

Care India Solutions for Sustainable Development
Statutory Audit for the year ended
31 March 2019

B S R & Associates LLP

Chartered Accountants

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DLF Cyber City, Phase - II
Gurugram - 122 002, India

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INDEPENDENT AUDITOR'S REPORT

To the Members of CARE India Solutions for Sustainable Development

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **CARE India Solutions for Sustainable Development** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Income and Expenditure Account, and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its excess of income over expenditure and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting 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 adequate 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

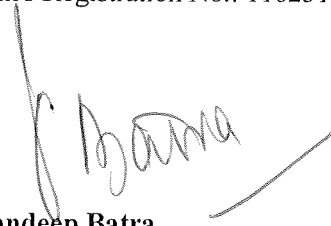
1. The Company is licensed to operate under Section 8 of the Companies Act, 2013 (the Act). Accordingly the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable.
2. (A) As required by Section 143(3) of the Act, 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the Income and Expenditure Account, and Cash Flow Statement of 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.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) 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.
 - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.



(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company is a private limited company and accordingly the matters to be reported under Section 197(16) of the Companies Act 2013 are not applicable.

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



Sandeep Batra
Partner

Membership No.: 093320
UDIN: 19093320AAAAAD4242

Place: Gurugram
Date: 31 August 2019

Annexure A to the Independent Auditor's report on the financial statements of CARE India Solutions for Sustainable Development for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified opinion

We have audited the internal financial controls with reference to financial statements of **CARE India Solutions for Sustainable Development** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to the financial statements as at 31 March 2019:

The Company did not have an appropriate internal controls system with regard to procurement planning, bids invitation, evaluation and selection of vendors, vendor master creation, monitoring of purchase order issued and contracts signed with the vendors, maintenance of inventory records, which could potentially result in material misstatements in the Company's trade payables and expense account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of 31 March 2019, based on the internal control with reference to the financial statements with reference to financial statements 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, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to the financial statements were operating effectively as of 31 March 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2019 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.



Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.



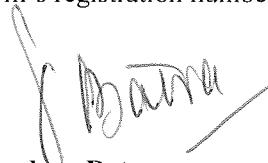
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP

Chartered Accountants

Firm's registration number: 116231 W/W-100024



Sandeep Batra

Partner

Membership No.: 093320

UDIN: 19093320AAAAAD4242

Place: Gurugram

Date: 31 August 2019

Care India Solutions For Sustainable Development
Balance Sheet as at 31 March 2019
(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	200	200
Reserves and surplus	4	286,297,561	249,949,067
		<u>286,297,761</u>	<u>249,949,267</u>
Non current liabilities			
Long-term provisions	5	62,411,190	45,964,165
Other long term liabilities	6	1,913,013	1,128,138
		<u>64,324,203</u>	<u>47,092,303</u>
Current liabilities			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	7	-	-
- Total outstanding dues of creditors other than micro and small enterprises		103,162,487	56,151,977
Other current liabilities	8	340,080,577	451,836,952
Short-term provisions	9	16,549,499	20,541,955
		<u>459,792,563</u>	<u>528,530,884</u>
		<u>810,414,527</u>	<u>825,572,454</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	28,772,806	29,158,767
Intangible fixed assets	10	7,454,439	1,282,724
		<u>36,227,245</u>	<u>30,441,491</u>
Long term loans and advances	11	8,861,145	9,687,371
		<u>45,088,390</u>	<u>40,128,862</u>
Current assets			
Cash and bank balances	12	610,328,023	634,904,310
Short-term loans and advances	13	152,126,598	147,875,538
Other current assets	14	2,871,516	2,663,744
		<u>765,326,137</u>	<u>785,443,592</u>
		<u>810,414,527</u>	<u>825,572,454</u>

Background and significant accounting policies

1-2

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W/W-100024

Sandeep Batra

Partner

Membership No: 093320

Place: Noida

Date: 31 August 2019

For and on behalf of

Care India Solutions For Sustainable Development

Namrata Kaul

Director

DIN: 00994532

Place: Noida

Date: 31 August 2019

Neera Saggi

Director

DIN: 00501029

Place: Noida

Date: 31 August 2019

Manoj Gopalakrishna

Chief Executive Officer

Place: Noida

Date: 31 August 2019

Care India Solutions For Sustainable Development
Income and Expenditure Account for the year ended 31 March 2019
(All amounts are in Indian Rupees unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Grants and donations received	15	1,919,122,190	1,744,094,613
Other Income	16	34,432,721	30,817,063
Total		1,953,554,911	1,774,911,676
Expenses			
Project expenses	17	1,689,884,608	1,430,602,204
Fund raising expenses	18	67,154,689	72,966,721
Other administrative expenses	19	156,274,433	208,717,122
Prior period expenses	20	-	17,282,715
Depreciation	10	14,021,109	16,087,137
Total expenditure		1,927,334,839	1,745,655,899
Excess of income over expenses		26,220,072	29,255,777
Appropriations			
Add: Transfer from asset fund account	4c	11,980,602	16,087,137
Amount transferred to general fund	4a	38,200,674	45,342,914

Earning per equity share:

Basic

1,910,034

2,267,146

Background and significant accounting policies

1-2

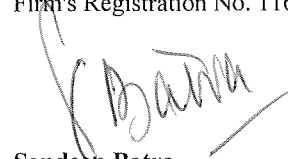
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As per our report of even date attached

For BSR & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W/W-100024



Sandeep Batra

Partner

Membership No: 093320

Place: Noida

Date: 31 August 2019

For and on behalf of

Care India Solutions For Sustainable Development



Namrata Kaul

Director

DIN: 00994532

Place: Noida

Date: 31 August 2019



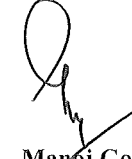
Neera Saggi

Director

DIN: 00501029

Place: Noida

Date: 31 August 2019



Manoj Gopalakrishna

Chief Executive Officer

Place: Noida

Date: 31 August 2019

Care India Solutions For Sustainable Development
Cash Flow Statement for the year ended 31 March 2019
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Excess of Income over expenses (after transfer from Asset fund account)	38,200,674	45,342,914
Adjustment for:		
Fixed assets purchased charged off in project expenses	13,040,496	9,890,215
Fixed assets sold considered as income	(17,960,026)	(2,099,505)
Amount written off	8,217,987	6,623,530
Provision for penalty	-	56,651,123
Depreciation on Fixed assets	2,040,507	-
Interest on fixed deposits	(10,656,714)	(7,925,158)
Provision for gratuity	19,574,355	15,727,697
Working capital adjustments:		
(Increase) in loans and advances	(12,324,494)	(99,652,734)
(Increase) in other current assets	(207,772)	(189,295)
Increase in trade payables	47,010,510	16,773,571
Decrease in provisions for employees benefits	(7,119,787)	(7,475,470)
Decrease in other liabilities	(110,971,500)	(461,764,247)
Cash used in operating activities	(31,155,764)	(428,097,359)
Income tax paid (including tax deducted at source)	681,674	9,799,124
Net cash used in operations	(30,474,090)	(418,298,235)
B. Cash flow from investing activities		
Interest on fixed deposit	10,656,714	7,925,158
Purchase of fixed assets	(22,718,937)	(9,890,215)
Sale of fixed assets	17,960,026	2,099,505
Net cash generated from investing activities	5,897,803	134,448
C. Cash flow from financing activities	-	-
Net decrease in cash and cash equivalents (A+B+C)	(24,576,287)	(418,163,787)
Cash and cash equivalents at the beginning of the year	634,904,310	1,053,068,097
Cash and cash equivalents at the end of the year	610,328,023	634,904,310
Components of cash and cash equivalents:		
Cash in hand	200	200
Balances with scheduled banks	610,327,823	634,904,110
	610,328,023	634,904,310

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 BSR & Associates LLP
Chartered Accountants
Firm Registration No. 116231W/W-100024

Sandeep Batra
Partner
Membership No: 093320

Place: Noida
Date: 31 August 2019

For and on behalf of
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Namrata Kaul
Director
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Place: Noida
Date: 31 August 2019

Manoj Gopalakrishna
Chief Executive Officer

Place: Noida
Date: 31 August 2019

Care India Solutions for Sustainable Development
Significant Accounting Policies for the year ended March 31, 2019

1. Background

Care India Solutions for Sustainable Development (CISSD) ("the Company") was incorporated in India on 14 May 2008 and has a status of a Private Limited Company as per its Articles of Association. The Company is registered as Section 8 Company under the provisions of Companies Act, 2013 (Erstwhile corresponding to Section 25 of the 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 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:

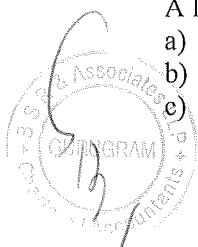
- a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless 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



Care India Solutions for Sustainable Development
Significant Accounting Policies for the year ended March 31, 2019

- 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

Property plant and equipment

- (i) Items of property, plant and equipment are measured at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable purchase taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (ii) Depreciation on property plant and equipment 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.

Fixed Assets	Useful Life
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	5

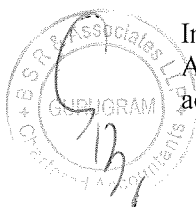
Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

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.



Care India Solutions for Sustainable Development
Significant Accounting Policies for the year ended March 31, 2019

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 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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

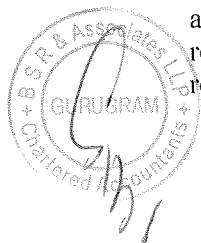
Grants and donations for specific projects are recognised as income to the extent utilised during the year as per the terms of agreement/sanction and unutilized amounts are carried forward as liability and disclosed as 'Unutilised grant balance' under other current liabilities until the actual expenditure is incurred. Donations raised for general purposes are recognized as income in the year of receipt.

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.



Care India Solutions for Sustainable Development
Significant Accounting Policies for the year ended March 31, 2019

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 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

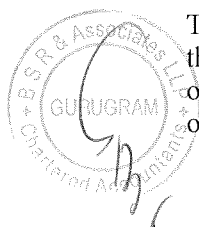
Lease rentals under an operating lease, are recognized as an expense in the Income and Expenditure Account on a straight line basis over the lease term.

j) Earnings per share

Basic earnings per share is computed by dividing the excess of Income over Expenditure by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the excess of Income over Expenditure 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.

k) 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



Care India Solutions for Sustainable Development
Significant Accounting Policies for the year ended March 31, 2019

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.

l) 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.

m) Assets fund for fixed assets purchased from project funds

Project Fixed Assets: 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 2019
(All amounts are in Indian Rupees unless otherwise stated)

3 Share capital

	As at 31 March 2019	As at 31 March 2018
Authorised capital		
100,000 (previous year 100,000) equity shares of Rs.10 each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, subscribed and paid-up		
20 (previous year 20) equity shares of Rs. 10 each fully paid up	200	200
	200	200

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

-Each holder of equity shares is entitled one vote per share.

-Since the Company is registered under section 8 of the Companies Act, 2013 (erstwhile 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 8 of the Companies Act, 2013 (erstwhile 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 2019		As at 31 March 2018	
	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

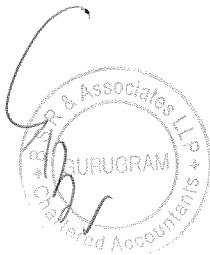
	As at 31 March 2019		As at 31 March 2018	
Name of shareholders	Number	% of total shares	Number	% of total shares
Equity shares				
Neera Saggi	4	20%	2	10%
Vinita Bali	-	-	2	10%
Shobini Mukerji	2	10%	2	10%
Yamini Mrinalika Aiyar	2	10%	2	10%
Gowri Thyagrajan	2	10%	2	10%
Gautam Chikermane	3	15%	2	10%
Shyam Anil Divan	2	10%	2	10%
Luis Miranda	-	-	2	10%
Namrata Kaul	3	15%	2	10%
Mathew Cherian	2	10%	2	10%



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4 Reserves and surplus

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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2019
(All amounts are in Indian Rupees unless otherwise stated)

5 Long-term provisions

	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits		
-Provision for gratuity (Refer Note 28)	32,792,880	22,555,965
-Provision for compensated absences	29,618,310	23,408,200
	62,411,190	45,964,165

6 Other long term liabilities

	As at 31 March 2019	As at 31 March 2018
Lease equalisation reserve	1,913,013	1,128,138
	1,913,013	1,128,138

7 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade payables*		
- dues to micro and small enterprises	-	-
- dues to other than micro and small enterprises	103,162,487	56,151,977
	103,162,487	56,151,977

* Refer Note 25

8 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Employee related payables	11,863,143	12,729,556
Unutilised grants	220,864,235	346,622,445
PF payable	8,096,074	4,384,035
Other statutory payable	13,980,136	10,178,488
Other payable	85,276,989	77,922,428
	340,080,577	451,836,952

9 Short-term provisions

	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits		
-Provision for gratuity (Refer Note 28)	11,771,761	10,944,155
-Provision for compensated absences	4,777,738	9,597,800
	16,549,499	20,541,955



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10 Fixed assets

Current year

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block as at 31 March 2019
	as at 1 April 2018	additions	deletions/ adjustment	as at 31 March 2019	as at 1 April 2018	for the year	deletions/ adjustment	as at 31 March 2019	
Property, plant and equipment									
Project assets									
Computers	48,368,585	1,821,010	8,587,331	41,602,264	42,021,078	3,023,657	7,992,393	37,052,342	4,549,922
Furniture and fixtures	10,033,411	1,018,671	1,121,142	9,930,940	5,887,453	1,102,964	741,130	6,249,287	3,681,653
Vehicles	22,017,118	6,772,324	-	28,789,442	14,675,889	2,481,635	-	17,157,524	11,631,918
Office equipment	47,586,968	3,179,251	8,233,178	42,533,041	36,262,895	4,802,918	6,296,973	34,768,840	7,764,201
Total	128,006,082	12,791,256	17,941,651	122,855,687	98,847,315	11,411,174	15,030,496	95,227,993	27,627,694
Own assets									
Computers	-	1,014,610	-	1,014,610	-	345,027	-	345,027	669,583
Furniture and fixtures	-	20,000	-	20,000	-	1,078	-	1,078	18,922
Vehicles	-	55,730	-	55,730	-	3,815	-	3,815	51,915
Office equipment	-	472,073	-	472,073	-	67,381	-	67,381	404,692
Total	-	1,562,413	-	1,562,413	-	417,301	-	417,301	1,145,112
Total property, plant and equipment	128,006,082	14,353,669	17,941,651	124,418,100	98,847,315	11,828,475	15,030,496	95,645,294	28,772,806
Intangible assets									
Project assets									
Software	4,289,913	249,240	18,375	4,520,778	3,007,189	569,428	17,456	3,559,161	961,617
Total	4,289,913	249,240	18,375	4,520,778	3,007,189	569,428	17,456	3,559,161	961,617
Own assets									
Intangible assets									
Software	-	8,116,028	-	8,116,028	-	1,623,206	-	1,623,206	6,492,822
Total	-	8,116,028	-	8,116,028	-	1,623,206	-	1,623,206	6,492,822
Total intangible assets	4,289,913	8,365,268	18,375	12,636,806	3,007,189	2,192,634	17,456	5,182,367	7,454,439
Total	132,295,995	22,718,937	17,960,026	137,054,906	101,854,504	14,021,109	15,047,952	100,827,661	36,227,245

Previous year

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block as at 31 March 2018
	as at 1 April 2017	additions	deletions/ adjustment	as at 31 March 2018	as at 1 April 2017	for the year	deletions/ adjustment	as at 31 March 2018	
Property, plant and equipment									
Project assets									
Computers	44,404,102	4,854,586	890,103	48,368,585	38,806,302	3,924,432	709,656	42,021,078	6,347,507
Furniture and fixtures	9,181,212	973,118	120,919	10,033,411	4,704,693	1,223,197	40,437	5,887,453	4,145,958
Vehicles	21,203,952	813,166	-	22,017,118	11,671,701	3,004,188	-	14,675,889	7,341,229
Office equipment	45,463,606	3,211,845	1,088,483	47,586,968	29,777,595	7,185,969	700,669	36,262,895	11,324,073
Total property, plant and equipment	120,252,872	9,852,715	2,099,505	128,006,082	84,960,291	15,337,786	1,450,762	98,847,315	29,158,767
Intangible assets									
Project assets									
Software	4,252,413	37,500	-	4,289,913	2,257,838	749,351	-	3,007,189	1,282,724
Total	124,505,285	9,890,215	2,099,505	132,295,995	87,218,129	16,087,137	1,450,762	101,854,504	30,441,491



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2019
 (All amounts are in Indian Rupees unless otherwise stated)

11 Long term loans and advances

(unsecured, considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Security deposits	5,667,984	5,067,500
Advance rent	-	420,000
Income tax and TDS receivable	3,193,161	4,199,871
	<u>8,861,145</u>	<u>9,687,371</u>

12 Cash and bank balances

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Cash in hand	200	200
Balance with scheduled banks		
- in savings accounts	610,327,823	634,904,110
	<u>610,328,023</u>	<u>634,904,310</u>

13 Short term loans and advances

(unsecured, considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Security deposits	2,411,900	3,252,515
Advance rent	420,000	2,520,000
Grant receivable	134,478,353	134,225,584
TDS receivable	1,117,553	792,516
Loans and advances to employees	3,268,264	1,792,581
Project advances	10,430,528	5,292,342
	<u>152,126,598</u>	<u>147,875,538</u>

14 Other current assets

(unsecured, considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Gratuity plan assets	2,871,516	2,663,744
	<u>2,871,516</u>	<u>2,663,744</u>



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2019
 All amounts are in Indian Rupees unless otherwise stated)

15 Grants and donations received

Grants and donations received

Year ended 31 March 2019	Year ended 31 March 2018
1,919,122,190	1,744,094,613
1,919,122,190	1,744,094,613

16 Other income

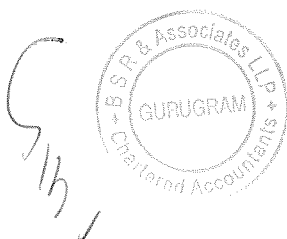
Interest on fixed deposit
 Interest on saving bank account
 Interest on others
 Other income
 Recovery of overheads cost from project

Year ended 31 March 2019	Year ended 31 March 2018
10,656,714	7,925,158
16,702,137	15,696,650
79,666	32,826
6,994,204	1,721,341
-	5,441,088
34,432,721	30,817,063

17 Project expenses

Salary, wages and bonus
 Contribution to provident fund
 Gratuity
 Staff welfare
 Contract staff wages
 Training and material expenses
 Subgrants to partners
 Rent
 Repairs and maintenance:
 - Office equipments
 - Building
 - Computers
 Communication expenses
 Legal and professional fees (Refer Note 23)
 Travelling expenses
 Insurance
 Advertisement
 Office supplies
 Printing and stationery
 Bank charges
 Amount written off
 Fixed assets purchased
 Other expenses

Year ended 31 March 2019	Year ended 31 March 2018
543,038,505	346,254,515
30,644,124	19,672,279
13,895,832	12,370,466
233,826	6,231
322,319,933	450,780,178
186,266,264	131,703,596
54,250,557	30,832,910
23,947,763	25,285,375
3,289,762	2,052,889
7,885,099	4,019,019
4,533,531	1,524,603
14,391,236	19,196,283
257,604,900	178,945,598
161,975,703	152,887,486
13,432,912	4,145,180
2,595,928	468,445
16,226,757	17,707,903
18,561,322	16,052,103
287,139	300,209
-	6,623,530
13,040,496	8,097,970
1,463,019	1,675,436
1,689,884,608	1,430,602,204



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Care India Solutions For Sustainable Development
Notes to financial statements for the year ended 31 March 2019
(All amounts are in Indian Rupees unless otherwise stated)

18 Fund raising expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Salary, wages and bonus	19,413,913	19,554,644
Contribution to provident fund	1,186,449	1,242,096
Gratuity	625,719	645,645
Rent	2,766,793	2,826,995
Communication expenses	784,390	806,541
Legal and professional fees	18,043,458	19,353,810
Travelling expenses	1,670,486	1,458,973
Insurance	169,293	179,366
Repairs and maintenance:		
- Office equipments	74,638	60,418
- Building	40,390	96,927
- Computers	423,715	348,494
Training and material expenses	88,685	170,186
Advertisement	231,272	-
Office supplies	1,351,612	996,270
Bank charges	564,038	449,678
Other expenses	347,538	377,004
Fixed asets purchased	-	620,975
Contract staff wages	18,297,251	23,357,106
Printing and stationery	1,075,049	421,593
	67,154,689	72,966,721

19 Other administrative expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Salary, wages and bonus	65,196,277	67,605,717
Contribution to provident fund	3,421,118	3,938,058
Gratuity	5,052,804	2,711,586
Rent	13,192,100	13,139,629
Membership Fees	7,488,705	6,714,415
Communication expenses	1,647,059	2,134,460
Legal and professional fees	28,249,606	22,570,749
Travelling expenses	6,285,479	6,096,274
Insurance	726,212	559,932
Repairs and maintenance:		
- Office equipments	971,964	1,656,348
- Building	4,283,032	4,230,676
- Computers	3,172,256	970,856
Training and material expenses	3,386,664	1,990,594
Advertisement	-	13,303
Office supplies	1,229,302	1,171,477
Bank charges	21,237	-
Other expenses	1,312,959	8,586,218
Fixed asets purchased	-	1,171,270
Contract staff wages	1,245,298	852,914
Printing and stationery	1,174,374	510,435
Amount written off	8,217,987	-
Overhead cost recovered	-	5,441,088
Rates and taxes (Refer Note 30)	-	56,651,123
	156,274,433	208,717,122

20 Prior period expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Other expenses	-	17,282,715
	-	17,282,715



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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

21. Earnings in foreign currency (On receipt basis)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Income from grant and donation	1,585,841,891	933,785,245

22. Expenditure in foreign currency (On receipt basis)

Nature of Expenses	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional fees	5,875,358	-
Advertisement	-	219,917
Other expenses	-	264,620
Travelling expenses	1,497,537	1,619,895
ERP implementation expense	7,275,852	-
Software maintenance	1,716,434	-
Total	16,365,181	2,104,432

23. Payment to auditor's (Included under legal and professional expenses)*:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit	2,300,000	2,000,000
Other certifications	200,000	200,000
Total	2,500,000	2,200,000

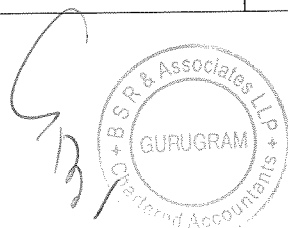
*exclusive of GST and out of pocket expenses

24. 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:

a) Related party and nature of the related party relationship with whom transaction have taken place during the year

Relationship	Names of the related parties
Key management personnel	Rajan Bahadur- Managing Director and CEO (upto 24 March 2018) Madhuvanti Deshmukh - CEO (with effect from 1 November 2018)



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b) Summary of significant transaction with related parties

Managerial remuneration	For the year ended 31 March 2019	For the year ended 31 March 2018
Rajan Bahadur	2,840,640	7,053,471
Madhuvanti Deshmukh	3,166,665	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on the basis of actuarial valuation for all the employees of the company taken together.

25. 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.

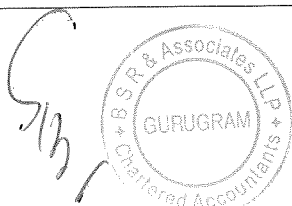
26. The Company has taken certain cancellable and non-cancellable operating leases for commercial and residential accommodation and vehicles. Lease payments charged during the year in the Income and Expenditure Account is Rs. 39,906,656 (previous year Rs. 41,251,999) and included in note 17, 18 and 19 to the financial statement. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods is as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Not later than one year	11,894,400	11,894,400
Later than one year and not later than five years	25,771,200	37,665,600
Later than five year	-	-

27. Earnings per share

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Excess of income over expenditure attributable to equity shareholders (Rs.)	38,200,674	45,342,914
Weighted average number of equity shares outstanding during the year	20	20
Nominal value per share (Rs.)	10	10
Basic (earnings) per share (Rs.)	1,910,034	2,267,146



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28. 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. 35,251,691 (previous year Rs. 24,852,433) pertaining to employers' contribution to provident fund is recognised as an expense and included in note 17, 18 and 19 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 2019	As at 31 March 2018
1	Present value of obligation as at the beginning of the year	33,500,120	27,154,267
2	Interest cost	2,371,808	2,047,432
3	Past service cost	-	-
4	Current service cost	15,173,806	10,407,026
5	Benefits paid	(85,17,321)	(9,286,991)
6	Actuarial loss on obligation	2,036,228	3,178,386
7	Present value of obligation as at the end of the year	44,564,641	33,500,120

(ii) Movement in fair value of plan assets

Particulars		As at 31 March 2019	As at 31 March 2018
1	Fair value of plan assets at the beginning of the year	2,663,744	2,474,449
2	Expected return on plan assets	207,772	197,956
3	Employer Contributions	-	-
4	Benefits paid	-	-
5	Actuarial gain / (loss) on plan assets	3,996	(8,661)
6	Fair value of plan assets at the end of the year	2,871,516	2,663,744

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

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
1	Actuarial loss for the year - obligation	(2,036,228)	(3,178,386)
2	Actuarial (gain) / loss for the year - plan assets	(3,996)	8,661
3	Total actuarial loss for the year recognised in the statement of income and expenditure.	2,032,232	3,187,047



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

(iv) Assets and liabilities recognized in the Balance Sheet

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
1	Present value of obligation as at the end of the year	44,564,641	33,500,120
2	Fair value of plan assets as at the end of the year.	2,871,516	2,663,744
3	Funded / (unfunded) status	(41,693,125)	(30,836,376)
4	Excess of actual over estimated	3,996	(8,661)
5	Unrecognised actuarial (gains) losses	-	-
6	Net assets / (liability) recognized in balance sheet	(41,693,125)	(30,836,376)

(v) Expenses recognised in the Statement of Income and Expenditure

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
1	Current service cost	15,173,806	10,407,026
2	Past service cost	-	-
3	Interest on obligation	2,371,808	2,047,432
4	Expected return on plan assets	(203,776)	(197,956)
5	Net actuarial loss recognized in the period.	2,032,232	3,187,047
6	Expense recognised in the Statement of Income and Expenditure*	19,374,070	15,443,549

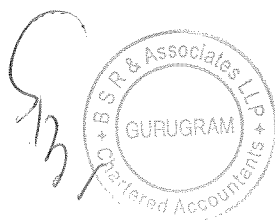
*Included in Note 17, 18 and 19 to the financial statement

(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 2019	As at 31 March 2018
1	Discounting rate (p.a)	7.66%	7.08%
2	Expected rate of return on plan assets (p.a)	7.80%	7.65%
3	Salary growth rate (p.a)	8.00%	8.00%



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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

B Demographic assumptions

Particulars		As at 31 March 2019	As at 31 March 2018
1	Retirement age	60 Years	60 Years
2	Mortality table	IALM (2006-08)	IALM (2006-08)
3	Ages	Withdrawal rate (%) (p.a)	Withdrawal rate (%) (p.a)
	Upto 30 Years	16.00/3.00	21.74
	From 31 to 44 Years	25.00/3.00	29.41
	Above 44 Years	49.00/1.00	30.00

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

(viii) Amounts recognised in current year:

Gratuity	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	44,564,641	33,500,120
Plan assets	2,871,516	2,663,744
Net asset/(liability)	(41,693,125)	(30,836,376)
Experience adjustment in plan liabilities loss	(2,876,636)	(2,640,572)
Experience adjustment in plan assets (loss)/ gain	3,996	(8,661)

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 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 favourable view. However, on the basis of abundant caution, during the year ended 31 March 2018, the Company had provided a penalty of Rs. 56,651,123 on the basis of applicable provisions related to such non-compliance, in the previous year financial statements and included the same under the head rates and taxes in Note no. 19 'Other administrative expenses'.



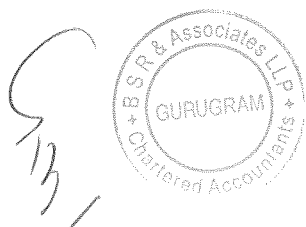
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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

31. The Company had changed its method of recovering its indirect cost in the previous year. The indirect cost were earlier recovered from donors on the basis of actual identified costs. During the previous year, the same were recovered by applying a fixed overhead rate negotiated with each donor separately. Accordingly, the Company had presented such costs in Note 19 as 'Other administrative costs'. Further, fund raising expenses were separately disclosed for better presentation of nature of expenses. Reclassification done is as shown below:

Note 17 Project expenses

Particulars	Amount (current year financial statements)	Amount (last year's signed financial statements)
Salary, wages and bonus	-	384,231,685
Contribution to provident fund	-	20,911,759
Gratuity	-	12,679,333
Staff welfare	-	5,744,783
Contract staff wages	-	523,048,378
Training and material expenses	-	174,892,071
Subgrants to partners	-	37,349,225
Rent	-	23,080,312
Repairs and maintenance:		
- Office equipment	-	3,137,357
- Building	-	3,377,147
- Computers	-	2,036,173
Communication expenses	-	27,092,494
Legal and professional fees	-	257,178,852
Travelling expenses	-	164,488,760
Insurance	-	3,216,670
Advertisement	-	3,090,995
Overhead cost	-	-
Office supplies	-	20,666,665
Printing and stationary	-	21,131,031
Bank charges	-	973,565
Fixed assets purchased	-	21,423,129
Other expenses	-	1,979,104
Total	-	1,711,729,488



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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

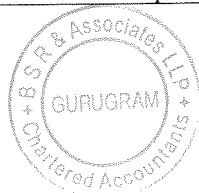
Note 18 Fund raising expenses

Particulars	Amount (current year financial statements)	Amount (last year's signed financial statements)
Salary, wages and bonus	-	22,372,408
Contribution to provident fund	-	1,388,301
Gratuity	-	495,718
Rent	-	2,969,570
Communication expenses	-	1,431,243
Legal and professional fees	-	8,013,699
Travelling expenses	-	1,288,433
Insurance	-	114,037
Repairs and maintenance:		
- Office equipment	-	19,999
- Building	-	227,601
- Computers	-	649,066
Training and material expenses	-	323,127
Advertisement	-	35,058
Office supplies	-	1,167,643
Bank charges	-	34
Other expenses	-	174,455
Fixed assets purchased	-	363,420
Contract staff wages	-	32,353,374
Printing and stationery	-	387,482
Total	-	73,774,668

Note 19 Other administrative expenses

Particulars	Amount (current year financial statements)	Amount (last year's signed financial statements)
Salary, wages and bonus	-	51,883,641
Contribution to provident fund	-	3,057,836
Gratuity	-	1,742,088
Rent	-	11,455,507
Membership Fees	-	5,775,000
Communication expenses	-	2,221,091
Legal and professional fees	-	25,493,004
Travelling expenses	-	7,302,095
Insurance	-	520,612
Repairs and maintenance:		
- Office equipment	-	1,942,077
- Building	-	3,460,180
- Computers	-	1,600,498
Training and material expenses	-	3,234,307

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Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

Particulars	Amount (current year financial statements)	Amount (last year's signed financial statements)
Advertisement	-	12,125
Office supplies	-	1,886,428
Bank charges	-	-
Other expenses	-	872,979
Fixed assets purchased	-	500,278
Contract staff wages	-	1,418,614
Printing and stationery	-	296,171
Overhead cost recovered	-	6,713,160
Interest on TDS/service Tax		
Total	-	131,387,691
Total of Project expenses, Fund raising expenses and Other administrative expenses	-	1,916,891,847

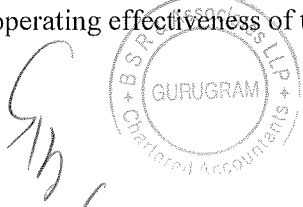
32. During the previous year ended 31 March 2018, the Company and one of its donor had received two separate complaints alleging certain irregularities in the procurement of goods and services. The Company along with the aforesaid donor conducted a detailed investigation over the matter with the help of an internal independent investigation team/ independent external agency.

One of the investigation concluded that documentary evidence and actions of certain procurement staff suggest an intent to favour certain vendors through manipulation of the process, deviation from the Company's policies and procedures and sound internal controls. The Company took action against staff identified for abovementioned lapses. The Company had also identified a potential excess payment of approximately Rs. 7,289,730 due to such lapses. This amount, had been appropriately charged off by the Company to 'Other expenses' under Note 19 of the financial statements.

Further, during the course of the above investigation, subsequent to the year end, another anonymous complaint is raised to one of the donor of the Company alleging irregularities in business conduct of a senior employee with certain vendors wherein the basis of single source selection and contract being awarded at higher prices was questioned. It also alleged favoritism and harassment of few employees by the same individual. The donor has got the first allegations investigated by an independent external agency and concluded that potential disallowed costs that resulted from this investigation was not be material.

Further, the donor and also the Company was of the same view that there was not any material liability on it on completion of full investigation and accordingly, the previous year's financial statements did not require any further adjustments.

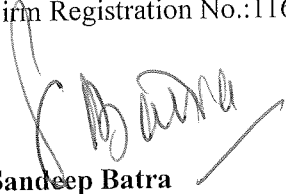
During the current year, basis the issues over financial reporting of procurement function, management has taken the structured steps including ensuring coverage of internal audit function over the year on various design and procedural elements of procurement function. The management also worked on refreshing the procurement function manual including policy guidelines, detailed functional steps, interlinkage with various departments, roles and responsibility, key controls identifications and turnaround time established. The manual is finalized and being rolled out effective 1 October 2019 with training workshops included in rollout and implementation will be rigorously monitored through the year. The management is ensuring that the various financial and non-financial reporting facets are strengthened while improving operating effectiveness of the procurement function both in state offices and HQ.



Care India Solutions For Sustainable Development
Notes to the financial statements for the year ending 31 March 2019

33. The Company has not recognised any additional past provident fund liability pursuant to a recent judgement dated 28 February 2019 by the Hon'ble Supreme Court pertaining to treatment of certain allowances as part of wages, as the applicability/impact is being ascertained and the date from which the judgment will be applicable is uncertain.
34. The Company is exempt from income tax under Section 12AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. Since, the Company is exempt from income tax, no deferred tax (asset or liability) is recognized in respect of timing differences.

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



Sandeep Batra
Partner
Membership No.: 093320

For and on behalf
Care India Solutions For Sustainable Development



Namrata Kaul
Director
DIN: 00994532



Neera Saggi
Director
DIN: 00501029



Manoj Gopalakrishna
Chief Executive Officer

Place: Noida
Date: 31 August 2019

Place: Noida
Date: 31 August 2019