

CARE India Solutions for Sustainable Development

Audit for the year ended 31 March 2013

B S R & Company

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

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Independent Auditor's Report

To the Members of CARE India Solutions for Sustainable Development

1. Report on Financial Statements

We have audited the accompanying financial statements of CARE India Solutions for Sustainable Development ('the Company') which comprise the Balance Sheet as at 31 March 2013 and the Income and Expenditure Account for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



4. *Basis for Qualified Opinion*

- (i) *Attention is invited to Note 22 which explains the management position in detail regarding compliances of Section 11(2) of the Foreign Contribution (Regulation) Act, 2010 in relation to a foreign contribution aggregating to Rs 283,255,616 (including Rs. 267,629,262 received in financial year 2011-12) from a party, situated outside India. The said contribution was received without obtaining prior permission from Ministry of Home Affairs. The Foreign Inward Remittance Certificates relating to said foreign contribution indicate that these funds have been received by the Company consequent to rendering of Business and Management Consultancy and Public Relations services. Based on legal advice received in the past, the Company was of the view that these funds did not qualify as foreign contribution under Foreign Contribution (Regulation) Act, 2010 but are service receipts not liable for any tax in India. As a consequence of the opinion sought, the said funds were received in a bank account maintained for local funds and not in a bank account maintained exclusively for foreign contribution in accordance with section 17(1) of the Foreign Contribution (Regulation) Act, 2010. However the Company, based on another legal opinion received from independent consultants, has treated this transaction as grant with effect from 19 April 2012 and has routed subsequent receipt of money from this party through FCRA designated bank account.*

The Company has confirmed that it shall take necessary steps to disclose the entire information to Ministry of Home Affairs and regularize the whole transaction.

Accordingly, we are unable to comment on the effect of this transaction and consequent implications on the financial statements as at 31 March 2013.

- (ii) *Attention is invited to Note 23 wherein the Company is recognising its Grants and Donations income on cash basis and not on accrual basis. This policy is consistently followed by the Company from the previous years. This is not in accordance with the requirement of mandatory Accounting Standard 1-Disclosure of Accounting Policies prescribed in the Companies (Accounting Standards) Rules 2006 issued by the Central Government which requires the Company to follow accrual method of accounting. Since the Company has not worked out the impact of this non-compliance with the accounting standard, we are unable to express an opinion the matter and the consequential impact on the excess of income over expenditure for the year, Reserve and Surplus as at the year end on the determination of amount to be applied for charitable purposes u/s 11(1)(a) of the Income Tax Act, 1961 for the current and previous years.*
- (iii) *Attention is invited to note 24 wherein it is mentioned that the Company has recognized the retirement liability related to gratuity and leave encashment on an arithmetical basis instead of providing it on an actuarial basis. This is not as per the requirements of mandatory Accounting Standard- 15 'Employee Benefits' prescribed in the Companies (Accounting Standards) Rules 2006 issued by the Central Government. This has resulted in excess provision of gratuity and leave encashment by Rs. 1,666,905. Had the Company measured its liability basis actuarial valuation, the income of the Company would have been higher by Rs. 1,666,905 and the provision for gratuity and leave encashment would have been lower by the similar amount.*



5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for matters stated in para in Basis for Qualified Opinion, the impact of which is not ascertained by the Company, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) *in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013; 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.*

6. Emphasis of Matter

- (i) We draw attention to Note 25 wherein based on the legal opinion received, the Company is of the view that the activities of the Company are covered under "charitable purpose" as defined under section 2(15) of the Income Tax Act, 1961 and accordingly no provision for tax has been made in these financial statements. Our opinion is not qualified in respect of this matter.
- (ii) Attention is invited to Note 26 wherein the Company in the previous year was following functional classification for project expenses and not the classification based on their nature. This was not in accordance with the requirements of Schedule VI, Part II of the Companies Act, 1956. During the year, the Company has corrected this situation and has reclassified the previous year figures to conform to the nature based classification of expenses as per the requirements of Schedule VI of the Companies Act, 1956. Our opinion is not qualified in respect of this matter.
- (iii) Attention is invited to Note 27 wherein the Company was not routing the Non-Project expenses and income through Income and Expenditure Account and as debiting/crediting the same directly to General Fund. Schedule VI to the Companies Act, 1956 envisages that all income and expenses to be routed through the Income and Expenditure Account. The Company has corrected this accounting treatment from the current year. Consequently income aggregating Rs. 15,283,949 and expenses aggregating Rs. 2,741,703 pertaining to the current year has been routed through income and expenditure account. Our opinion is not qualified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

The Company is a Company licensed under Section 25 of the Companies Act, 1956 (the Act). Accordingly the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227(4A) of the Act, is not applicable.

Further to our comment in Paragraph above, 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 S R & Company

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Income and Expenditure Account dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, the Income and Expenditure Account comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) *except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet and Income and Expenditure Account comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; and*
- f) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B S R & Company
Chartered Accountants
Firm Registration No.: 128032W



Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon
Date: 20 September 2013

Care India Solutions For Sustainable Development
 Balance Sheet as at 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

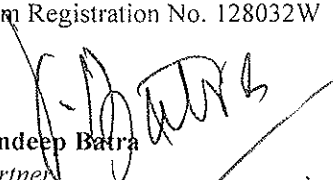
	Note	As at 31 March 2013	As at 31 March 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	200	200
Reserves and surplus	4	79,892,257	63,973,199
		<u>79,892,457</u>	<u>63,973,399</u>
Current Liabilities			
Trade payables	6	35,661,063	8,606,651
Other current liabilities	7	68,790,914	56,153,509
Short-term provisions	5	3,456,617	2,239,885
		<u>107,908,594</u>	<u>67,000,045</u>
		<u><u>187,801,051</u></u>	<u><u>130,973,444</u></u>
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible fixed assets	8	4,969,236	5,672,627
Intangible fixed assets	8	68,566	114,276
		<u>5,037,802</u>	<u>5,786,903</u>
Long term loans and advances	9	12,949,256	7,941,100
		<u>12,949,256</u>	<u>7,941,100</u>
Current Assets			
Cash and bank balances	10	129,895,252	104,195,355
Short-term loans and advances	9	36,682,811	10,949,983
Other current assets	11	3,235,931	2,100,102
		<u>169,813,994</u>	<u>117,245,440</u>
		<u><u>187,801,051</u></u>	<u><u>130,973,444</u></u>

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements


As per our report of even date attached

For B S R & Company
 Chartered Accountants
 Firm Registration No. 128032W

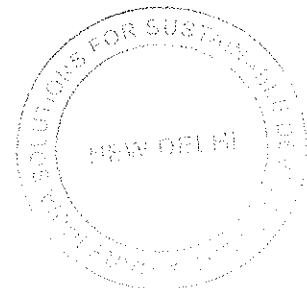

 Sandeep Batra
 Partner
 Membership No: 093320
 Place: Gurgaon
 Date: 20 September 2013



For and on behalf of
 Care India Solutions For Sustainable Development


 Nachiket Mor
 Director
 Place: New Delhi
 Date: 20 September 2013


 Gautam Chikermane
 Director
 Place: New Delhi
 Date: 20 September 2013



Care India Solutions For Sustainable Development
 Income and Expenditure Account for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

	Note	Year ended 31 March 2013	Year ended 31 March 2012
Income			
Grants and donations received	12	457,488,917	430,081,370
Other Income	13	15,516,677	309,197
Total		473,005,594	430,390,567
Expenses			
Project expenses	14	352,465,440	293,903,202
Training and material expenses		8,058,382	11,181,918
Subgrants to partners		49,980,803	51,690,077
Awareness and campaign charges		57,085,518	29,290,459
Other administrative expenses	15	2,741,703	-
Depreciation	8	1,696,207	2,018,124
Total expenditure		472,028,053	388,083,780
Excess of income over expenses		977,542	42,306,787
Appropriations			
Less: Transfer from asset fund account		1,696,207	2,018,124
Amount transferred to General fund		2,673,748	44,324,911
Earning per equity share:			
Basic		133,687	2,216,246

Significant accounting policies

2

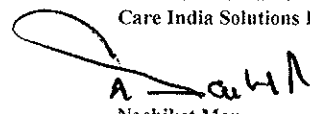
The notes referred to above form an integral part of the financial statements

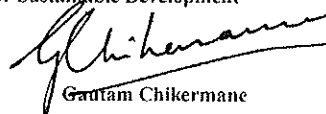
As per our report of even date attached

For **B S R & Company**
 Chartered Accountants
 Firm Registration No. 128032W

Sandeep Batra
 Partner
 Membership No: 093320
 Place: Gurgaon
 Date: 20 September 2013



For and on behalf of
 Care India Solutions For Sustainable Development

Nachiket Mor
 Director
 Place: New Delhi
 Date: 20 September 2013


Gautam Chikermane
 Director
 Place: New Delhi
 Date: 20 September 2013



Care India Solutions For Sustainable Development
Significant accounting policies

1. Company Overview

Care India Solutions For Sustainable Development (CISSD) was incorporated in India on 14 May 2008 as Section 25 Company under the provisions of Companies Act, 1956.

The main focus area is to eradicate poverty and social injustice from Indian Company through well-planned and comprehensive programmes in health, education, livelihoods and disaster preparedness and response.

The overall goal is the empowerment of women and girls from poor and marginalized communities leading to improvement in their lives and livelihoods.

2. Significant accounting policies

A. Basis for preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006, Accounting Standards issued by Central Government and other generally accepted accounting principles in India.

B. Current-non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

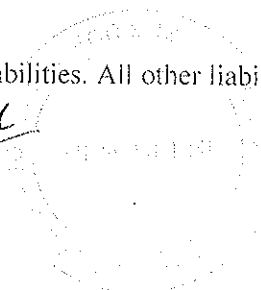
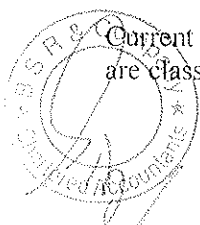
Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.



Care India Solutions For Sustainable Development
Significant accounting policies

H. Revenue Recognition

Grants and donations received from donors are recognised on cash basis.

Interest income is recognized on accrual basis when there is reasonable certainty of its ultimate realization/ collection.

I. Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. All exchange differences are recognised in the statement of profit and loss.

J. Provisions and contingencies

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

K. Earning per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

L. Employee Benefits

The Company's obligation towards various employees benefits have been recognised as follows:

Short term benefit

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Income and expenditure account in the period in which the employee renders the related service.

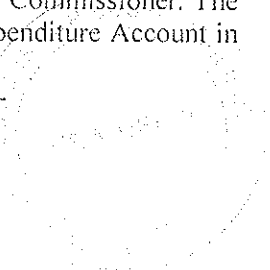
Defined contribution plan

The Company makes specified monthly contribution towards employee provident fund to Employees' Provident Fund administered by the Regional Provident Fund Commissioner. The Company's contributions to the fund are recognised in the Income and expenditure Account in the financial year to which they relate.



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Care India Solutions For Sustainable Development
Significant accounting policies

Defined benefit plan:

Gratuity

The Company liability towards gratuity is calculated on full liability basis. (refer to note 24)

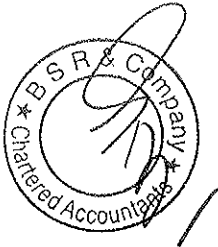
During the year, the Company has taken a group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

M. Leases

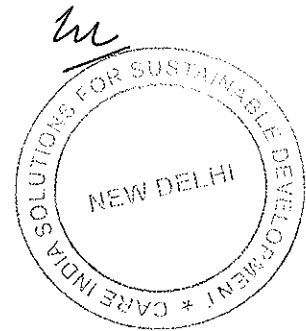
Leased payments under operating lease are recognised as an expense in the statement of Income and Expenditure Account on a straight-line basis over the lease term.

N. Income Taxes

The Company is having a license to operate under section 25 of the Companies Act, 1956 and is not liable to Income Tax Act, 1961.



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Note 3	As at 31 March 2013	As at 31 March 2012
Share capital		
Authorised Capital		
100,000 (previous year 100,000) equity shares of Rs. 10 each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, subscribed and paid-up		
20 (previous year 20) equity shares of Rs. 10 each fully paid up	200	200
	200	200

1) **Rights, preferences and restrictions attached to the equity shares**

- Each holder of equity shares is entitled one vote per share.
- Since the Company is registered under section 25 of the Companies Act, 1956, it is prohibited from the payment of any dividend to its members
- In the event of liquidation of the Company, the remaining assets of the company, shall be given or transferred to some other Association or company or companies registered under section 25 of the Companies Act, 1956 having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

2) **The reconciliation of the shares outstanding at the beginning and end of the year**

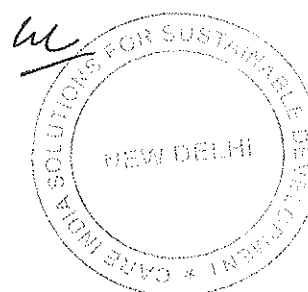
	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning and end of the year	20	200	20	200

3) **The details of shareholders holding more than 5% shares is as follows**

Name of shareholder's	As at 31 March 2013		As at 31 March 2012	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares				
Mr.Rajagopalachari Srinivasan	10	50%	10	50%
Dr.Nachiket Mor	10	50%	10	50%



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
(All amounts are in Indian Rupees unless otherwise stated)

Note 4 Reserves and surplus

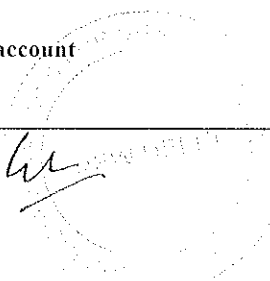
a) General Fund

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	52,185,101	22,606,041
Income during the period		
Surplus as per grant account		
- Option Consultancy Services, U.K.	-	216,918
- ICICI Prudential Life Insurance Co.Ltd..	-	698,110
- Option Consultancy Services Ltd. UK(OHSP)	-	7,435,849
- Udaan Project	-	50,359
- Bihar Health Sector Reforms-DFID	-	20,713,658
Recovery of administrative cost from project	-	2,318,192
Recovery of quality assurance and oversight cost from projects	-	
- Local contribution account	-	2,789,259
- Foreign contribution account	-	1,318,989
Interest on fixed deposits with banks	-	
-Local contribution account	-	4,075,082
-Foreign contribution account	-	152,764
-Rental income	-	186,000
-Bank interest	-	
- Local contribution account	-	741,993
- Foreign contribution account	-	91,001
- Interest on income tax refund	-	8,215
- Miscellaneous income	-	16,230
Add Amount transferred from income and expenditure	2,673,748	
Add-Amount transferred from grant receivable account	49,456,113	
	104,314,962	63,418,660
Less : Expenditure		
- Salary	-	6,508,928
- Support to Ministry of Women and Child Development	-	751,550
- Legal fees	-	731,784
- Communication expenses	-	433,826
- Rent	-	386,076
- Professional fees	-	383,290
- Travelling expenses	-	231,580
- Bank gurantee charges	-	206,250
- Office supplies	-	132,749
- Audit fees	-	120,959
- Office equipment maintenance	-	55,377
- Computer maintenance	-	15,326
- Bank charges	-	8,255
- Insurance	-	800
- Other expenses	-	50,799
- Deficit as per grant account	-	
- Dalmia Cement (Bharat) Ltd.	-	54,045
- National Rural Health Mission,Orissa	-	1,156,697
- Orrisa Mining Corporation Ltd.	-	5,268
Less- Amount transferred to unutilised grant account	35,461,702	-
	35,461,702	11,233,559
Closing balance	68,853,261	52,185,101



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
(All amounts are in Indian Rupees unless otherwise stated)

As at
31 March 2013

As at
31 March 2012

b) Disaster Management Fund

Opening balance	1,197	271,197
Add: Additions made during the year	-	-
	1,197	271,197
Less: Material purchased for Disaster Management activities	-	270,000
Closing Balance	1,197	1,197

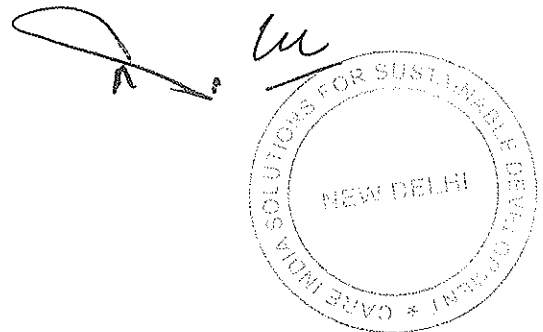
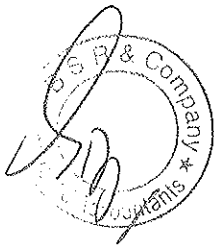
c) Sustainability Fund

Opening Balance	6,000,000	6,000,000
Closing Balance	6,000,000	6,000,000

d) Asset Fund Account

Opening Balance	5,786,903	2,875,373
Add: Assets purchased during the year	947,106	4,936,489
	6,734,009	7,811,862
<u>Less :</u>		
Transferred to Income and expenditure account	1,696,207	2,018,124
Net value of assets lost	-	6,835
Closing Balance	5,037,802	5,786,903

Grand Total	79,892,257	63,973,199
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Care India Solutions For Sustainable Development
 Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

5 Long-term and short-term provisions

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
	<u>Long term</u>		<u>Short term</u>	
Provisions for employee benefits				
-Provision for gratuity	-	-	647,695	113,333
-Provision for compensated absences	-	-	2,808,922	2,126,552
	<u>-</u>	<u>-</u>	<u>3,456,617</u>	<u>2,239,885</u>



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Care India Solutions For Sustainable Development
 Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

6 Trade payables

	As at 31 March 2013	As at 31 March 2012
Trade payables*		
- dues to micro and small enterprises	-	-
- dues to other than micro and small enterprises	35,661,063	8,606,651
	35,661,063	8,606,651

* Refer Note 19

7 Other current liabilities

	As at 31 March 2013	As at 31 March 2012
Employee related payables	1,455,014	382,742
Unutilised grants	62,462,798	52,785,721
Statutory liabilities	4,873,102	2,985,046
	68,790,914	56,153,509



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8 Fixed assets

Tangible Assets

Gross Block

Description	As at			As at			As at
	1 April 2011	Additions	Deletions	31 March 2012	Additions	Deletions	
Computers	2,861,952	919,245	-	3,781,197	513,588	-	4,294,785
Furniture and fixtures	-	625,470	-	625,470	46,928	-	672,398
Vehicles	-	2,193,608	-	2,193,608	-	-	2,193,608
Office equipment	756,792	1,179,791	9,800	1,926,783	386,590	-	2,313,373
Total	3,618,744	4,918,114	9,800	8,527,058	947,106	-	9,474,164

Accumulated depreciation

Description	As at			As at			As at
	1 April 2011	Additions	Deletions	31 March 2012	Additions	Deletions	
Computers	827,619	1,088,021	-	1,915,640	842,399	-	2,758,039
Furniture and fixtures	-	99,898	-	99,898	99,819	-	199,717
Vehicles	-	539,994	-	539,994	428,121	-	968,115
Office equipment	84,859	217,005	2,965	298,899	280,158	-	579,057
Total	912,478	1,944,918	2,965	2,854,431	1,650,497	-	4,504,928

Net Block

Description	As at		As at		As at	
	1 April 2011	31 March 2012	31 March 2012	31 March 2013	31 March 2013	31 March 2013
Computers	2,034,333	1,865,557	1,865,557	1,536,746	1,536,746	1,536,746
Furniture and fixtures	-	525,572	525,572	472,681	472,681	472,681
Vehicles	-	1,653,614	1,653,614	1,225,493	1,225,493	1,225,493
Office equipment	671,933	1,627,884	1,627,884	1,734,316	1,734,316	1,734,316
Total	2,706,266	5,672,627	5,672,627	4,969,236	4,969,236	4,969,236

Intangible Assets

Gross Block

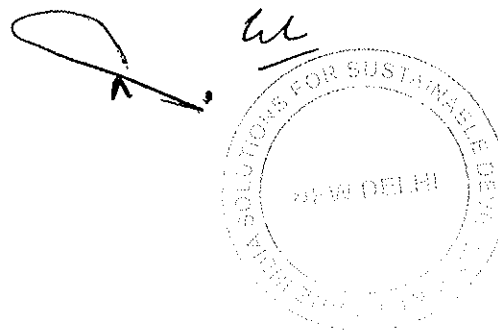
Description	As at			As at			As at
	1 April 2011	Additions	Deletions	31 March 2012	Additions	Deletions	
Software	220,600	18,375	-	238,975	-	-	238,975
Total	220,600	18,375	-	238,975	-	-	238,975

Accumulated depreciation

Description	As at			As at			As at
	1 April 2011	Additions	Deletions	31 March 2012	Additions	Deletions	
Software	51,493	73,206	-	124,699	45,710	-	170,409
Total	51,493	73,206	-	124,699	45,710	-	170,409

Net Block

Description	As at		As at		As at	
	1 April 2011	31 March 2012	31 March 2012	31 March 2013	31 March 2013	31 March 2013
Software	169,107	114,276	114,276	68,566	68,566	68,566
Total	169,107	114,276	114,276	68,566	68,566	68,566



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

	As at		As at		As at	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Long term		Short term			
(unsecured, considered good unless otherwise stated)						
Security deposits	449,256	441,100	28,000	-	-	-
Loan to service providers	12,500,000	7,500,000	-	-	-	-
Grant receivable	-	-	31,945,577	8,380,272	8,380,272	
TDS receivable	-	-	2,481,335	1,238,432	1,238,432	
Loans and advances to employees	-	-	153,017	-	-	
Project advances	-	-	2,074,882	1,331,279	1,331,279	
	12,949,256	7,941,100	36,682,811	10,949,983		



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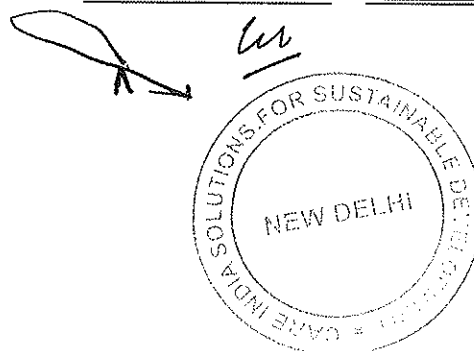


Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

10 Cash and bank balances	As at 31 March 2013	As at 31 March 2012
Cash and cash equivalents		
Cash in hand	200	200
Balance with scheduled banks		
- in current accounts	18,387	18,836
- in savings accounts	55,952,131	49,768,580
- in EEFC accounts	-	11,188,851
Other bank balances		
Deposits with banks with maturity of less than 12 months	73,924,534	43,218,888
	<u>129,895,252</u>	<u>104,195,355</u>

11 Other current assets

	As at 31 March 2013	As at 31 March 2012
Income accrued but not due	3,235,931	2,100,102
	<u>3,235,931</u>	<u>2,100,102</u>



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

12 Grants and donations received

	Year ended 31 March 2013	Year ended 31 March 2012
Grants and donations received	457,488,917	430,081,370
	457,488,917	430,081,370

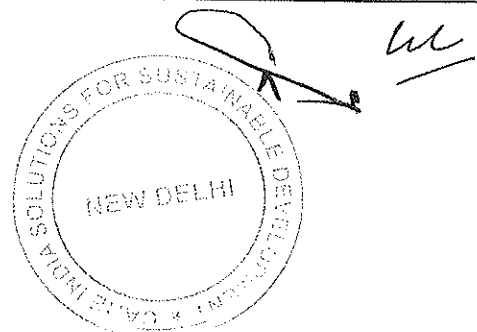
13 Other income

	Year ended 31 March 2013	Year ended 31 March 2012
Interest on fixed deposit	6,121,582	-
Interest on saving bank account	1,645,124	-
Interest on others	232,728	309,197
Recovery of administrative cost from project	4,226,534	-
Recovery of quality assurance and oversight cost from projects	3,290,709	-
	15,516,677	309,197



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2013
 (All amounts are in Indian Rupees unless otherwise stated)

	Year ended 31 March 2013	Year ended 31 March 2012
14 Project expenses		
Salary, wages and bonus	61,005,603	60,015,318
Contribution to provident fund	3,473,264	3,701,893
Gratuity	1,604,493	1,153,692
Staff welfare	76,804	544,395
Rent	3,514,403	3,695,252
Repairs and maintenance:		
- Office equipments	223,217	295,950
- Computers	119,062	283,184
Communication expenses	1,930,502	1,424,438
Legal and professional fees	231,667,038	179,180,640
Payment to auditor's	934,807	291,151
Travelling expenses	17,542,571	15,989,944
Insurance	1,067,818	1,235,231
Advertisement	-	234,363
Quality assurance cost	18,890,844	12,124,644
Office supplies	1,373,742	2,397,506
Administrative costs	4,226,534	2,332,641
Printing and stationary	2,051,714	1,325,958
Pre-treatment tests	-	90,257
Bank charges	648,869	443,393
Fixed assets purchased	941,306	4,936,489
Foreign exchange fluctuation loss	-	1,625,074
Other expenses	1,172,849	581,789
	352,465,440	293,903,202



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

	For the year ended 31 March 2013	(Amounts in rupees) For the year ended 31 March 2012
16. Receipts in foreign exchange		
Grant and donations received		
- Care International, UK	301,265,016	289,523,703
- Options Consultancy Services, UK	-	26,795,577
- British Broadcasting Corporation, UK	12,219,450	-
Total	313,484,466	316,319,280

17. Legal and professional expenses include auditors' remuneration (exclusive of service tax):

Particulars	For the year ended 31 March 2013 Rs.	For the year ended 31 March 2012 Rs.
Statutory audit	700,000	300,000
Other certification	50,000	-
	750,000	400,000

18. Segment reporting

The Company is an active partner with the Government of India and various donors in carrying out various health related activities for the underprivileged, which in the opinion of the governing body is the only reportable segment as per Accounting Standard 17 on segment reporting prescribed in the Companies (Accounting Standards) Rules 2006 issued by the Central Government. The Company is operating in India which is considered as single geographical segment.

19. Dues to micro and small enterprises

The Company has no amounts payable to micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information.

20. Earnings per share

The computation of basic/diluted earnings per share is set out below:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Excess of income over expenditure attributable to equity shareholders (Rs.)	2,673,748	44,324,911
Weighted average number of equity shares outstanding during the year	20	20
Nominal value per share (Rs.)	10	10
Basic earnings per share (Rs.)	1,33,687	2,216,246



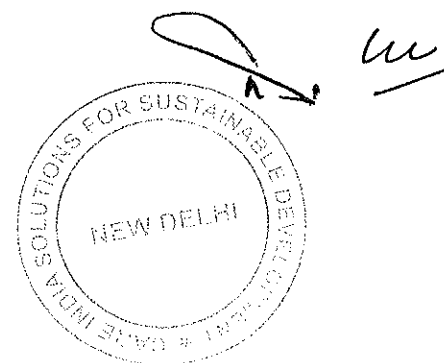
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Care India Solutions For Sustainable Development

Notes to financial statements for the year ended 31 March 2013

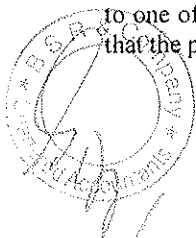
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended 31 March 2013	Year ended 31 March 2012
15 Other administrative expenses		
Salary, wages and bonus	114,183	-
Rent	85,000	-
Repairs and maintenance:		
- Office equipments	4,385	-
- Computers	8,731	-
Communication expenses	61,287	-
Legal and professional fees	1,140,622	-
Payment to auditor's	96,412	-
Travelling expenses	758,186	-
Insurance	22,472	-
Training expenses	399,954	-
Postage and courier	15,017	-
Office supplies	30,079	-
Bank charges	4,171	-
Interest on TDS	1,203	-
	<u>2,741,703</u>	<u>-</u>



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

21. The Company has taken cancelable leases for certain office premises, warehouses, vehicles and residential accommodation for some of its employees. Minimum lease payments charged during the year to the Statement of Income and Expenditure Account to Rs. 3,599,403 (previous year Rs 4,081,328).
22. The Company has received foreign contribution from a party, situated outside India, aggregating Rs. 283,255,616 (including Rs. 267,629,262 received in the previous year) without obtaining prior permission from Ministry of Home Affairs. The Foreign Inward Remittance Certificates relating to said foreign contribution indicate that these funds have been received by the Company consequent to rendering of Business and Management Consultancy and Public Relations services. Based on legal advice received in the past, the Company was of the view that these funds did not qualify as foreign contribution under Foreign Contribution (Regulation) Act, 2010 but are service receipts not liable for any tax in India. As a consequence of the opinion sought, the said funds were received in a bank account maintained for local funds and not in a bank account maintained exclusively for foreign contribution in accordance with section 17(1) of the Foreign Contribution (Regulation) Act, 2010. However the Company, based on another legal opinion received from independent consultants, has confirmed that the funds received from outside India represent grants and not services. The Company has confirmed that it shall take necessary steps to disclose the entire information to Ministry of Home Affairs and regularize the whole transaction.
23. The Company is recognizing its Grants and Donations income on cash basis and not on accrual basis. This policy is consistently followed by the Company from the previous years.
24. The Company has recognized the retirement liability related to gratuity and leave encashment on an arithmetical basis instead of providing it on an actuarial basis. The Company believes that the arithmetical valuation of these liabilities represents the best estimate and is consistently following up this method of accounting in its financial statements.
25. The society, based on the legal opinion obtained, is of the view that its activities falls under the definition of "charitable purpose" as defined in section 2(15) of the Income Tax Act, 1961 and accordingly, has not created any provision for income tax in its books of accounts.
26. The Company in the previous year was following functional classification for project expenses and not the classification based on their nature. During the year, the Company has corrected this situation and has reclassified the previous year figures to conform to the nature based classification of expenses as per the requirements of Schedule VI of the Companies Act, 1956.
27. The Company was not routing the Non-Project expenses and income through Income and Expenditure Account and was debiting/crediting the same directly to General Fund. Schedule VI to the Companies Act, 1956 envisages that all income and expenses to be routed through the Income and Expenditure Account. The Company has corrected this accounting treatment from the current year. Consequently, income aggregating Rs. 15,283,949 and expenses aggregating Rs. 2,741,703 pertaining to the current year has been routed through income and expenditure account.
28. The Society's provident fund scheme is a defined contribution plan. The expense is charged to the Income and Expenditure Account under the head Contribution to provident and other funds.
29. The Company is a Small and Medium Sized Company ("SMC") as defined in the General instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
30. Recovery of Quality Assurance, Oversight and Administrative Costs from projects represents the common administrative expenses incurred with no specific budget line item and charged to projects budgets and reported as income. However the expenses incurred by the Company against these recoveries are more and have been met out of own resources.
31. The Company has received Service Tax amount from the donor as part of the contract and paid the same to one of its project implementation partner. However, in earlier year the Company has taken an opinion that the provisions of service tax are not applicable on them.



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

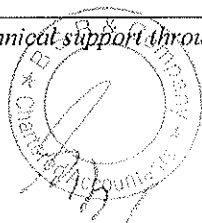
32. The previous year figures have been regrouped/ reclassified, as per details given below:

Figures as per 31 March 2012 financials		Regrouped in the current year financials	
Particulars	Amount	Particulars	Amount
<i>- Developing Community based monitoring system and Base Line Survey/ coordination between CBO's, Local NGO's and Government</i>	5,045,325	Consultancy	397,097
		Contribution to PF	245,985
		Gratuity	68,505
		Salary	3,725,751
		Travelling Cost	607,987
<i>- Technical and Management Support to Department of Health and Family Welfare, Orissa in Developing Capacity Health Sector</i>	1,300,363	Contribution to PF	96,544
		Gratuity	33,771
		Salary	1,140,582
		Travelling Cost	29,466
<i>- Emergency Response & Resource Mobilization Initiative</i>	738,243	Contribution to PF	51,970
		Gratuity	19,216
		Salary	663,325
		Travelling Cost	3,732
<i>- Support small and marginal Farmers, Women Households, Land-less & other vulnerable households</i>	2,532,344	Consultancy	510,442
		Contribution to PF	47,945
		Gratuity	15,959
		Salary	1,311,925
		Staff Welfare	1,752
		Travelling Cost	644,321
<i>- Capacity Building Initiative of Panchayati Raj Instt. and "Gram Unnayan Samitis"</i>	3,518,477	Consultancy	44,120
		Contribution to PF	167,654
		Gratuity	61,453
		Salary	2,210,997
		Staff Welfare	268,224



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

		Travelling Cost	766,029
- Developing community based institution and ensure sustainability	977,109	Consultancy	7,475
		Contribution to PF	55,152
		Gratuity	17,970
		Salary	806,185
		Travelling Cost	90,327
- Increase Enrolment & Treatment Adeherence	536,253	Contribution to PF	18,441
		Gratuity	6,034
		Salary	255,918
		Travelling cost	255,860
- Strategy for Improvement of Health Indicators in Bihar	209,878,312	Consultancy	174,217,538
		Contribution to PF	1,620,377
		Gratuity	486,457
		Salary	27,955,067
		Staff welfare	100
		Travelling cost	5,598,773
- Support costs re-imburement	12,124,644	Quality assurance cost	12,124,644
- Access to DR TB Care & Control	6,944,260	Consultancy	355,286
		Contribution to PF	295,223
		Gratuity	94,976
		Salary	4,250,678
		Staff welfare	12,609
		Travelling cost	1,935,488
- Training of Village Welfare & Development (GKS) to Committe Members	3,928,787	Consultancy	104,288
		Contribution to PF	184,936
		Gratuity	59,342
		Salary	2,698,766
		Staff welfare	3,225
		Travelling cost	878,230
- Technical support through social development		Consultancy	



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

			1,014,302
<i>advisor on nutrition and health</i>	9,562,846	Contribution to PF	404,039
		Gratuity	97,774
		Salary	6,483,393
		Staff welfare	91,428
		Travelling cost	1,471,910
<i>- Assessment to map impact area</i>	383,049	Consultancy	319,758
		Travelling cost	63,291
<i>- Staf hiring costs</i>	219,018	Salary	34,710
		Travelling Cost	184,308
<i>- Technical assistance on safe drinking water</i>	201,250	Consultancy	201,250
<i>- Transportation cost for relief supplies</i>	297,105	Consultancy	18,675
		Travelling Cost	278,430
<i>- Mapping and documenting delhi slum population needs</i>	35,743	Consultancy	25,000
		Salary	8,643
		Staff welfare	1,000
		Travelling Cost	1,100
<i>- Promotion of local resource generation Initiative</i>	2,088,013	Consultancy	118,958
		Contribution to PF	121,607
		Gratuity	54,497
		Salary	1,759,515
		Travelling Cost	33,436
<i>- Enhancing the health & Education Status of Tribals</i>	2,696,228	Consultancy	750,911
		Contribution to PF	107,158
		Gratuity	35,098
		Salary	1,410,520
		Staff welfare	16,572
		Travelling cost	375,969
<i>- Formation and linkages of SHG's</i>	591,637	Consultancy	583,387
		Travelling cost	8,250
<i>- Information and support services for migrants on</i>		Consultancy	



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013

HIV-AIDS	8,921,355		488,024
		Contribution to PF	284,862
		Gratuity	102,640
		Salary	5,299,343
		Staff welfare	19,449
		Travelling cost	2,727,037
Amount written off	150,000	Other expenses	150,000
Assisted girl child - leg amputation	130,036	Staff welfare	130,036
Shipping expenses for transport related items	36,000	Travelling cost	36,000
Promotion on radio for awareness on TB	234,363	Advertisement	234,363
Counselling expenses (Master Counsellor)	24,129	Consultancy	24,129
Rent and brokerage	3,695,252	Rent	3,695,252
Office supplies	2,397,506	Office supplies	2,397,506
Administrative costs	2,332,641	Administrative costs	2,332,641
Communication	1,424,438	Communication	1,424,438
Audit and certification fees	291,151	Audit and certification fees	291,151
Computer and maintenance	283,184	Computer and maintenance	283,184
Printing and stationary	1,325,958	Printing and stationary	1,325,958
Office maintenance	295,950	Office maintenance	295,950
Insurance	1,235,231	Insurance	1,235,231
Pre-treatment tests	90,257	Pre-treatment tests	90,257
Bank charges	443,393	Bank charges	443,393
Other expenses	431,789	Other expenses	431,789
Fixed assets purchased	4,936,489	Fixed assets purchased	4,936,489
Foreign exchange fluctuation loss	1,625,074	Foreign exchange fluctuation loss	1,625,074

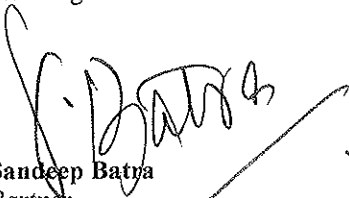


Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2013


34. Previous year financial statements were audited by another firm of Chartered Accountants.

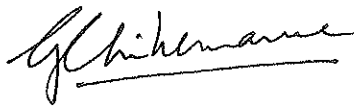
As per our report attached to the balance sheet

For B S R & Company
Chartered Accountants
Firm Registration No.: 128032W


Sandeep Batra
Partner
Membership No.: 093320

For and on behalf of Care India Solutions For Sustainable Development


Nachiket Mor
Director


Gautam Chikermane
Director

Place: Gurgaon
Date: 20 September 2013

Place: New Delhi
Date: 20 September 2013

Place: New Delhi
Date : 20 September 2013



