

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CHARITIES AID FOUNDATION INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **Charities Aid Foundation India** ("the Trust"), which comprise the Balance Sheet as at 31 March, 2015 and the Income and Expenditure Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the preparation of these financial statements in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Trust dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31 March, 2015; and
- (b) in the case of the Income and Expenditure Account, of the surplus of income over expenditure for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 22 September, 2015

Charities Aid Foundation India
Balance Sheet as at 31 March, 2015

PARTICULARS	Schedule Ref.	As at 31.03.15 (₹)	As at 31.03.14 (₹)
<u>SOURCES OF FUNDS</u>			
Capital Fund	1	45,256,747	39,268,538
Corpus Fund	2	1,020,400	1,020,400
Capital Assets Fund	3	1,089,412	1,971,302
Institutional Development Fund	4	10,000,000	5,000,000
Unutilised Grants / Donations	5A	378,773,029	138,805,560
TOTAL		<u>436,139,588</u>	<u>186,065,800</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
a. Gross Block	6	8,369,376	5,033,035
b. Less: Accumulated Depreciation		<u>2,970,375</u>	<u>2,347,233</u>
c. Net Block		<u>5,399,001</u>	<u>2,685,802</u>
Current Assets, Loans and Advances			
Cash and Bank Balances	7	398,946,809	156,655,394
Loans and Advances	8	29,349,165	16,583,938
Current Investment	9	<u>13,650,799</u>	<u>31,638,255</u>
Total Current Assets		<u>441,946,773</u>	<u>204,877,587</u>
Less: Current Liabilities and Provisions	10	11,206,186	21,497,589
Net Current Assets		<u>430,740,587</u>	<u>183,379,998</u>
TOTAL		<u>436,139,588</u>	<u>186,065,800</u>
Notes forming part of the financial statements	13		

The above Schedules form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha

Alka Chadha
Partner



For and on behalf of
Charities Aid Foundation India

Arun Bharatram

Arun Bharatram
Chairman

Meenakshi Batra

Meenakshi Batra
Chief Executive



Place: Gurgaon
Date: 22 September, 2015

Place: New Delhi
Date: 22 September, 2015

**Charities Aid Foundation India
Income and Expenditure Account
For the year ended 31 March, 2015**

PARTICULARS	Schedule Ref.	Year ended 31.03.15 (₹)	Year ended 31.03.14 (₹)
INCOME			
Grants/Donations Received			
Specific Purpose Grant Income	5A	191,194,190	189,578,759
Other Income	11	17,216,637	10,785,794
		208,410,827	200,364,553
EXPENDITURE			
Grants/Donations Paid			
Specific Purpose Grant Expenditure	5B	169,924,252	172,845,571
Depreciation and Amortisation	6	1,282,675	1,109,362
Operating and Other Expenses	12	27,042,398	21,005,211
		198,249,325	194,960,144
Surplus		10,161,502	5,404,409
- Transfer to Capital Assets Fund		(826,707)	(858,183)
- Transfer to Institutional Development Fund		5,000,000	5,000,000
- Transfer to Capital Fund		5,988,209	1,262,592

Notes forming part of the financial statements

13

The above Schedules form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner



For and on behalf of
Charities Aid Foundation India

Arun Bharatram
Chairman

Meenakshi Batra
Chief Executive



Place: Gurgaon
Date: 22 September, 2015

Place: New Delhi
Date: 22 September, 2015

Charities Aid Foundation India
Schedules forming part of the financial statement

	<u>As at 31.03.15 (₹)</u>	<u>As at 31.03.14 (₹)</u>
SCHEDULE 1		
Capital fund		
Opening Balance	39,268,538	38,005,946
Add: Balance Transferred from Income and Expenditure Account	<u>5,988,209</u>	<u>1,262,592</u>
	<u>45,256,747</u>	<u>39,268,538</u>

SCHEDULE 2

Corpus fund

Opening Balance	<u>1,020,400</u>	<u>1,020,400</u>
	<u>1,020,400</u>	<u>1,020,400</u>

SCHEDULE 3

Capital Assets fund

Opening Balance	1,971,302	2,769,485
Add: Fixed Assets purchased out of specific grants	40,000	60,000
Less: Deletion of Fixed Assets	(95,183)	-
Less: Depreciation transferred from Income and Expenditure Account	(826,707)	(858,183)
	<u>1,089,412</u>	<u>1,971,302</u>

SCHEDULE 4

Institutional development fund

Opening Balance	5,000,000	-
Add: Balance transferred from Income and Expenditure Account	<u>5,000,000</u>	<u>5,000,000</u>
	<u>10,000,000</u>	<u>5,000,000</u>



Charities Aid Foundation India
Schedules forming part of the financial statement

SCHEDULE 5 A

Unutilised grants / Donations

	(All amounts in (₹))				
	As at 01.04.14	Contributions	Transfer to Income and Expenditure Account (Income)	Transfer to Capital Assets Fund	As at 31.03.15 As at 31.03.14
GRANTS					
Grants from Foundations	11,220,520	17,015,159	14,511,395	-	13,724,284
Grants from Companies	86,467,487	260,343,398 *	32,447,516	40,000	314,323,369
GAYE Program	31,929,256	120,540,464	131,694,779	-	20,774,941
Individual Giving	3,346,837	8,691,390	6,167,807	-	5,870,420
Appeals	5,232,548	23,642,805	6,146,153	-	22,729,200
NGO Capacity Building Fund	608,912	174,658 *	186,540	-	597,030
Awareness & Advocacy fund	-	753,785	-	-	753,785
Total	138,805,560	431,161,659	191,154,190	40,000	378,773,029
Previous Year	104,742,577	223,641,742	189,518,759	60,000	138,805,560
					104,742,577

* Includes interest



Charities Aid Foundation India
Schedules forming part of the financial statement

SCHEDULE 5 B

Expenditure

(All amounts in (₹))		
Transferred to Income and Expenditure Account		
(Expenses)		
	Year ended 31.03.15	Year ended 31.03.14
GRANTS		
Disbursal out of :		
Grants from Foundations	11,915,665	23,518,566
Grants from Companies	26,049,753	22,958,920
GAYE Program	121,286,618	122,792,826
Individual Giving	5,169,706	336,531
Appeals	5,315,970	3,207,309
NGO Capacity Building Fund	186,540	31,419
Total	169,924,252	172,845,571



Charities Aid Foundation India
Schedules forming part of the financial statement

SCHEDULE 6

Fixed Assets (At Cost)

PARTICULARS	Gross Block			Depreciation and Amortisation		(All amounts in ₹)	
	As at 1.04.14	Additions	Deletions / Adjustments	As at 1.04.14	For the year (See note i)	As at 31.03.15	As at 31.03.14
a. Office Equipment (see note ii and vi)	1,145,351	52,066	25,915	481,712	239,080	476,625	663,639
b. Leasehold improvement (see note iii)	895,046	1,877,534	895,046	302,405	300,496	1,875,356	592,641
c. Computers (see note iv and vi)	1,923,149	889,341	7,170	1,136,640	528,500	1,147,350	786,509
d. Furniture and Fixtures (see note v and vi)	1,069,489	1,471,256	25,725	426,476	214,599	1,899,670	643,013
Grand Total	5,033,035	4,290,197	953,856	2,347,233	1,282,675	5,399,001	2,685,802
Previous Year	4,629,788	418,036	14,789	1,252,660	1,109,362	2,685,802	3,377,128

Notes

- (i) Includes ₹ 826,707 (Previous year ₹ 853,183) pertaining to fixed assets purchased out of Charities Aid Foundation, UK funds and Specific grants.
- (ii) Includes increase of ₹ nil (upto Previous Year ₹ nil) in Gross Block, increase of ₹ 220,489 (upto Previous Year ₹ 243,803) in Accumulated Depreciation and ₹ 384,689 (upto Previous Year ₹ 605,178) in Net Block pertaining to Equipment purchased out of Charities Aid Foundation, U K Funds
- (iii) Includes increase of ₹ nil (upto Previous Year ₹ nil) in Gross Block, increase of ₹ 96,475 (upto Previous Year ₹ 96,475) in Accumulated Depreciation and ₹ nil (upto Previous Year ₹ 191,658) in Net Block pertaining to Leasehold improvement purchased out of Charities Aid Foundation, U K Funds
- (iv) Includes increase of ₹ 40,000 (upto Previous Year ₹ 60,000) in Gross Block, increase of ₹ 304,707 (upto Previous Year ₹ 312,868) in Accumulated Depreciation and ₹ 297,459 (upto Previous Year ₹ 562,166) in Net Block pertaining to Computers purchased out of Charities Aid Foundation, U K Funds and specific grants.
- (v) Includes increase of ₹ nil (upto Previous Year ₹ nil) in Gross Block, increase of ₹ 205,036 (upto Previous Year ₹ 205,037) in Accumulated Depreciation and ₹ 407,264 (upto Previous Year ₹ 612,300) in Net Block pertaining to Furniture and Fixtures purchased out of Charities Aid Foundation, U K Funds
- (vi) Donated Assets are capitalised at nominal value.



Charities Aid Foundation India
Schedules forming part of the financial statement

	As at 31.03.15 (₹)	As at 31.03.14 (₹)
SCHEDULE 7		
Cash and Bank balances		
a. Cash in hand	115,764	23,375
b. Balances with scheduled banks		
- Saving accounts	14,269,307	5,675,000
- Fixed deposits	384,561,738	150,957,019
	398,946,809	156,655,394

SCHEDULE 8

Loans and Advances

a. Advances recoverable in cash or in kind or for value to be received	2,430,868	651,445
b. Interest accrued but not due	7,627,361	3,534,746
c. Tax deducted at source (TDS)	2,251,485	789,208
d. Grant/Donations receivable	15,783,922	11,223,539
e. Security deposits	1,255,529	385,000
	29,349,165	16,583,938



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Charities Aid Foundation India
Schedules forming part of the financial statement

SCHEDULE - 9

Current Investments

(At lower of cost or fair value, unless otherwise stated)

Particulars	As at 31.03.15		As at 31.03.14	
	Unquoted		Unquoted	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Investments in Mutual Funds				
Kotak Banking and PSU Debt Fund- Growth	-	-	115,710	3,237,832
Reliance Liquid fund - Cash Plan Growth option	6,210	13,650,799	14,126	28,400,423
Total		13,650,799		31,638,255



Charities Aid Foundation India
Schedules forming part of the financial statement

	As at 31.03.15 (₹)	As at 31.03.14 (₹)
SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
a. Sundry creditors and payables	8,400,835	19,925,424
b. Other liabilities	1,509,884	619,978
	<u>9,910,719</u>	<u>20,545,402</u>
Provisions		
a. Provision for gratuity	326,630	239,502
b. Provision for compensated leave absences	968,837	712,685
	<u>1,295,467</u>	<u>952,187</u>
	<u>11,206,186</u>	<u>21,497,589</u>



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Charities Aid Foundation India
Schedules forming part of the financial statement

	Year ended 31.03.15 (₹)	Year ended 31.03.14 (₹)
SCHEDULE 11		
Other Income		
a. Interest on fixed deposits and saving accounts (including TDS ₹ 1,302,089 Previous Year ₹ 567,281) Less: Transferred to grants (Refer schedule 5A)	15,998,452 <u>(3,059,859)</u>	12,454,001 <u>(3,423,256)</u>
b. Gain on sale of mutual funds	12,938,593 1,318,231	9,030,745 688,254
c. Net gain on foreign currency transaction and translation	2,536,624	1,064,253
d. Other income	423,189	2,542
	<u>17,216,637</u>	<u>10,785,794</u>

SCHEDULE 12

Operating and Other Expenses

a. Operating expenses in excess of grant received	26,843,258	20,940,459
b. Other expenses	199,140	64,752
	<u>27,042,398</u>	<u>21,005,211</u>



Charities Aid Foundation India
Schedule forming part of the financial statements

SCHEDULE – 13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Background

Charities Aid Foundation, India ("CAF India"/ "the Trust") was set up in New Delhi in 1998 as an independent Trust. The India operation was set up to further the mission of CAF i.e. to raise resources for the non profit sector and build the capacity of the sector worldwide. CAF India is a part of the CAF International Network and raises resources from individuals, foundations and companies, for charitable purposes.

2. Significant Accounting Policies

2.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

The Trust follows the mercantile basis of accounting and recognises all income, expenses, assets and liabilities on the accrual basis.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates.

2.3 Fixed Assets and depreciation

All fixed assets are stated at cost. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Assets purchased out of Charities Aid Foundation, UK funds / specific grants are capitalised and an equal amount is transferred out of such funds to the Capital Assets Fund. Accordingly, deletions of such fixed assets are also adjusted from the Capital Assets Fund.

Assets received as donations are capitalised at nominal value.

Depreciation on fixed assets has been provided on the Straight line method at rates based on the management estimate of the useful lives of the assets, as follows:

Depreciation	Depreciation Per annum (%)
Office Equipment	25.00
Computers	33.33
Furniture and Fixtures	25.00



Charities Aid Foundation India
Schedule forming part of the financial statements

Leasehold Improvements is amortised over the remaining duration of the lease

Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase. Depreciation of fixed assets purchased out of CAF UK funds / specific grants is debited to the Capital Assets Fund through the Income and Expenditure Account.

2.4 Current Investments:

Current investments are carried individually, at lower of cost or fair value.

2.5 Accounting for grants/donations

Donations/grants received for specific expenditures pursuant to agreements entered into with donors are considered as a liability (Unutilised Grants) until these funds have been utilised. Funds are treated as utilised on the disbursement of funds including to partner NGO's.

Revenue in respect of specific purpose grants is recognised to the extent the amount has been utilised for the purposes intended. The unspent balance of the grant is carried forward.

The trust retains a certain portion of the funds raised to meet its grant- making and monitoring costs which is recognised as part of grant income at the time of disbursement of funds/credit to the grantee.

2.6 Interest Income

Interest income is recognised on a time proportionate basis.

2.7 Foreign Exchange Transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Income and Expenditure Account. Foreign currency assets and liabilities denominated in foreign currencies, at the year end are translated into rupees at the year end rates and resultant gains/losses on foreign exchange translations are recognised in the Income and Expenditure Account.

2.8 Employee benefits

i. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries and wages.

ii. Employment benefit plans

a. Defined Contribution Plan

The Trust's contribution to the employees' provident fund is a defined contribution plan and is charged as expense to the Income and Expenditure



Charities Aid Foundation India
Schedule forming part of the financial statements

Account during the period in which the employee renders the related services. The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 became applicable to the Trust w.e.f 1 April 2011, upon voluntary registration with the Employees Provident Fund Organisation.

b. Defined Benefit Plan

- The Trust's gratuity scheme is a defined benefit plan. The Trust has taken a group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity. The Trust has a policy of payment of gratuity to staff as per the limits specified in Income Tax Act, 1961. The gratuity payable as per the limits specified in Income Tax Act, 1961 is charged to revenue, which is inclusive of premium paid to LIC.
- Benefits comprising compensated leave absences constitute other long term employee benefits. The liability for compensated leave absences is provided on an accrual basis within the contractual period, in accordance with the rules in respect thereof.

2.9 Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

2.10 Provisions and contingencies

A provision is recognised when the Trust has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.11 Impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment in an asset occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets net sales price or present value as determined above.

3. Income Tax

The Trust is exempt from income tax under Section 12AA of the Income Tax Act, 1961. Donations received by the Trust qualify for deduction under Section 80G of the Income Tax Act, 1961 in terms of approvals received vide Order No. DIT(E) 2009-2010/C-536/408 dated 29/05/2009 read together with Letter No. DIT(E) 2012-2013/1064 dated 30/08/2012.



Charities Aid Foundation India
Schedule forming part of the financial statements

4. Institutional Development Fund

Institutional Development fund had been set up during the previous year by appropriating ₹5,000,000 from the surplus of the year's Income and Expenditure Account towards expenditure on infrastructure/ activities as may be specified. Current year's appropriation aggregates to ₹5,000,000.

5. Contingent Liability

Particulars	Year ended 31.03.15 ₹	Year ended 31.03.14 ₹
Claims not acknowledge as debts*		
- Others	18,304,882	18,304,882

* Management is of the view that the above claim is not tenable and had accordingly made no provision in the financial statements.

6. Defined contribution plan

The Trust recognised ₹1,770,244 (Previous year ₹ 1,439,218) during the year for provident fund contributions as expense in the Income and Expenditure Account.

7. Leases

The Trust has taken office premises and furniture and fixtures on operating lease and has recognised rent of ₹ 12,97,713 (previous year ₹ 840,145) in the Income and Expenditure Account during the year pertaining to cancellable and non-cancellable lease agreements respectively. The total of future minimum lease payments under non-cancellable operating lease for the following period is:

Particulars	Year ended 31.03.15 ₹	Year ended 31.03.14 ₹
a. Not later than 1 year	43,11,258	860,003
b. Later than 1 year but not later than 5 years	72,40,323	631,800
Total	<u>1,15,51,581</u>	<u>1,491,803</u>

8. Payments to Auditor's *

Audit fee	525,000	475,000
Out of pocket expenses	33,205	30,914
Total	<u>558,205</u>	<u>505,914</u>

* Exclusive of Service Tax



Charities Aid Foundation India
Schedule forming part of the financial statements

	Year ended 31.03.15 ₹	Year ended 31.03.14 ₹
9. Grants/Donations received from CAF, UK		
Grants/Donations received/receivable during the year	12,455,234	11,546,618
Reimbursement of expense (paid)	385,072	249,297
Reimbursement of expense (received)	389,388	425,336
Recoverable as at the year-end	139,531	143,847

10. Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED).


Based on the information available with the Trust, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

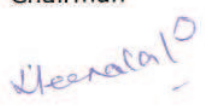
11. The Trust is complying with the Accounting Standards, applicable to a Level III Entity-Small and Medium Sized Enterprise (SME), as notified in the announcement made by ICAI which is effective for all accounting periods commencing on or after 1 April, 2004. Accordingly, the Trust is not required to present the Related Party Disclosures, Cash Flow Statement, Segment reporting and Discontinuing Operations disclosures as required under the relevant Accounting Standards. Further, the Trust is not required to disclose information required by Paragraph 67 of Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets, and Paragraph 117 to 123 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefit plans. The Trust has availed an exemption in respect of the recognition and measurement principles laid down in Paragraph 50 to 116 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefit plans.

12. Previous year figures have been presented for the purpose of comparison and have been regrouped wherever necessary.

For and on behalf of
Charities Aid Foundation India




Arun Bharatram
Chairman


Meenakshi Batra
Chief Executive



Place : New Delhi
Date : 22 September, 2015