

FORM NO. 10B

[See rule 17B]

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 “*PARENTS ASSOCIATION FOR THE MENTALLY HANDICAPPED PERSONS*” H.No. B-28, Sector-I, Opp: Community Hall, Godavarikhani, Dist. Karimnagar. [name of the trust or institution] as at 31st March, 2014 and the Income and Expenditure Account for the year ended on that date which are in agreement with the books of accounts maintained by the said institution.

We have obtained all the information and explanations which to the best of *my/our knowledge and belief were necessary for the purpose of the audit. In our opinion, proper books of account have been kept by the above named *trust/ institution, so far as it appears from our examination of the books, subject to the comments given below:

- i) We have not physically verified the Stocks, Cash and Other assets of the institution on 31-03-2014, as our appointment was made after that date; these are certified by the management;
- ii) The balances of the banks are subject to confirmation.

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 31st March, 2014 and
- (ii) in the case of the Income & Expenditure Account, of the Excess of Income over Expenditure of its accounting year ending on 31st March, 2014.

The prescribed particulars are annexed hereto.



Place : Karimnagar.

Date : 17-06-2014.

For RAMMOHAN & Co.,
Chartered Accountants

(CA.K. RAMMOHAN, B.Com, FCA, DISA)
Mem.No. 207614 Proprietor

.....
Signed
Accountant+

**ANNEXURE
STATEMENT OF PARTICULARS**

1. 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 | Rs.38,59,696/- |
| 2. Whether the trust/institution* 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. | ---NIL--- |
| 3. Amount of income accumulated or set apart / Finally set apart for application to charitable or religious purposes, to the income derived from property held under the institution wholly/ in part only for such purposes. | ----NIL ---- |
| 4. Amount of income eligible for exemption under section 11(1)(c)(Give details) | ----NIL ---- |
| 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) | ---NIL ---- |
| 6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(s)(b)? If so, the details thereof | ---Not Applicable --- |
| 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 | ----Not Applicable--- |
| 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— | |
| iii) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulate or set apart for application thereto, or | ----NIL --- |
| iv) 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 | ----NIL ---- |
| v) 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, the details thereof. | ---NIL ---- |

**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 *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 --- NO --

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 ---- 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 *trust/institution were made
available to any such person during the previous year? If so,
give details there of together with remuneration or compen-
sation received, if any ----NO ----

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. ---- NO ----

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, give details thereof together with the
consideration received ----- NO -----

7. Whether any income or property of the *trust/institution was
used or applied 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 *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. ---- NO ----

- Strike out whichever is not applicable.

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	Whether the concern is a company, number and class of shares held	Nominal value of the investment	Income from investment	Whether the amount in col.4 exceeded 5 percent of the capital of the concern during the previous year – say, Yes/No.
1	2	3	4	5	6
	-----	----- NIL -----	-----		
Total					

For RAMMOHAN & Co.,
Chartered Accountants

(CA.K. RAMMOHAN, B.Com, FCA, DISA)
Mem.No. 207614 Proprietor

Place: Karimnagar.
Date : 17-06-2014.



.....
Signed
Accountant

ACTION POINTS

1. This report must be obtained by an assessee (trust or institution) only if the total income of the trust or institution as computed under the Act (without giving effect to the provisions of sections 11 and 12 of the Act) exceeds Rs. 50,000 in any previous year, and the assessee desires to claim exemption under sections 11 and 12 of the Act.
2. The report must be filled up by a Chartered Accountant, and the *assessee* must ensure that, in respect of matters for which the Chartered Accountant has answered in the negative or with a qualification, the chartered accountant has recorded reasons.
3. The assessee should enclose this report to the return of income, failing which the assessee may be denied the benefit of exemption.

For purposes of filling up Part II of the annexure, auditor can accept as correct the list of persons covered by section 13(3) as given by the managing trustees. (Circular No. q143, dated 20-08-1997 see Master guide to Income-tax rules).

**PARENTS ASSOCIATION FOR THE MENTALLY
HANDICAPPED PERSONS, GODAVARIKHANI.**

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2014

EXPENDITURE	Rs.	INCOME	Rs.
To Salaries	81,600.00	By Donations received	772,090.00
" Travelling	34,816.00		
" Telephone Charges	31,381.00	" Bank Interest :	
" Printing & Stationary	10,735.00	Foreign fund bank a/c	1,733.00
" Postage	510.00	Other bank a/c	15,104.00
" Awareness expenses	690.00	"Grant-in-aid received from	
" Miscellaneous exp	8,700.00	Ministry of Social Justice	
" Audit fee	6,000.00	and Empowerment, Govt.	
" Electricity charges	54,815.00	of India, New Delhi 2012-13	784,267.00
" Vechicles Insurance	35,251.00	2013-14	1,291,151.00
" Vechicles Insurance	15,440.00	"SAMARTH' Scheme receipts:	
" Bank charges	1,567.00	Grant-in-aid received from	
" Special School & VTC		The National Trust,	
for MR project expenses:		New Delhi	35,347.00
Recurring	2,585,423.00	Donations	87,745.00
(Annexure-I)		Bank interest	655.00
" SAMARTH Scheme exp		" Foreign Grant received	589,807.00
Recurring	393,747.00	" Contribution from NTPC	315,000.00
(Annexure-II)		" Contribution from parents	
" Loss from VTC Works	79,827.00	and Members	903,845.00
(Annexure-III)			
" Depreciation	519,194.19		
(Annexure-IV)			
" Excess of income over	937,047.81		
Expenditure			
	4,796,744.00		4,796,744.00

" As per our report of even date "

for M/S.RAMMOHAN & CO.,
Chartered Accountants,

for Parents Association for the Mentally
Handicapped Persons, Godavarikhani.

(K.RAMMOHAN
Proprietor



President.

Place: Karimnagar.
Date : 17-06-2014.

**PARENTS ASSOCIATION FOR THE MENTALLY
HANDICAPPED PERSONS, GODAVARIKHANI.**

BALANCE SHEET AS ON 31-03-2014

LIABILITIES	AMOUNT Rs.	ASSETS	AMOUNT Rs.
General fund:		FIXED ASSETS	
Opening Balance:	129,439.54	(As per Annexure-IV)	4,001,332.49
(+) Excess of Income over Expenditure	937,047.81	Telephone deposit	2,000.00
	-----	CURRENT ASSETS	
	1,066,487.35	Cash on hand	5,441.17
Building fund A/c.	1,295,049.72	Cash at Bank	
Teaching aids fund a/c	194,062.00	Foreign fund bank a/c	1,694.57
Foreign contribution fund a/c	933,404.60	Samarth Scheme a/c	4,326.00
Corpus fund interest	467,430.00	Other bank a/c	1,289.44
Loans from Members	430,500.00	Closing stocks	370,850.00

	4,386,933.67		4,386,933.67
	-----		-----

" As per our report of even date "

for M/S.RAMMOHAN & CO.,
Chartered Accountants,

(K.RAMMOHAN
Proprietor



Place: Karimnagar,
Date : 17-06-2014.

for Parents Association for the Mentally
Handicapped Persons, Godavarikhani.

President.

**PARENTS ASSOCIATION FOR THE MENTALLY
HANDICAPPED PERSONS, GODAVARIKHANI,**

ANNEXURE-I :

Special School & VTC for MR project expenses:	Rs.	Rs.
<u>Recurring:</u>		
Salaries	1,259,400.00	
Stipend	220,000.00	
Transport Allowance	275,000.00	
Building maintenance	61,525.00	
Raw material	33,457.00	
Conveyance	115,480.00	
Contingencies	305,561.00	
Hostel Maintaince	315,000.00	2,585,423.00

<u>Non-Recurring:</u>		
		-
		-

		2,585,423.00

ANNEXURE-II :

"SAMARTH" Scheme Expenses:	Rs.	Rs.
<u>Recurring:</u>		
Salaries	48,000.00	
Hostel expenses	345,600.00	
Bank charges	147.00	
Contingencies		393,747.00

<u>Non-Recurring:</u>		
		-

		393,747.00
		=====

ANNEXURE-III :

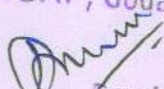
Loss from VTC Works :	
Receipts of VTC	924,200.00
Add: Closing stock	370,850.00

	1,295,050.00
Less: VTC expenses	1,252,793.00

	42,257.00
Less: Opening Stock:	122,084.00

	(79,827.00)

For PAMENCAP, Godavarikhani


President



**PARENTS ASSOCIATION FOR THE MENTALLY
HANDICAPPED PERSONS, GODAVARIKHANI.**

ANNEXURE - IV: DEPRECIATION STATEMENT FOR THE YEAR 2013-14

Name of the asset	Rate of Depn.	W.D.V. as on 01-04-2013	Additions during the year		Total	Depreciation	W.D.V. as on 31/03/2014
			before 9/2013	After 9/2013			
School Building	10%	704,397.71	-	-	704,397.71	70,439.77	633,957.94
Shopping outlets	10%	68,378.54	-	-	68,378.54	6,837.85	61,540.69
Bus account	15%	572,905.36	-	-	572,905.36	85,935.80	486,969.56
Furniture & Fixtures	10%	322,847.13	98,000.00	-	420,847.13	42,084.71	378,762.42
Teaching Aids	10%	573,984.03	-	-	573,984.03	57,398.40	516,585.63
Sports Equipment(O&N)	10%	20,875.20	-	-	20,875.20	2,087.52	18,787.68
Music system& Projector	10%	37,366.35	10,000.00	-	47,366.35	4,736.64	42,629.72
Computer equipment	60%	7,568.64	-	-	7,568.64	4,541.18	3,027.46
Waste cycling unit building	15%	142,944.96	-	-	142,944.96	21,441.74	121,503.22
Kitchen Material	10%	43,636.48	-	-	43,636.48	4,363.65	39,272.83
Medical appliances	10%	44,408.49	-	-	44,408.49	4,440.85	39,967.64
Auto Trally(O&N)	15%	80,818.85	-	-	80,818.85	12,122.83	68,696.02
Xerox mechine	15%	25,547.60	-	-	25,547.60	3,832.14	21,715.46
Heat water system	15%	54,927.34	-	-	54,927.34	8,239.10	46,688.24
Dining Hall	10%	601,920.00	-	-	601,920.00	60,192.00	541,728.00
Paper cup machine	15%	-	630,000.00	-	630,000.00	94,500.00	535,500.00
Tata winger van	15%	-	-	480,000.00	480,000.00	36,000.00	444,000.00
		3,302,526.68	738,000.00	480,000.00	4,520,526.68	519,194.19	4,001,332.49

For PAMENCAP, Godavarikhani

[Signature]

President



PARENTS ASSOCIATION FOR THE MENTALLY HANDICAPPED PERSONS

**STATEMENT SHOWING ITEM WISE/ POST WISE BREAK UP OF EXPENDITURE MADE BY
THE ORGANISATION DURING THE YEAR 2013-2014 FOR THE PROJECT OF "SPECIAL SCHOOL
AND VTC FOR MENTALLY RETARDED.**

Sl. No.	Post/Item	100% of amount (Rs.) as shown in Ministry's sanction order	75% of the amount (Rs.) as in column ... (3)	Amount (Rs.) spent by organization out of 80% of the amount	Amount (Rs.) spent by organization as its own resources	Total amount (Rs.) spent by the organization (Col.5+6)	Remarks if any (excess amount/less spending) (Rs.)
1	2	3	4	5	6	7	8
<u>Recurring:</u>							
1	Principal Salary	138,000.00	103,500.00	103,500.00	34,500.00	138,000.00	-
2	Trained / Spl Educator	248,400.00	186,300.00	186,300.00	62,100.00	248,400.00	-
3	Trained Teacher	69,600.00	52,200.00	52,200.00	17,400.00	69,600.00	-
4	Asst.teacher Salary	198,000.00	148,500.00	148,500.00	79,500.00	228,000.00	30,000.00
5	Vocational Instructors	91,200.00	68,400.00	68,400.00	22,800.00	91,200.00	-
6	Jr.Speech Therapist	30,000.00	22,500.00	22,500.00	7,500.00	30,000.00	-
7	Psychologist	30,000.00	22,500.00	22,500.00	7,500.00	30,000.00	-
8	Physiotherapist(part-time)	34,000.00	25,500.00	25,500.00	8,500.00	34,000.00	-
9	Medical Doctor(part-time)	17,000.00	12,750.00	12,750.00	4,250.00	17,000.00	-
10	Yoga& Music etc.,	91,200.00	68,400.00	68,400.00	22,800.00	91,200.00	-
11	Accountant	42,000.00	31,500.00	31,500.00	10,500.00	42,000.00	-
12	Sweeper-cum-peon/	30,000.00	22,500.00	22,500.00	7,500.00	30,000.00	-
13	Aya/Helper	210,000.00	157,500.00	157,500.00	52,500.00	210,000.00	-
14	Conveyance	112,980.00	84,735.00	84,735.00	30,745.00	115,480.00	2,500.00
15	Contingencies	208,000.00	156,000.00	156,000.00	149,561.00	305,561.00	97,561.00
16	Transport allowances	275,000.00	206,250.00	206,250.00	68,750.00	275,000.00	-
17	Stipend	220,000.00	165,000.00	165,000.00	55,000.00	220,000.00	-
18	Hostel Maintaince	170,000.00	127,500.00	127,500.00	187,500.00	315,000.00	145,000.00
19	Building maintenance	60,000.00	45,000.00	45,000.00	16,525.00	61,525.00	1,525.00
20	Raw material	20,000.00	15,000.00	15,000.00	18,457.00	33,457.00	13,457.00

For PAMENCAP, Godavarikhani

[Signature]
President

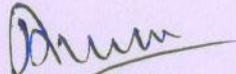
Contd.....2.



Non-Recurring	-	-	-	-	-	-
20 Sports Equipment/	-	-	-	-	-	-
Total:	2,295,380.00	1,721,535.00	1,721,535.00	863,888.00	2,585,423.00	290,043.00

For RAMMOHAN & Co.,
Chartered Accountants

(CA. K. RAMMOHAN, B.Com, FCA, DISA)
Mem.No. 207614 Proprietor


Name, Signature with Date
of the President/Secretary
Seal of the Organisation

Name, Signature, with Date and
Seal of the Chartered Accountant.



Place: Karimnagar,
Date : 17-06-2014.

UTILISATION CERTIFICATE FOR THE ACCOUNTING YEAR 2013-14PARENTS ASSOCIATION FOR THE MENTALLY
HANDICAPPED PERSONS, GODAVARIKHANI.

Letter No. & Date	Amount
1. Opening balance as on 01-04-2013	----
2. Grant for 2013-14 Received	
a. Letter No.22(1)(31)/2012 DD-V, dated :06-08-2013	- 784,267.00
b. Letter No.22(1)(16)/2013 DD-V, dated :20-12-2013	1,291,151.00
	----- 2,075,418.00

Certified that out of Rs.20,75,418/- of grants-in-aid released during the year 2013-2014 in favour of PAMENCAP, Godavarikhani, Karimnagar-Dist., Andhra Pradesh, for the project titled "Special School and VTC for Mentally Retarded" under the Ministry of social justice and empowerment, New Delhi, vide letter Nos. given in the margin and Rs.Nil, on account of unspent balance of the previous year, a sum of Rs.20,75,418/-, has been utilized for the purpose of "Special School and VTC for Mentally Retarded at Godavarikhani, Karimnagar-Dist., and that the balance of Rs.Nil, remaining unutilized at the end of the year has been surrendered to Government (vide No....., dated....) will be adjusted towards the grants-in-aid payable during the next year.

2. Certified that we have satisfied ourselves that the conditions on which the grant-in-aid was sanctioned have been duly fulfilled and that we have exercised the following checks to see that the monery was actually utilised for the purpose for which is was sanctioned.

Kinds of checks exercised:

- i) Verification of bills, vouchers etc.
- ii). Verification of Cash Book.
- iii). Verification of Ledger.
- iv). Bank statements, sanction order and relevant correspondence.

For PAMENCAP, Godavarikhani,

President

Treasurer

for M/S. RAMMOHAN & CO.,
Chartered Accountants, Karimnagar.

(K. RAMMOHAN, B.Com., F.C.A.)
Proprietor, Mem..No. 207614

Place: Karimnagar.

Date : 17-06-2014



NOTES ON ACCOUNTS

1. Significant Accounting Policies

A. Basis of preparation of financial Statement

- a. The accounts are prepared on historical cost convention using the cash method of accounting and comply with the mandatory accounting standards issued by the Institute of Chartered Accounts of India.
- b. Accounting Policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principles.

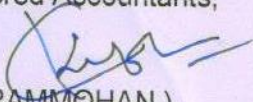
B. Fixed Assets and Depreciation

- a. Fixed Assets are stated at cost of acquisition or construction including directly attributable cost of bringing the asset to its working condition for intended use.
- b. The institution provided the depreciation at the rates specified in the Income Tax Rules.

C. Inventories

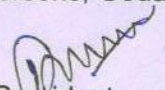
The Inventories are valued at cost or net realizable value whichever is lower.

" As per our report of even date "
for M/S.RAMMOHAN & CO.,
Chartered Accountants,


(K.RAMMOHAN)
Proprietor



for Parents Association for the Mentally
Handicapped Persons, Godavarikhani.


President.

Place: Karimnagar.
Date: 17-06-2014.