyderabad
Date : **9 AUG 2016**

Place : Hyderabad
Date : **9 AUG 2016**

United Way of Hyderabad

Notes forming part of Balance Sheet

1. Background

United Way of Hyderabad (the "Society") is a not-for-profit organization registered on 20 October 2010 as a society with its registered office at Hyderabad under the Andhra Pradesh Societies Registration Act, 2001. The societies' core focus areas are Livelihoods, Health and Education. The society in-turn works with the local communities and NGO's to achieve its objectives. The activities of the society are restricted to the state of Andhra Pradesh.

The Society is managed by the members of Board of Directors in accordance with the rules and regulations laid down in Memorandum of Association of the Society.

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and on accrual basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to charitable society's which do not carry out any commercial activity, these statements have been prepared in accordance with the significant accounting policies as described below. The financial statements are presented in Indian rupees rounded off to nearest rupee.

b. Use of estimates

The preparation of the financial statements in conformity with the significant accounting policies requires that the Board of Directors of the Society make estimates and assumptions that affect the reported amounts of income and expenditure of the year and reported balances of assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue recognition

Unrestricted grants are recognised as revenue when received. Revenue from restricted grants is recognised based on fulfillment of conditions as stipulated in the agreement with the donor.

d. Income tax

The Society is registered under Section 12AA of the Income tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Society is exempt from tax, subject to the compliance of terms and conditions specified in the Act and rules made thereunder.

e. Cash and cash equivalents

Cash and cash equivalents comprise balance in current account with banks.

Note 1: Significant accounting policies (continued)

f. Provisions and contingent liabilities

The Society creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.