



V. NAGARAJAN & CO.,

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF UNITED CARE DEVELOPMENT SERVICES

(A Company registered under section 25 of the Indian Companies Act, 1956)

We have audited the attached Balance Sheet of '**UNITED CARE DEVELOPMENT SERVICES**' as at March 31, 2010 and the Income and Expenditure account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion. On the basis of our audit 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, as required by the law, have been kept by the Company, so far as appears from our examination of the books maintained at the Head Office of the Company;
- c) the Balance Sheet and the Income and Expenditure account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Income and Expenditure Account and the Balance Sheet comply with the accounting standards issued by The Institute of Chartered Accountants of India.
- e) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Income and Expenditure Account read together with the notes on accounts attached thereto.
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
- ii. In the case of Income and Expenditure account, the excess of Income over Expenditure for the year ended on that date.

Hyderabad
April 24, 2010



for **V. NAGARAJAN & Co.,**
Chartered Accountants


A.G. SITARAMAN
Partner
M.N. 017799

UNITED CARE DEVELOPMENT SERVICES

Rs.

BALANCE SHEET AS AT

March 31, 2010

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Source of Funds:		
FUND & RESERVES		
Share Capital	1	80,000
Capital Reserve	2	818,997
TOTAL		898,997
Application of Funds:		
FIXED ASSETS (at Cost)	3	135,560
CURRENT ASSETS, LOANS AND ADVANCES		
Cash and Bank Balances	4	34,502
LESS: CURRENT LIABILITIES AND PROVISIONS	5	41,070
NET CURRENT ASSETS (Sch: 4-5)		(6,568)
Income & Expenditure Account (Debit balance)		770,005
TOTAL		898,997

Accounting Policies and Notes to Accounts

8

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date
for **V.NAGARAJAN & Co.,**
Chartered Accountants



Hyderabad
April 24, 2010

A.G. Sitaraman
A.G.SITARAMAN
Partner
M.N. 017799

for, **UNITED CARE DEVELOPMENT SERVICES**

N.V. Ramana
N.V.Ramana
Director

P.S. Gunaranjan
P.S.Gunaranjan
Director

Audited Financial Statements for the year ended March 31, 2010

UNITED CARE DEVELOPMENT SERVICES

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED

Rs.
March 31,2010

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INCOME:

Donations			210,000
Donations (Project related) (Pre Incorporation)	6		121,877
TOTAL			331,877

EXPENDITURE:

Grant to 'Indian Grameen Services' (disbursed Rs. 200,000/-, utilised Rs. 193,000/-)			193,000
Professional and Consultancy fee/ charges			58,115
Stationery Material			20,000
Travelling & Conveyance			2,098
Other Administrative Overheads			1,306
Pre-Incorporation Expenditure			
for Project related	7	761,386	
for Company Incorporation and others		54,947	816,333
Audit Fee			11,030
TOTAL			1,101,882

(Deficit) for the year			(770,005)
Transfer to Balance Sheet			(770,005)

Accounting Policies and Notes to Accounts

8

The schedules referred to above and notes to accounts form an integral part of the Income & Expenditure Account.

As per our report of even date
for **V.NAGARAJAN & Co.,**
Chartered Accountants



A.G. Sitaraman
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for, **UNITED CARE DEVELOPMENT SERVICES**

N.V. Ramana
N.V.Ramana
Director

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Director

Hyderabad
April 24,2010

Audited Financial Statements for the year ended March 31,2010

UNITED CARE DEVELOPMENT SERVICES

Rs.

CASH FLOW STATEMENT FOR THE YEAR ENDED

March 31, 2010

(A) Cash Flow from Operating Activities

Net Profit before taxes (770,005)

Adjustment for Non Cash Expenditure:

Operating profit before working capital changes (770,005)

Adjustments for:

(Increase)/Decrease in Operating Assets

Net Increase/(Decrease) in Current Liabilities 41,070

Net Cash flow from Operating Activities (A) (728,935)

(B) Cash Flow from Investment Activities

Purchase of Fixed Assets (135,560)

Net Cash flow from Investments Activities (B) (135,560)

(C) Cash Flow from Financing Activities

Increase/(Decrease) in Share Capital 80,000

Increase/(Decrease) in Capital Reserve 818,997

Net cash flow from Financing Activities (C.) 898,997

Net Increase or Decrease in Cash or Cash equivalents 34,502

(A)+(B)+(C)

Add: Opening Cash and Cash equivalents -

Closing Cash and Cash Equivalents as per the books 34,502

Net Increase 34,502

As per our report of even date
for **V.NAGARAJAN & Co.,**
Chartered Accountants




A.G.SITARAMAN
Partner
M.N. 017799

for, **UNITED CARE
DEVELOPMENT
SERVICES**


N.V.Ramana
Director


P.S.Gunaranjan
Director

Hyderabad
April 24, 2010

UNITED CARE DEVELOPMENT SERVICES

Rs.

SCHEDULES TO ANNUAL ACCOUNTS AS AT

March 31, 2010

Schedule: 1 SHARE CAPITAL

Authorised:

1000 Equity Shares @ Rs. 100 Each 100,000

Issued and Subscribed:

800 Equity @ Rs. 100 each, fully paid up 80,000

Total **80,000**

SCHEDULE 2: CAPITAL RESERVE:

Contributed by Mentor 'P.S.Gunaranjan'

818,997
TOTAL **818,997**

SCHEDULE 3: FIXED ASSETS (acquired through business transfer)

Professional Equipments:

Laptops-Acer-(3 Nos) 81,500
Scanner 24,070
Nokia Phone 18,650
Printer 8,780
External Hard Disk 1,910
Pen drive 650

TOTAL **135,560**

SCHEDULE 4: CASH AND BANK BALANCES

Balance with Scheduled Bank in Current Account (HDFC Bank)

34,502
TOTAL **34,502**

SCHEDULE 5: CURRENT LIABILITIES AND PROVISIONS

Statutory Dues:TDS Payable 4,500
Professional Fee Payable 19,015
Audit Fee Payable 11,030
Travel Exp. payable 1,338
Other expenses payable 1,168

Payable on account of Business Acquired from as per Annexure 'A'
Mentor Mr. P.S.Gunaranjan'

(A) To Mentor

Total Payable 818,997
Less: Transfer to Capital Reserve 818,997
Net Payable to Mentor 'P.S.Gunaranjan' -

(B) To 'INDIAN GRAMEEN SERVICES' (over spent out of grant disbursed before incorporation of 'UCDS')

(a) Pre-Incorporation:

Grant Rs.265,274/- & Utilised by them Rs.276,293/- 11,019

Debit Balance in IGS Account as Grant under spent by them (out of grant disbursed by 'UCDS')

(b) Post-Incorporation:

Grant Rs.200,000/- & Utilised by them Rs.193,000/- (7,000) 4,019
,hence Receivable from 'IGS'

TOTAL **41,070**

Audited Financial Statements for the year ended March 31, 2010



SCHEDULE 6: PRE-INCORPORATION RECEIPTS

Donation towards Project	108,984
Donation towards Operation Cost	12,893
TOTAL	121,877

SCHEDULE 7: PRE-INCORPORATION EXPENDITURE

(A) Project Related:

Grant Utilised by M/s 'INDIAN GRAMEEN SERVICES' (Disbursed to 'IGS' total Rs. 265,274/- before incorporation of the Company)	276,293
Grant disbursed to ' Shree Sai Healing Trust' for running Outpatient Clinics for the poor	115,000
Travel, Insurance & Visa (travel related) and Local Conveyance	222,099
Salary	60,000
Lodging	47,762
Telex and Internet	21,172
Repairs & Maintenance - Equipments	10,745
Stationery/Books	7,813
Staff Welfare	502
Total (A)	761,386

**(B) For Company Incorporation & other
establishment expenditure:**

Incorporation Expenditure	43,000
IT solutions (Domain maintenance charges)	11,793
Service charges for PAN & TAN Application	154
Total (B)	54,947
TOTAL (A+B)	816,333

As per our report of even date
for **V.NAGARAJAN & Co.,**
Chartered Accountants



A.G. Sitaraman
A.G.SITARAMAN
Partner
M.N. 017799

for, **UNITED CARE DEVELOPMENT
SERVICES**

N.V. Ramana
N.V.Ramana
Director

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P.S.Gunaranjan
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Hyderabad
April 24,2010

UNITED CARE DEVELOPMENT SERVICES

SCHEDULE 8: NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31,2010 AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31,2010

A) ACCOUNTING POLICIES:

1) Basis of Accounting:

- i) The Financial statements are drawn up based on historical costs and mercantile basis of accounting has been followed, except grants and contributions, which are accounted for on cash basis.
- ii) The Project grant disbursed to other organizations for implementation of the project is accounted on Accrual basis on the basis of actual utilization depend upon their submitted utilization certificate.

2) Revenue Recognition:

- i) In respect of service contracts income is recognized on the Completion of the Contract or completion of any deliverable as may have been specified in the contract.
- ii) In respect of service contracts where it has not reached the stage of billing or completion of deliverable, the actual cost incurred is taken as value of work in progress.

3) Fixed Assets and Depreciation:

- i) Fixed Assets is stated in the books at the historical cost inclusive of all incidental expenses incurred for acquisition of such assets.
- ii) The assets purchased (net of sale proceeds) are shown in the Balance Sheet at written down value under the head 'Fixed Assets'.
- iii) Depreciation is provided on the written down value at the stated rates on prorata basis from the day the asset is put into use:
- iv) The rate assumed for calculating the depreciation under written down value method is as follows:

Class of fixed assets	Rate of Depreciation
Furniture & Fixtures	18.10%
Office Equipment	13.91%
Professional Equipment (Computers & Software)	40.00%
Professional Equipment (Others)	13.91%
Vehicles	25.89%

4) Investments:

All current and long-term investments are valued at lower of cost or market value.

5) Income Tax:

Since the company is registered under section 25 of the Companies Act, 1956 as a non-profit company on 11th February,2010 and has applied for registration under section 12 A(a) of the Income Tax Act,1961 on 11th March,2010, hence in perception of positive compliance for getting registration under section 12A(a) for claiming income as exempted income under section 11 & section 12, No Provision has been made in accounts for Income Tax.

B) NOTES TO ACCOUNTS

- 1) Notes on Operation:** The objective of 'United Care Development Services' (UCDS) is to bring a result-based approach to development finance in the areas of Education, Health and Energy & Environmental services for the poor. UCDS aims to attract development funding for projects undertaken by it, by seeking grant contributions from both individuals and institutions based on demonstrable results achieved. By emphasizing on results and thereby reducing the risk of opportunity cost for social returns, the result based funding model aims to attract more individual and institutional donors and funders, to create a larger and efficient market for philanthropy and development finance. In December 2009, UCDS was shortlisted in a global competition on

"Marketplace on Innovative Financial Solutions for Development (MIF)" (www.fininnov.org) organized by the World Bank, the Bill and Melinda Gates Foundation and the French Development Agency (AFD). UCDS was among the 20 shortlisted organizations out of 800

UNITED CARE DEVELOPMENT SERVICES

SCHEDULE 8: NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010 AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

applications received globally for this competition and was showcased at the MIF conference held in Paris on 4th and 5th of March 2010. The work on this initiative commenced in June, 2009 and incorporation of UCDS was completed in February, 2010.

The first project undertaken was to support the running of 3 outpatient clinics run by Shri Sai Healing Trust (SSHT) in Chennai and Kancheepuram District in TamilNadu for the benefit of very poor households in these areas.

The second project undertaken was to support education for children of Rag Picking community in Indore and scaling up a community benefit waste recycling unit in Indore. In March 2010 a grant of Rs. 2 Lac has been disbursed to M/s 'Indian Grameen Services' (as Company registered under section 25 of the Companies Act, 1956 and registered under section 12A(a) of the Income Tax Act, 1961) for this project. The 'IGS' has submitted the utilization certificate for Rs. 1.93 Lac against this grant.

2) PROJECT RELATED RECEIPTS AND EXPENDITURE (incurred prior to the Incorporation of the Company):

It was decided by the Board in its meeting dated April 24, 2010, that the receipts and expenditure related to the Projects, already spent by Mentor Mr. P.S. Gunaranjan should be absorbed by the Company after its incorporation. The rationale for the transfer of receipts and expenditure is that, the implementation of the specified project activities implemented by the mentor and his team has given a good status and strength towards the establishment of the Company and incubation of the same projects for the Company, for which it has been started. The transfer of these receipts and expenditure towards same projects have been done in bona-fide intention, so that this will help the Company to get financial assistance from funding agencies as soon as possible for the continuation of existing projects.

The Receipts and expenditure incurred by the mentor Mr. P.S. Gunaranjan before incorporation of the Company, which is transferred to the Company after its incorporation are as follows:

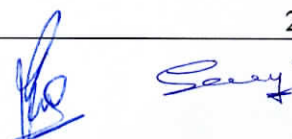
S.N.	Particulars	Amount (Rs.)	
1	Total Donation*		121,877
2	Total Expenditure:		
(i)	Revenue expenditure towards Project related activities only	761,386	
(ii)	Other Expenditure towards Incorporation and establishment of Company (including IT Solution exp. for Domain of Company Rs. 11,793/-)	54,947	
(iii)	Capital towards Professional Equipments (Fixed Assets)	135,560	951,893
3=(1-2)	Total Payable (includes Rs. 11,019/- payable to 'IGS' out of Pre-Incorporation Grant disbursed)		830,016
4	Payable due to Mentor Mr. P.S. Gunaranjan is transferred to Capital Reserve		818,997
5=(3-4)	Net Payable to IGS		11,019

*(note: Total Donation does not include donation received from foreign source and from NRI aggregating Rs. 16,946/- & a single contribution of Rs. 2,000/- received by mentor on his personal assignment)

Mr. Gunaranjan has decided to waive, any claim from the company for the expenditure (net) of Rs. 818,997/- incurred by him. Since the expenditure and the assets have been incorporated in the Company's accounts. The corresponding credit of Rs. 818,997/- has been reflected as Capital Reserve.

3) Fixed Assets & Depreciation:

During the year the Company has acquired Fixed Assets from Mentor Mr. P.S. Gunaranjan as part of business transfer as on March 31, 2010. Before Transfer, these Fixed Assets have been depreciated on cost of Transferor i.e. Mentor of the project. Hence in Company Accounts these



UNITED CARE DEVELOPMENT SERVICES

SCHEDULE 8: NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010 AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Fixed Assets have been incorporated at acquired value at the time of acquisition, hence after acquisition no extra depreciation has been considered/charged in accounts of the company for the year ended on March 31, 2010.

Amount (Rs.)

S.N.	Particulars of the Assets & Qty	Original Purchase Cost in hand of Mentor	Cost of Depreciation to transferor i.e. Mentor	Fair Value of Fixed Assets taken over by 'UCDS'
1	Laptop-(Acer)-1	38,000	12,410	25,590
2	Laptop-(Acer)-1	31,999	4,419	27,580
3	Laptop-(Acer)-1	31,099	2,769	28,330
4	Scanner (Epson)-1	28,000	3,930	24,070
5	Printer (Samsung)-1	11,730	2,950	8,780
6	Mobile Phone-Nokia-1	18,900	250	18,650
7	External Hard Disk-1	2,850	940	1,910
8	Pen Drive-1	975	325	650
	TOTAL	163,553	27,933	135,560

4) DETAILS OF AUDITOR'S REMUNERATION:

Particulars	<i>Rs.</i> March 31, 2010
Auditor Fee (inclusive of Services tax)	11,030
Advisory Services rendered on Taxation Matters	5,515
Total	16,545

5) MISCELLANEOUS:

- Additional information pursuant to paragraph 4 -C and 4-D of Part-II of Schedule VI of the Companies Act, 1956 – NIL/Not Applicable
- The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. Under these circumstances, the information, if any, required to be disclosed under the Act, has not yet been ascertained.
- The Company has kept all the unutilized balance of fund in the form of bank balance with scheduled banks, which are in conformity with section 11(5) of the Income Tax Act, 1961.
- This being the first year of operation, comparative figures of previous year is not figured.

As per our report of even date

for, **V. NAGARAJAN & Co.,**
Chartered Accountants



A.G. Sitaraman
A.G. SITARAMAN
Partner
M.N.017799

for, **UNITED CARE DEVELOPMENT SERVICES**

N.V. Ramana
N.V. Ramana
Director

P.S. Gunaranjan
P.S. Gunaranjan
Director

Hyderabad
April 24, 2010

PRE-INCORPORATION RECEIPTS AND EXPENDITURE (as transferred from Mentor Mr. P.S.Gunaranjan')
STATEMENT for the period from June 2009 till March 31,2010

Annexure 'A'

(A) RECEIPTS:

S.N.	Particulars	Amount (Rs.)
1	Donation towards Project	108,984
2	Donation towards Operation Cost	12,893
3=(1+2)	Total Receipts	121,877

(B) EXPENDITURE:

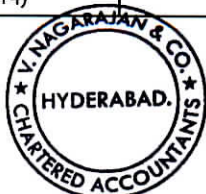
(I)	CAPITAL EXPENDITURE & INCORPORATION EXP & ESTABLISHMENT EXPENDITURE:	
4	Capital Expenditure towards Professional Equipments	135,560
5	Incorporation expenses (for registration of 'United Care Development Services' a section-25 company and related adjustable advances)	43,000
6	IT solutions (Domain maintenance charges)	11,793
7	Other Service charges for application for PAN & TAN	154
8=(4 to 7)	Total Capital Exp. & Incorporation Expenditure	190,507

(II)	REVENUE EXPENDITURE:	
(a)	Direct Project Expenditure/ Grant/ Disbursements:	
9	Grant Utilised by IGS (Certificate issued) (on accrual basis including payable Rs.11,019/-)	276,293
10	Grant for assistance in treatment of Outpatient Campus disburse to 'Shree Sai Healing Trust'.	115,000
11=(9+10)	Total (II) (a)	391,293
(b)	Indirect Project Expenditure/ Overheads:	
12	Travel, Insurance & Visa (travel related) and Local Conveyance	222,099
13	Salary	60,000
14	Lodging	47,762
15	Telex and Internet	21,172
16	Repairs & Maintenance - Equipments	10,745
17	Stationery/Books	7,813
18	Staff Welfare	502
19=(12 to 18)	Total (II) (b)	370,093
20=(11+19)	TOTAL-(II) (a+b) Revenue	761,386
21=(8+20)	TOTAL (I)+(II) Capital & Revenue	951,893
22=(3-21)	EXCESS OF RECEIPTS over EXPENDITURE	(830,016)

Details of CURRENT LIABILITIES & PAYABLES:

1	Grant Utilised by IGS (Certificate issued)	276,293
2	Less: Grant disbursed to 'Indian Grameen Services (IGS) to Rappickers Project	265,274
3=(1-2)	Total Payable to 'IGS'	11,019

4	Payable to Mentor Mr. P.S. Gunaranjan	818,997
5=(3+4)	TOTAL PAYABLE	830,016



As per our report of even date
for V.NAGARAJAN & Co.,
Chartered Accountants

A.G. Sitaraman
A.G.SITARAMAN
 Partner
 M.N. 017799

for, **UNITED CARE
 DEVELOPMENT
 SERVICES**

N.V. Ramana
N.V.Ramana
 Director

P.S. Gunaranjan
P.S.Gunaranjan
 Director

Hyderabad
 April 24,2010

UNITED CARE DEVELOPMENT SERVICES

Enclosure to Notes forming part of accounts for the year ended March 31, 2010

The Information Relating to the Balance Sheet abstract and the Company's General Business Profile.
As per Part IV of Schedule VI to the Companies Act, 1956 as under:

Rs. in thousand

I. Registration Details

Registration No. **U93000AP2010NPL066991**
Balance Sheet Date **3 1 0 3 2 0 1 0**

State Code **0 1**

II. Capital Raised During the Period (Amount in Rs. Thousands)

Public Issue **0**
Bonus Issue **0**

Right Issue **0**
Private Placement **80**

III. Position of Mobilization and deployment of Funds (Amount in Rs. Thousands)

Total Liabilities **899**

Total Assets **899**

Sources of Funds

Paid up Capital **80**
Secured Loans **-**
Deferred Taxation **-**

Reserves and Surplus **819**
Unsecured Loans **-**

Application of Funds

Net Fixed Assets **136**
Net Current Assets **(7)**
Accumulated Losses **770**

Investments **0**
Miscellaneous Expenditure **-**

IV. Performance of Company (Amount in Rs. Thousands)

Total Receipts **332**
+ **-**
Profit/Loss before Tax **(770)**
Earning Per Share Rs. **-**

Total Expenditure **1,102**
+ **-**
Profit/Loss after Tax **-**
Dividend **0**

VI. Generic Name of Three Principal Products/Services of the Company.

Item Code No. (ITC Code): **N . A .**
Product Description **Not for Profit Company**

As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants

for, **UNITED CARE DEVELOPMENT SERVICES**

Place: Hyderabad
Date: April 24, 2010



A.G. SITARAMAN
Partner
Membership No. 017799

N.V. Ramana Director
P.S. Gunaranjan Director