

Care India Solution for Sustainable Development

Statutory audit for the year ended

31 March 2014

B S R & Company

Chartered Accountants

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

Telephone: +91-124-2549191
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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 2014 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'), read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 was invited to Note 21 which explains the position regarding the significant non-compliances of Section 11(2) of the Foreign Contribution (Regulation) Act, 2010 during the previous years. During the year 2012-13, the Company had received foreign contribution from certain parties, situated outside India, aggregating Rs. 283,255,616 (including Rs. 267,629,262 received in the year 2011-12) without obtaining prior permission from Ministry of Home Affairs (MHA). The said funds were received in bank account maintained for local funds and the Foreign Inward Remittance Certificates relating to this foreign contribution indicates that these funds have been received by the Company for Business and Management Consultancy and Public Relations. This had also resulted in non compliance of Section 17(1) of the Foreign Contribution (Regulation) Act, 2010 as the foreign funds were received in the bank account maintained for local funds. The Company had indicated to us that these funds are grants to be characterized as Foreign Contribution and these are not for any services liable for any tax in India. We have been informed that subsequent to the year end, the Company has filed the necessary condonation application with the MHA. The Company believes that since it has voluntarily disclosed the factual information, MHA may take a favourable view and it may not be liable for any material liability in this regard. Accordingly, we are unable to express an opinion in the matter as the levy of any penalty or further direction is at the sole discretion of MHA. This was a subject matter of qualification in the previous year also.
- (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. This was a subject matter of qualification in the previous year also.
- (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. 4,184,442 (previous year Rs. 1,666,905). Had the Company measured its liability basis actuarial valuation, the income of the Company would have been higher by Rs. 4,184,442 (previous year Rs. 1,666,905) and the provision for gratuity and leave encashment would have been lower by the similar amount. This was a subject matter of qualification in the previous year also.



Further, the Company is not bifurcating liability related to gratuity and leave encashment between current and non-current. The entire liability is disclosed as short term in the financial statements.

B. S. B. & Company **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 2014; 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) We draw attention to Note 22 wherein the Company did not apply 85% of the receipts of the year and has opted to apply the unutilized portion amounting to Rs. 38,378,704 (i.e. amount which falls short of 85 percent) as deemed application in FY 2013-14 in accordance with the provisions of section 11(1) of the Income Tax Act, 1961 ('the Act'). Accordingly, the unutilized portion has been considered as application in the current FY 2013-14 as per Section 11(1) of the Act. The Company is in the process of intimating the Assessing Officer regarding its intention to avail benefit under section 11(1) of the Act. Our opinion is not qualified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

- (i) Since the Company is licensed to operate 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.
- (ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of 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) *except for the effects of the matter (ii) and (iii) 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, read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.; and*

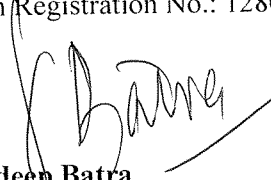


B S R & Company

- e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Gurgaon
Date: 05 December 2014

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


Sandeep Batra
Partner
Membership No.: 093320

Care India Solutions For Sustainable Development
Balance Sheet as at 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)


	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	200	200
Reserves and surplus	4	100,567,451	79,892,259
		100,567,651	79,892,459
Current Liabilities			
Trade payables	6	6,801,147	35,661,063
Other current liabilities	7	212,712,919	68,790,914
Short-term provisions	5	12,163,847	3,456,617
		231,677,912	107,908,594
		332,245,563	187,801,053
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible fixed assets	8	16,937,628	4,969,236
Intangible fixed assets	8	76,789	68,566
		17,014,417	5,037,802
Long term loans and advances	9	1,101,256	12,949,256
		1,101,256	12,949,256
Current Assets			
Cash and bank balances	10	227,590,595	129,895,252
Short-term loans and advances	9	84,752,908	36,682,811
Other current assets	11	1,786,387	3,235,931
		314,129,890	169,813,994
		332,245,563	187,801,053

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 **BSR & Company**
Chartered Accountants
Firm Registration No. 128032W



Sandeep Batra
Partner

Membership No: 093320
Place: Gurgaon
Date: 05 December 2014

For and on behalf of
Care India Solutions For Sustainable Development


Nachiket Mor
Director

Place: New Delhi
Date: 05 December 2014


Namrata Kaul
Director

Place: New Delhi
Date: 05 December 2014



Care India Solutions For Sustainable Development
Income and Expenditure Account for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

	Note	Year ended 31 March 2014	Year ended 31 March 2013
Income			
Grants and donations received	12	802,590,055	457,488,917
Other Income	13	27,227,086	15,516,677
Total		829,817,141	473,005,594
Expenses			
Project expenses	14	505,599,275	352,465,440
Training and material expenses		51,821,407	8,058,382
Subgrants to partners		32,615,610	49,980,803
Awareness and campaign charges		59,575,485	57,085,518
Other administrative expenses	15	17,354,089	2,741,702
Depreciation	8	2,757,622	1,696,207
Total expenditure		669,723,488	472,028,053
Excess of income over expenses		160,093,653	977,541
Appropriations			
Less: Transfer from asset fund account		2,757,622	1,696,207
Amount transferred to General fund		162,851,275	2,673,748

Earning per equity share:

Basic	8,142,564	133,687
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Significant accounting policies

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

As per our report of even date attached

For **BSR & Company**
Chartered Accountants
Firm Registration No. 128032W

Sandeep Batra

Partner
Membership No: 093320
Place: Gurgaon
Date: 05 December 2014

For and on behalf of
Care India Solutions For Sustainable Development

Nachiket Mor

Director

Place: New Delhi
Date: 05 December 2014

Namrata Kaul

Director

Place: New Delhi
Date: 05 December 2014



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 India 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 realized 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 realized 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

C. Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

D. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/ materialized. Any revision to accounting estimates is recognised prospectively in current and future periods.

E. Tangible fixed assets

Fixed assets are provided on written down value method. The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto the date of commissioning of the assets. Assets held for disposal are stated at their estimated residual values as at the balance sheet date.

F. Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, the intangible assets are carried at cost less accumulated amortization, if any.

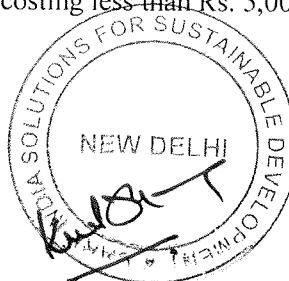
G. Depreciation

Depreciation is provided on a pro-rata basis under the written down method at rates. Such rates are equal to those stated in Schedule XIV of the Companies Act, 1956 and are stated below:

Category of assets	Rates (%)
Computers	40.00
Vehicles	25.89
Furniture and fixtures	18.10
Software	40.00
Office equipments	
• Projectors	20.00
• Pendrive and hard drive	100.00
• Other office equipments	13.91

100% depreciation has been provided on assets costing less than Rs. 5,000.

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Care India Solutions For Sustainable Development
Significant accounting policies

H. Revenue Recognition

Grants and donations received from donors are recognized 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 recognized in Income and Expenditure Account.

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

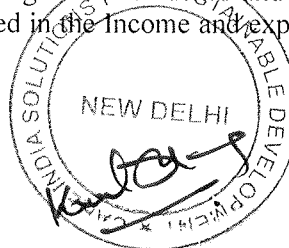
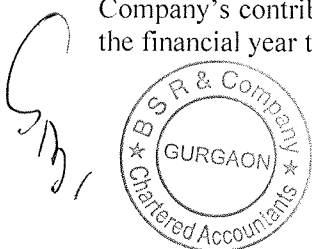
The Company's obligation towards various employees benefits have been recognised as follows:

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.



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)

M. Leases

Leased payments under operating lease are recognised as an expense in the 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 & Certificate of registration U/s.12A of the Income Tax Act, 1956 and accordingly is not liable to pay Income Tax under Income Tax Act, 1961.

Signature



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

Note 3

Share capital

Authorised Capital

100,000 (previous year 100,000) equity shares of Rs.10 each

As at 31 March 2014	As at 31 March 2013
------------------------	------------------------

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.

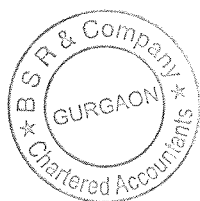
2) The reconciliation of the shares outstanding at the beginning and end of the year

	As at 31 March 2014		As at 31 March 2013	
	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 2014		As at 31 March 2013	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares				
Mr.Rajagoplachari Srinivasan	-	-	10	50%
Dr.Nachiket Mor	10	50%	10	50%
Kamal Sharma	10	50%	-	-

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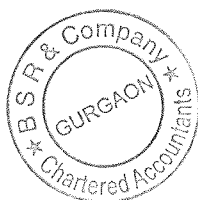


Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

Note 4 Reserves and surplus

	Year ended 31 March 2014	Year ended 31 March 2013
a) General Fund		
Opening balance	68,853,261	52,185,101
Add Amount transferred from income and expenditure	162,851,275	2,673,748
Add-Amount transferred from grant receivable account	(12,439,922)	49,456,113
Less- Amount transferred to unutilised grant account	141,711,579	35,461,702
Closing balance	77,553,036	68,853,260
b) Disaster Management Fund		
Opening balance	1,197	1,197
Add: Additions made during the year	-	-
	1,197	1,197
Less: Material purchased for Disaster Management activities	1,197	-
Closing Balance	-	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	5,037,802	5,786,903
Add: Assets purchased during the year	14,734,237	947,106
	19,772,039	6,734,009
Less :		
Transferred to Income and expenditure account	2,757,622	1,696,207
Adjustement		
Net value of assets lost	-	-
Closing Balance	17,014,417	5,037,802
Grand Total	100,567,451	79,892,259

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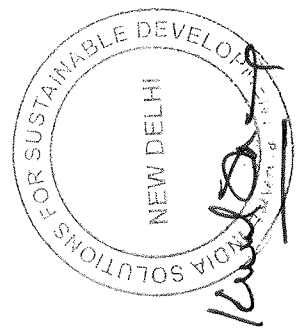
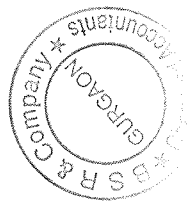


Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
 (All amounts are in Indian Rupees unless otherwise stated)

5 Long-term and short-term provisions

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Long term		Short Term	
Provisions for employee benefits				
-Provision for gratuity	-	-	4,051,270	647,695
-Provision for compensated absences	-	-	8,112,577	2,808,922
	-	-	12,163,847	3,456,617

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

6 Trade payables

	As at 31 March 2014	As at 31 March 2013
Trade payables*		
- dues to micro and small enterprises	-	-
- dues to other than micro and small enterprises	6,801,147	35,661,063
	<u>6,801,147</u>	<u>35,661,063</u>

* Refer Note 18

7 Other current liabilities

	As at 31 March 2014	As at 31 March 2013
Employee related payables	387,109	1,455,014
Unutilised grants	204,174,377	62,462,798
TDS payable	4,959,270	4,251,033
PF payable	3,192,163	622,069
	<u>212,712,919</u>	<u>68,790,914</u>

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8 Fixed assets

Tangible Assets

Gross Block

Description	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Computers	3,781,197	513,588	-	4,294,785	11,880,053	-	16,174,838
Furniture and fixtures	625,470	46,928	-	672,398	1,232,112	-	1,904,510
Vehicles	2,193,608	-	-	2,193,608	-	-	2,193,608
Office equipment	1,926,783	386,590	-	2,313,373	1,571,987	-	3,885,360
Total	8,527,058	947,106	-	9,474,164	14,684,152	-	24,158,316

Accumulated depreciation

Description	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Computers	1,915,640	842,399	-	2,758,039	1,879,936	-	4,637,975
Furniture and fixtures	99,898	99,819	-	199,717	137,864	-	337,581
Vehicles	539,994	428,121	-	968,115	317,280	-	1,285,395
Office equipment	298,899	280,158	-	579,057	380,680	-	959,737
Total	2,854,431	1,650,497	-	4,504,928	2,715,760	-	7,220,688

Net Block

Description	As at 1 April 2012	As at 31 March 2013	As at 31 March 2014
Computers	1,865,557	1,536,746	11,536,863
Furniture and fixtures	525,572	472,681	1,566,929
Vehicles	1,653,614	1,225,493	908,213
Office equipment	1,627,884	1,734,316	2,925,623
Total	5,672,627	4,969,236	16,937,628

Intangible Assets

Gross Block

Description	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Software	238,975	-	-	238,975	50,085	-	289,060
Total	238,975	-	-	238,975	50,085	-	289,060

Accumulated depreciation

Description	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Software	124,699	45,710	-	170,409	41,862	-	212,271
Total	124,699	45,710	-	170,409	41,862	-	212,271

Net Block

Description	As at 1 April 2012	As at 31 March 2013	As at 31 March 2014
Software	114,276	68,566	76,789
Total	114,276	68,566	76,789

Signature



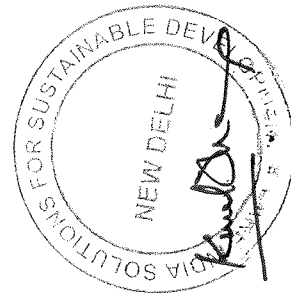
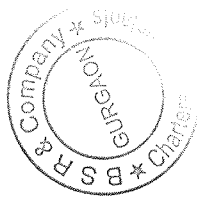
Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
 (All amounts are in Indian Rupees unless otherwise stated)

9 Loans and advances

(unsecured, considered good unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Long Term	Long Term	Short term	Short term
Security deposits	601,256	449,256	-	28,000
Loan to service providers	500,000	12,500,000	6,500,000	-
Grant receivable	-	-	19,505,655	31,945,577
TDS receivable	-	-	3,479,573	2,481,335
Loans and advances to employees	-	-	2,594,956	153,017
Project advances	-	-	52,672,725	2,074,882
	1,101,256	12,949,256	84,752,908	36,682,811

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Notes to financial statements for the year ended 31 March 2014

10 Cash and bank balances

Deposits with banks with maturity of less than 12 months

As at 31 March 2014	As at 31 March 2013
200	200
-	18,387
166,637,977	55,952,131
20,372,464	-
40,579,954	73,924,534
227,590,595	129,895,252

Income accrued but not due

As at 31 March 2014	As at 31 March 2013
1,786,387	3,235,931
<u>1,786,387</u>	<u>3,235,931</u>



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
 (All amounts are in Indian Rupees unless otherwise stated)

12 Grants and donations received

	<u>Year ended 31 March 2014</u>	<u>Year ended 31 March 2013</u>
Grants and donations received	<u>802,590,055</u>	<u>457,488,917</u>
	<u>802,590,055</u>	<u>457,488,917</u>

13 Other income

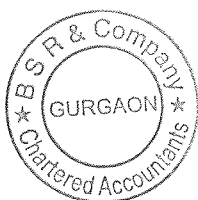
	<u>Year ended 31 March 2014</u>	<u>Year ended 31 March 2013</u>
Interest on fixed deposit	5,868,134	6,121,582
Interest on saving bank account	5,129,877	1,645,124
Interest on others	109,679	232,728
Recovery of administrative cost from project	5,110,042	4,226,534
Recovery of quality assurance and oversight cost from projects	11,009,354	3,290,709
	<u>27,227,086</u>	<u>15,516,677</u>

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

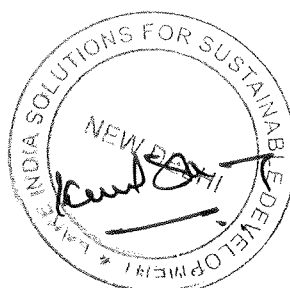
	Year ended 31 March 2014	Year ended 31 March 2013
14 Project expenses		
Salary, wages and bonus	108,180,810	61,005,603
Contribution to provident fund	5,152,554	3,473,264
Gratuity	469,386	1,604,493
Staff welfare	125,200	76,804
Rent	4,519,207	3,514,403
Repairs and maintenance:	-	-
- Office equipments	896,821	223,217
- Computers	301,515	119,062
Communication expenses	1,922,557	1,930,502
Legal and professional fees	283,775,216	231,667,038
Payment to auditor's	92,421	934,807
Travelling expenses	41,789,357	17,542,571
Insurance	939,431	1,067,818
Advertisement	370,559	-
Quality assurance cost	30,051,079	18,890,844
Office supplies	2,962,114	1,373,742
Administrative costs	5,110,042	4,226,534
Printing and stationary	2,312,951	2,051,714
Pre-treatment tests	-	-
Bank charges	831,292	648,869
Fixed assets purchased	14,681,584	941,306
Foreign exchange fluctuation loss	-	-
Other expenses	1,115,179	1,172,849
	505,599,275	352,465,440

Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees unless otherwise stated)

	<u>Year ended</u> <u>31 March 2014</u>	<u>Year ended</u> <u>31 March 2013</u>
15 Other administrative expenses		
Salary, wages and bonus	1,609,763	114,183
Rent	143,371	85,000
Repairs and maintenance:	-	-
- Office equipments	912	4,385
- Computers	25,343	8,731
Communication expenses	61,803	61,287
Legal and professional fees	8,502,859	1,140,622
Payment to auditor's	1,516,860	96,412
Travelling expenses	2,778,485	758,186
Insurance	44,481	22,472
Staff Wefare	658,069	-
Training expenses	570,632	399,954
Postage and courier	102	15,017
Office supplies	57,163	30,079
Bank charges	2,390	4,171
Other Expenses	1,328,861	-
Fixed Asests Purchased	52,653	-
Interest on TDS	342	1,203
	<u><u>17,354,089</u></u>	<u><u>2,741,702</u></u>

Signature



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2014

16. Receipts in foreign exchange

(Amounts in rupees)

Grant and Donations Received	For the year ended 31 March 2014	For the year ended 31 March 2013
British Broadcasting Corporation, UK	24,973,659	12,219,450
Care France	1,565,007	-
Care Int. Deutschland E.V	876,559	-
Care International UK	411,636,731	301,265,016
Care USA	113,728,124	-
Family Health International	25,148,024	-
Foundation Care International	5,809,788	-
Option Consultancy Services	12,568,553	-
Sterling CIUK-BIG	34,932,144	-
UPS Foundation Inc	6,712,055	-
Total	637,950,644	313,484,466

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

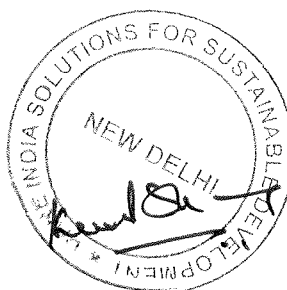
Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Statutory audit	1,150,000	700,000
Other certifications and out of pocket expenses	200,000	50,000
	1,350,000	750,000

18. 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.

19. The Company has taken cancelable leases for certain office premises, warehouses, vehicles and residential accommodation for some of its employees. Lease payments charged during the year to the Statement of Income and Expenditure Account to Rs. 4,662,578 (previous year Rs 3,599,403).

18/3/14



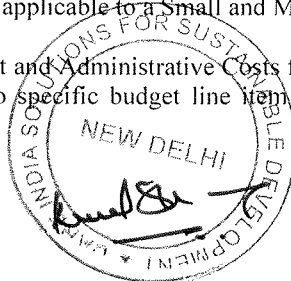
Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2014

20. Earnings per share

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

	For the year ended 31 March 2014	For the year ended 31 March 2013
Excess of income over expenditure attributable to equity shareholders (Rs.)	162,851,275	2,673,748
Weighted average number of equity shares outstanding during the year	20	20
Nominal value per share (Rs.)	10	10
Basic earnings per share (Rs.)	8,142,564	133,687

21. During the year 2012-13, the Company had received foreign contribution from two parties, situated outside India, aggregating Rs. 283,255,616 (including Rs. 267,629,262 received in the year 2011-12) without obtaining prior permission from Ministry of Home Affairs (MHA). The said funds were received in bank account maintained for local funds and the Foreign Inward Remittance Certificates relating to this foreign contribution indicates that these funds have been received by the Company for Business and Management Consultancy and Public Relations. This had also resulted in non compliance of Section 17(1) of the Foreign Contribution (Regulation) Act, 2010 as the foreign funds were received in the bank account maintained for local funds. The Company had indicated to us that these funds are grants to be characterized as Foreign Contribution and these are not for any services liable for any tax in India. The Company has filed the necessary condonation application with the MHA. The Company believes that since it has voluntarily disclosed the factual information, MHA may take a favourable view and it may not be liable for any material liability in this regard.
22. During the current year, the Company did not apply 85% of the receipts of the year and had opted to apply the unutilized portion amounting to Rs.38,378,704 (i.e. amount which falls short of 85 percent) as deemed application in FY 2013-14 in accordance with the provision of section 11(1) of the Income Tax Act, 1961('the Act'). Accordingly, the unutilized portion has been considered as application in the current FY 2013-14 as per section 11(1) of the Act. The Company is in the process of intimating the Assessing Officer regarding its intention to avail benefit under section 11(1) of the Act.
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. Since the company is registered with the Income Tax Authorities U/s.12A and its activities falls under the definition of "charitable purpose" as defined in section 2(15) of the Income Tax Act, 1961 accordingly, has not created any provision for income tax in its books of accounts.
26. The Company's provident fund scheme is defined contribution plan. The expense is charged to the Income and Expenditure Account under the head contribution to provident and other funds.
27. 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.
28. 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 in

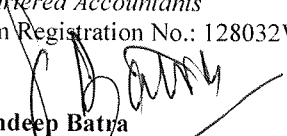


Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2014

28. 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 in allocation as per agreement with donors and reported as income. However the expenses incurred by the Company against these recoveries are more and have been met out of own resources.


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


Namrata Kaul
Director

Place: Gurgaon
Date: 05 December 2014

Place: New Delhi
Date: 05 December 2014

Place: New Delhi
Date : 05 December 2014



