

Care India Solution for Sustainable Development

Statutory Audit for the year ended

31 March 2016

B S R & Associates LLP

Chartered Accountants

Building No. 5, 8th Floor, Tower-C
DLF Cyber City, Phase II, Gurgaon
Haryana - 122 002

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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 2016, the Income and Expenditure Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

4. Basis for Qualified Opinion

Attention is invited to Note 31 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 the Company in the previous years had filed the necessary condonation application with the MHA. The Company believes that since it had 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 and the company is still waiting for the disposal of its condonation application by MHA. This was a subject matter of qualification in the previous year also.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and 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 2016; and
- (ii) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date.
- (iii) in the case of the Cash flow statement, its cash flow for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

- (i) The Company is licensed to operate under Section 8 of the Companies Act, 2013 (the Act). Accordingly the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
- (ii) As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except for the matter described in the matter in the Basis for Qualified Opinion paragraph;



B S R & Associates LLP

- 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. and
- e) on the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) Companies Act, 2013.
- f) The matter described in Basis for Qualified Opinion paragraph above in our Opinion may not have adverse effect on the functioning of the Company.
- g) With respect to the adequacy of the internal financial controls over financial reporting or the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

Sandeep Batra

Partner

Membership No.: 093320

Place: Gurgaon

Date: **September 26, 2016**

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Care India Solution for Sustainable Development** ('the Company') as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 093320

Place: Gurgaon

Date: **September 26, 2016**

Care India Solutions For Sustainable Development
Balance Sheet as at 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	200	200
Reserves and surplus	4	208,072,168	179,552,513
		208,072,368	179,552,713
Non-current liabilities			
Long-term provisions	5	37,779,502	-
		37,779,502	-
Current liabilities			
Trade payables			
-Total outstanding dues to micro and small enterprises	6	-	-
-Total outstanding dues of creditors other than micro and small enterprises		49,118,976	27,081,000
Other current liabilities	7	377,730,942	204,808,113
Short-term provisions	8	10,046,169	33,969,063
		436,896,087	265,858,176
		682,747,957	445,410,889
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	43,796,879	50,540,977
Intangible fixed assets	9	1,386,662	1,426,372
		45,183,541	51,967,349
Long term loans and advances	10	14,557,866	10,154,864
		59,741,407	62,122,213
Current Assets			
Cash and bank balances	11	449,368,868	254,466,233
Short-term loans and advances	12	171,311,177	128,719,797
Other current assets	13	2,326,505	102,646
		623,006,550	383,288,676
		682,747,957	445,410,889

Significant accounting policies

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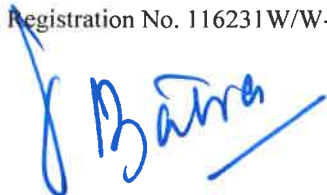
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024



Sandeep Batra

Partner

Membership No: 093320

Place: Gurgaon

Date: 26 September 2016

For and on behalf of the Board of Directors of

Care India Solutions For Sustainable Development



Rajan Bahadur

Managing Director & CEO

DIN: 07213349

Place: New Delhi

Date: 26 September 2016



Namrata Kaul

Director

DIN: 00994532

Place: New Delhi

Date: 26 September 2016



Care India Solutions For Sustainable Development
Income and Expenditure Account for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	Note	Year ended 31 March 2016	Year ended 31 March 2015
Income			
Grants and donations received	14	2,196,990,938	1,656,862,211
Other Income	15	39,671,033	39,073,050
Total		2,236,661,971	1,695,935,261
Expenses			
Project expenses	16	2,193,703,462	1,739,377,663
Other administrative expenses	17	4,367,570	6,219,091
Prior period expenses	18	3,287,476	-
Depreciation	9	32,733,443	23,220,136
Total expenditure		2,234,091,951	1,768,816,890
Excess of income over expenditure		2,570,020	(72,881,629)
Appropriations			
Add: Transfer from asset fund account	4c	32,733,443	23,220,136
Amount transferred to General fund	4a	35,303,463	(49,661,493)

Earning per equity share:

Basic	1,765,173	(2,483,075)
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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 **B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
Care India Solutions For Sustainable Development

Sandeep Batra
Partner
Membership No: 093320
Place: Gurgaon
Date: 26 September 2016

Rajan Bahadur
Managing Director & CEO
DIN: 07213349
Place: New Delhi
Date: 26 September 2016

Namrata Kaul
Director
DIN: 00994532
Place: New Delhi
Date: 26 September 2016



Care India Solutions For Sustainable Development
Cash Flow Statement for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Excess of Income over expenses	35,303,463	(49,661,493)
Adjustment for:		
- Fixed assets purchased charged off in project expenses	32,025,183	58,173,068
Working capital adjustments:		
- Decrease / (increase) in loans and advances	(44,459,086)	28,023,175
- Increase in trade payables	22,037,976	20,279,853
- Increase in provisions for employees benefits	13,856,608	21,805,216
- Increase in other liabilities	172,922,829	10,656,508
Net cash from operating activities	231,686,973	89,276,327
Income tax paid (including tax deducted at source)	(2,535,296)	(5,911,361)
Net cash generated from operations	229,151,677	83,364,966
B. Cash flow from investing activities		
Interest received from fixed deposits	102,646	1,683,740
Other current Assets	(2,326,505)	-
Purchase of fixed assets	(32,025,183)	(58,173,068)
Movement in other bank balances	2,744,562	58,207,856
Net cash used for investing activities	(31,504,480)	1,718,528
C. Cash flow from financing activities		
Net increase / (decrease) in cash and cash equivalents (A+B+C)	197,647,197	85,083,494
Cash and cash equivalents at the beginning of the year	251,721,671	166,638,177
Cash and cash equivalents at the end of the year	449,368,868	251,721,671
Components of cash and cash equivalents:		
Cash in hand	200	200
Balances with scheduled banks	449,368,668	251,721,471
	449,368,868	251,721,671

The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statements' as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W/W-100024

Sandeep Patra
Partner
Membership No: 093320
Place: Gurgaon
Date: 26 September 2016

For and on behalf of the Board of Directors of
Care India Solutions For Sustainable Development

Rajan Bahadur
Managing Director & CEO
DIN: 07213349
Place: New Delhi
Date: 26 September 2016

Namrata Kaul
Director
DIN: 00994532
Place: New Delhi
Date: 26 September 2016



Care India Solutions for Sustainable Development

Significant Accounting Policies for the year ended March 31, 2016

1. Background

Care India Solutions for Sustainable Development (CISSD) ("the Company") was incorporated in India on 14 May 2008. The Company is registered as Section 25 Company under the provisions of Companies Act, 1956 (Now corresponding to Section 8 of the New Companies Act, 2013).

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 of preparation and presentation of financial statements

The financial statements have been prepared and presented under the historical cost convention on a going concern basis on an accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

Current and non-current classification

The financial statements are presented as per Schedule III to the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013.

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

All assets and liabilities are classified into current and non-current based on below criteria:

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



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Care India Solutions for Sustainable Development

Significant Accounting Policies for the year ended March 31, 2016

- (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.

b) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) in India requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Fixed assets and depreciation/ amortisation

Tangible fixed assets

- (i) Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- (ii) Depreciation on fixed assets is provided on the written down value method. Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Assets individually costing up to Rs. 5,000 were fully depreciated in the year of purchase.

Intangible fixed assets

Intangible fixed assets are stated at cost less any accumulated amortization and impairment losses, if any. The cost includes taxes and other incidental expenses related to the acquisition and implementation of the respective assets.

Intangible assets (computer software) is amortised over the period of license/ useful life. Amortisation on additions/ deletions is provided on pro-rata basis from/ upto the date of such additions/ deletions.

d) Impairment of assets

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets', the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows



Care India Solutions for Sustainable Development

Significant Accounting Policies for the year ended March 31, 2016

expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

f) Foreign currency transactions

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date or at the time of settlement are translated into Indian rupees at the exchange rates on that date.

g) Revenue recognition

Grant/Donations

Only those Grant/Donations are accounted for as income which have been accrued and become due as per the sanctions of the funding/donor agencies.

Interest income

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

h) Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised in the Income & Expenditure Account in the period in which the employee renders the related service and measured accordingly.

Long term employee benefits

Defined contribution plan

Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Income and Expenditure Account

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is



Care India Solutions for Sustainable Development

Significant Accounting Policies for the year ended March 31, 2016

discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Income and Expenditure. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Income and Expenditure. The Company has made gratuity contribution to a fund maintained by the Life Insurance Corporation of India ('LIC').

Other long-term employment benefits

Benefits under the Company's leave encashment policy constitutes other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year-end. Actuarial gains and losses are recognised immediately in the Statement of Income and Expenditure.

i) Leases

Lease rentals under an operating lease, are recognized as an expense in the Income and Expenditure Account on a straight line basis over the lease term.

j) Taxation

The Company is having a license to operate under Section 25 Company under the provisions of Companies Act, 1956 (Now corresponding to Section 8 of the New Companies Act, 2013).

k) Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

l) Provisions and contingent liabilities

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

m) General funds

The Company receives general funds which are unrestricted from donors. The excess of income over expenditure during the year, being general purpose in nature is carried forward for use in the future periods.



Care India Solutions for Sustainable Development

Significant Accounting Policies for the year ended March 31, 2016

n) Assets funds

Fixed assets purchased out of grants received are charged off to the respective donors. These assets are capitalized and an equal amount is transferred to Assets Fund Account for control purposes. Depreciation on fixed assets purchased out of grant received is debited to the Assets Fund Account. Accordingly, deletion of such fixed assets due to sale/disposal are also adjusted from the Assets Fund Account.

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

3 Share capital

Authorised Capital

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

Issued, subscribed and paid-up

20 (previous year 20) equity shares of Rs. 10 each
fully paid up

	As at 31 March 2016	As at 31 March 2015
	1,000,000	1,000,000
	1,000,000	1,000,000
	200	200
	200	200

Rights, preferences and restrictions attached to the equity shares

Each holder of equity shares is entitled one vote per share. The Company is registered under Section 25 Company under the provisions of Companies Act, 1956 (Now corresponding to Section 8 of the New Companies Act, 2013), 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 8 of the Companies Act, 2013 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.

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

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning and end of the year	20	200	20	200

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

	As at 31 March 2016		As at 31 March 2015	
Name of shareholder's	Number	% of total shares in the	Number	% of total shares in the class
Equity shares				
Dr. Nachiket Mor	10	50%	10	50%
Mr. Kamal Sharma	10	50%	10	50%

(Signature)

(Signature)



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
 (All amounts are in Indian Rupees unless otherwise stated)

	<u>Year ended 31 March 2016</u>	<u>Year ended 31 March 2015</u>
4 Reserves and surplus		
a) General fund		
Opening balance	121,585,164	77,553,034
Add-Amount transferred from income and expenditure	35,303,463	(49,661,493)
Add-Amount transferred from grant receivable account	-	75,132,309
Less-Amount transferred to unutilised grant account	-	(18,561,314)
Closing balance	<u><u>156,888,627</u></u>	<u><u>121,585,164</u></u>
 b) Sustainability fund	 6,000,000	 6,000,000
 c) Asset fund account		
Opening Balance	51,967,349	17,014,417
Add: Assets purchased during the year	32,025,183	58,173,068
Less: Assets deletions/adjustment during the year	6,075,548	-
	<u>77,916,984</u>	<u>75,187,485</u>
Less :		
Transferred to income and expenditure account	32,733,443	23,220,136
Closing Balance	<u><u>45,183,541</u></u>	<u><u>51,967,349</u></u>
 Grand Total	 <u><u>208,072,168</u></u>	 <u><u>179,552,513</u></u>



Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
5 Long-term provisions		
Provisions for employee benefits		
-Provision for gratuity	16,542,817	-
-Provision for compensated absences	21,236,685	-
	<u>37,779,502</u>	<u>-</u>
6 Trade payables		
Trade payables*		
- dues to micro and small enterprises	-	-
- dues to other than micro and small enterprises	49,118,976	27,081,000
	<u>49,118,976</u>	<u>27,081,000</u>
* Refer Note 22		
7 Other current liabilities		
Employee related payables	18,644,098	5,127,846
Unutilised grants	343,237,422	185,613,063
PF payable	4,282,586	4,043,769
Other Statutory payable	11,566,836	10,023,435
	<u>377,730,942</u>	<u>204,808,113</u>
8 Short-term provisions		
Provisions for employee benefits		
-Provision for gratuity	4,125,341	13,305,567
-Provision for compensated absences	5,920,828	20,663,496
	<u>10,046,169</u>	<u>33,969,063</u>

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

9 Fixed assets

Current year

Particulars	Gross block			Accumulated depreciation/ amortisation				Net block as at 31 March 2016
	as at 1 April 2015	additions	deletions/adjustment	as at 31 March 2016	as at 1 April 2015	for the year	deletions/adjustment	as at 31 March 2016
Tangible assets								
Computers	31,725,389	12,844,935	2,219,649	42,350,675	16,141,150	16,275,212	2,042,375	11,976,688
Furniture and fixtures	11,026,566	2,195,180	4,318,662	8,903,084	2,372,777	1,690,364	909,977	5,749,920
Vehicles	12,348,560	4,402,358	-	16,750,918	3,434,485	3,820,435	-	9,495,998
Office equipment	25,506,881	11,121,772	2,428,008	34,200,645	8,118,007	10,270,708	762,343	16,574,273
Total tangible assets	80,607,396	30,564,245	8,966,319	102,205,322	30,066,419	32,056,719	3,714,695	43,796,879
Intangible assets								
Software	2,013,048	1,460,938	1,119,073	2,354,913	586,676	676,724	295,149	1,386,662
Total	82,620,444	32,025,183	10,085,392	104,560,235	30,653,095	32,733,443	4,009,844	45,183,541

Previous year

Particulars	Gross block			Accumulated depreciation/ amortisation				Net block as at 31 March 2015
	as at 1 April 2014	additions	deletions/adjustment	as at 31 March 2015	as at 1 April 2014	for the year	deletions/adjustment	as at 31 March 2015
Tangible assets								
Computers	16,174,838	15,550,551	-	31,725,389	4,637,975	11,503,175	-	15,584,239
Furniture and fixtures	1,904,510	9,122,056	-	11,026,566	337,581	2,035,196	-	8,653,789
Vehicles	2,193,608	10,154,952	-	12,348,560	1,285,395	2,149,090	-	8,914,075
Office equipment	3,885,360	21,621,521	-	25,506,881	959,737	7,158,270	-	17,388,874
Total tangible assets	24,158,316	56,449,080	-	80,607,396	7,220,688	22,845,731	-	50,540,977
Intangible assets								
Software	289,060	1,723,988	-	2,013,048	212,271	374,405	-	1,426,372
Total	24,447,376	58,173,068	-	82,620,444	7,432,959	23,220,136	-	51,967,349



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
10 Long Term Loans and advances <i>(unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Security deposits	3,386,906	3,448,006
Amount paid against income tax appeal	8,486,884	6,706,858
TDS receivable	2,684,076	-
	<u>14,557,866</u>	<u>10,154,864</u>
11 Cash and bank balances	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash in hand	200	200
Balance with scheduled banks - on savings accounts	449,368,668	251,721,471
Other bank balances		
Deposits with banks with maturity of less than 12 months	-	2,744,562
	<u>449,368,868</u>	<u>254,466,233</u>
12 Short-term loans and advances <i>(unsecured, considered good unless otherwise stated)</i>	As at 31 March 2016	As at 31 March 2015
To parties other than related parties		
Security deposits	2,934,970	1,696,500
Grant receivable	161,335,575	94,637,965
TDS receivable	755,270	2,684,076
Loans and advances to employees	1,552,955	4,004,953
Project advances	4,732,407	25,696,303
	<u>171,311,177</u>	<u>128,719,797</u>
13 Other current assets <i>(unsecured, considered good unless otherwise stated)</i>	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due on fixed deposits	-	102,646
Gratuity plan assets	2,326,505	-
	<u>2,326,505</u>	<u>102,646</u>

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended 31 March 2016	Year ended 31 March 2015
14 Grants and donations received		
Grants and donations received (refer to note 25)	<u>2,196,990,938</u> 2,196,990,938	<u>1,656,862,211</u> 1,656,862,211
15 Other income		
Interest on fixed deposit	7,552,698	4,474,060
Interest on saving bank account	12,568,397	11,225,736
Interest on others	58,777	144,613
Other Income*	15,926,554	-
Recovery of overhead cost from projects	<u>3,564,607</u>	<u>23,228,641</u>
	39,671,033	39,073,050
* Includes reversal of excess provision relating to gratuity and leave encashment (refer to note 26)		
16 Project expenses		
Salary, wages and bonus	438,499,532	322,943,177
Contribution to provident fund	23,836,185	18,870,985
Gratuity	15,714,416	9,373,732
Staff welfare	6,129,388	1,585,388
Contract staff wages	463,986,086	275,688,462
Training and material expenses	236,404,043	133,829,799
Subgrants to partners	100,570,480	180,176,520
Awareness and campaign charges	-	29,723,540
Rent	25,528,735	20,241,706
Repairs and maintenance:		
- Office equipment's	3,143,056	2,369,676
- Building	6,743,296	7,159,771
- Computers	3,705,790	1,857,048
Communication expenses	35,105,806	20,449,528
Legal and professional fees (Refer to note 20)	431,132,450	354,571,285
Travelling expenses	192,114,026	144,719,039
Insurance	3,548,976	3,157,559
Advertisement	8,610,452	5,592,514
Overhead cost	114,496,397	108,101,782
Office supplies	23,554,920	17,546,751
Printing and stationary	28,413,605	17,023,820
Bank charges	1,291,444	1,018,456
Fixed assets purchased	26,054,138	55,382,370
Other expenses	<u>5,120,241</u>	<u>7,994,755</u>
	2,193,703,462	1,739,377,663

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

17 Other administrative expenses	Year ended 31 March 2016	Year ended 31 March 2015
Salary, wages and bonus	-	458,927
Repairs and maintenance:		
- Computers	-	42,054
Communication	-	31,102
Legal and professional fees (Refer to note 20)	591,326	4,429,851
Travelling	141,263	799,670
Insurance	-	19,101
Staff welfare	-	22,230
Training	-	177,845
Office supplies	13,557	9,930
Bank charges	6,404	27,890
Other expenses	57,058	170,701
Fixed assets purchased	3,325,043	-
Interest on TDS	232,919	29,790
	4,367,570	6,219,091

18 Prior period expenses	Year ended 31 March 2016	Year ended 31 March 2015
Fixed assets purchased	1,498,573	-
Legal and professional fees	541,976	-
Printing and stationery	1,246,927	-
	3,287,476	-

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

19. Receipts in foreign currency and expenditure incurred in foreign currency

Receipts in foreign currency

Grants & Donations Received	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Adenwala Zaheer Singapore	-	50,271
BBC Cash Management	9,184,728	21,040,875
Care Canada	5,823,600	1,628,118
Care France	22,077,931	23,470,757
Care International Uk	345,280,656	329,998,548
Care USA	1,616,968,583	1,015,175,173
European Commission	30,287,828	-
Family Health International	21,721,286	75,883,824
Foodpanda GMBH	145,555	-
J K Group INC	42,969	-
Ketto Online Venture PTE LTD	1,634,256	-
Option Consultancy Services Limited	8,126,105	20,546,401
Silicon Valley Bank	988,777	-
Sterling CIUK-BIG	-	6,902,725
The Ammodo foundation	392,687	-
Unique System FZE	186,368	-
XL Services Bermuda	400,529	-
Total	2,063,261,858	1,494,696,692

Expenditure in foreign currency

Nature of Expenses	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Training/Workshop	45,516	-
Legal & Professional fees	84,162	6,588,343
Advertisement	455,287	-
Consultancy Services	368,500	-
Travelling Expenses	2,312,943	1,665,559
Total	3,266,408	8,253,902

20. Payment to auditor's (Included under Legal and professional expenses)*:

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Statutory audit	2,100,000	1,800,000
Other certifications	200,000	200,000
Total	2,300,000	2,000,000

*exclusive of service tax

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

21. Related party transactions

In the normal course of business, the Company enters into transactions with key management personnel. The names of related parties of the Company and their relationship, as required to be disclosed under Accounting Standard 18, are as follows:

Key management personnel:

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Managerial remuneration		
Rajan Bahadur – Managing Director and CEO	6,093,610	-

22. Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act.

23. The Company has taken certain cancelable and non-cancelable operating leases for commercial and residential accommodation and vehicles. Lease payments charged during the year in the Income and Expenditure Account is Rs. 25,528,735 (previous year Rs. 20,241,706). The total of future minimum lease payments under non-cancelable operating leases for each of the following periods is as follows:

Particulars	For the year ended 31 March 2016
Not later than one year	1,55,000
Later than one year and not later than five years	-
Total	1,55,000





Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

24. Earnings per share

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

	For the year ended 31 March 2016	For the year ended 31 March 2015
Excess of income over expenditure attributable to equity shareholders (Rs.)	35,303,463	(49,661,493)
Weighted average number of equity shares outstanding during the year	20	20
Nominal value per share (Rs.)	10	10
Basic (earnings) per share (Rs.)	1,765,173	(2,483,075)

25. Hitherto, the grants and donations received from donors were recognized on cash basis. During the year, the Company has changed the method of accounting from cash basis to accrual basis for grants and donations received from donors. Consequently to this change, the income for the current year has been decreased by Rs. 90,926,749 with a consequent effect of reduction in excess of income over expenditure for the year and reserve and surplus by Rs. 90,926,749.
26. Hitherto, the Company was following the arithmetical basis of recognizing the retirement liability relating to gratuity and leave encashment. During the year, it has changed the above basis and now from the current year, it has started recognizing this liability on the basis of valuation carried out by the actuary. Consequently to this change, an excess provision of Rs. 2,346,558 and Rs. 9,253,963 relating to gratuity and leave encashment has been reversed during the year and has been included in the other income in note no. 15 to the financial statements. This accounting policy change has the effect of increasing excess of income and expenditure and reserve and surplus by Rs. 11,600,521.
27. **Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) “Employee Benefits” prescribed by the Companies (Accounting Standards) Rules, 2006.**
- I) **Defined contribution plans:** Amount of Rs 23,836,185 (previous year Rs. 18,870,985) pertaining to employers' contribution to provident fund is recognised as an expense and included in “project expense” in note 16 to the financial statement.
- II) The disclosures for gratuity costs are given below:

(i) Movement in present values of defined benefit obligation

Particulars	As at 31 March 2016
1 Present value of obligation as at the beginning of the year	10,959,009
2 Interest cost	876,721
3 Past service cost	-
4 Current service cost	9,730,524
5 Benefits paid	(7,589,793)
6 Actuarial loss on obligation	6,691,696

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

7	Present value of obligation as at the end of the year	20,668,157
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(ii) Movement in fair value of plan assets

Particulars	As at 31 March 2016
1 Fair value of plan assets at the beginning of the year	2,154,171
2 Expected return on plan assets	193,875
3 Employer Contributions	-
4 Benefits paid	-
5 Actuarial gain / (loss) on plan assets	(21,541)
6 Fair value of plan assets at the end of the year	2,326,505

(iii) Actuarial gain/ loss recognized in the Statement of Income and Expenditure are as follows

Particulars	For the year ended 31 March 2016
1 Actuarial loss for the year - obligation	(6,691,696)
2 Actuarial gain / (loss) for the year - plan assets	21,541
3 Total actuarial loss for the year recognised in the statement of income and expenditure.	6,713,237

(iv) Assets and liabilities recognized in the Balance Sheet

Particulars	As at 31 March 2016
1 Present value of obligation as at the end of the year	20,668,157
2 Fair value of plan assets as at the end of the year.	2,326,505
3 Funded / (unfunded) status	(18,341,652)
4 Excess of actual over estimated	(21,541)
5 Unrecognised actuarial (gains) losses	-
6 Net assets / (liability) recognized in balance sheet	(18,341,652)

(v) Expense recognized in the Statement of Income and Expenditure

Particulars	For the year ended 31 March 2016
1 Current service cost	9,730,524
2 Past service cost	-
3 Interest on obligation	876,721
4 Expected return on plan assets	(193,875)
5 Net actuarial loss recognized in the period.	6,713,237
6 Expense recognised in the Statement of Income and Expenditure*	17,126,607

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

* Included in the "Project expenses " in note 16 to the financial statement

(vi) **Principal actuarial assumptions :**

A Economic assumptions

The principal assumptions are the discount rate, expected rate of return on plan assets and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars		As at 31 March 2016
1	Discounting rate (p.a)	8.00%
2	Expected rate of return on plan assets (p.a)	8.00%
3	Salary growth rate (p.a)	8.00%

B Demographic assumptions

Particulars		As at 31 March 2016
1	Retirement age	60 Years
2	Mortality table	IALM (2006-08)
3	Ages	Withdrawal rate (%) (p.a)
	Upto 30 Years	18.92
	From 31 to 44 Years	20.47
	Above 44 Years	20.29

(viii) Investment detail of plan assets: The gratuity trust has taken up group policies with an insurance company.

(ix) Amounts recognised in current year:

Gratuity	As at 31 March 2016
Defined benefit obligation	20,668,157
Plan assets	2,326,505
Net asset/(liability)	(18,341,652)
Experience adjustment in plan liabilities loss	-
Experience adjustment in plan assets (loss)/ gain	-

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

28. Recovery of overhead recovery 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.
29. The Company is engaged in charitable activities which are not distinguishable on the basis of risk and return and hence the Company views the same as single business segment. Further, these charitable activities are being catered in India only and hence there are no separate reportable geographical segments. Accordingly, no separate disclosures in respect of primary and secondary segment have been provided.
30. During the year the Company has received fixed assets in kind from Care Inc USA – India Branch Office. As per the valuation carried out by an approved valuer, the value of these assets in amounting to INR 22,053,043. These assets being the non-monetary assets received by the Company free of cost are recorded at zero value in its books of accounts.
31. 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 had filed the necessary condonation application with the MHA and is still waiting for the necessary disposal of its application by MHA. The Company believes that since it has voluntarily disclosed the factual information, MHA may take a favorable view and it may not be liable for any material liability in this regard.
32. Certain items reported in the balance sheet as at 31 March 2015 have been regrouped to confirm to current year classification. The following table shows the material amounts reported in the financial statements for the year ended 31 March 2016 and how these amounts would have appeared in the financial statements for the year ended 31 March 2015 if the current year grouping/classification were applied:

Re-classed from (account name)	Re-classed from (note number)	Re-classed to (account name)	Re-classed to (note number)	Amount (Rs.)
Training and material expenses	On the face of Income and Expenditure Account	Training and material expenses	16	236,404,043
Subgrants to partners	On the face of Income and Expenditure Account	Subgrants to partners	16	100,570,480

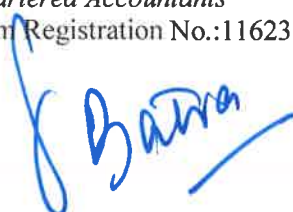
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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2016

Awareness and campaign charges	On the face of Income and Expenditure Account	Awareness and campaign charges	16	
Legal and professional fees	16	Contract staff wages	16	463,986,086

For B S R & Associates LLP
Chartered Accountants
 Firm Registration No.:116231W/W-100024



Sandeep Batra
Partner
 Membership No. : 093320

For and on behalf of the Board of Directors of
Care India Solutions For Sustainable Development



Rajan Bahadur
Managing Director & CEO
 DIN : 07213349



Namrata Kaul
Director
 DIN : 00994532

Place : Gurgaon
 Date : 26 September 2016

Place : New Delhi
 Date : 26 September 2016

Place : New Delhi
 Date : 26 September 2016

