

B S R & Company

Chartered Accountants

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Gurgaon - 122 002 (India)

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Independent Auditors' Report

To the Members of Management Committee of ActionAid Association

Report on Financial Statements

We have audited the accompanying financial statements of ActionAid Association ('the Society') which comprise the Balance Sheet as at 31 March 2014 and the Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Society in accordance with the Accounting Standards issued by Institute of Chartered Accountants of 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.

Auditor's Responsibility

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

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

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



BSR & Company

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Society as at 31 March 2014; and
- (ii) in the case of the Statement of Income and Expenditure, excess of income over expenditure of the Society for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We further report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Society so far as appears from our examination of those books; and
- (iii) the Balance Sheet, the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.

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



Sandeep Batra
Partner

Membership No.: 093320

Place: Gurgaon

Date: 26 September 2014

ActionAid Association

Balance Sheet

(All amounts are in Indian Rupees)

Schedule	As at 31 March 2014			As at 31 March 2013		
	FC	NFC	Total	FC	NFC	Total
Sources of fund						
Capital reserve	2,788,232	84,767	2,872,999	35,000	77,836	112,836
General fund	3,948,219	13,006,191	16,954,410	2,713,246	12,809,225	15,522,471
Restricted fund						
-Regular Givings	1,017,867	(0)	1,017,867	66,000	2,525,472	2,591,472
-Institutional Donors	73,429,315	3,329,942	76,759,257	31,535,689	212,280	31,747,969
	81,183,633	16,420,900	97,604,533	34,349,935	15,624,813	49,974,748
Application of fund						
Fixed assets						
Gross block	3,245,837	263,596	3,509,433	50,000	242,596	292,596
Less: Accumulated depreciation	457,605	178,831	636,436	15,000	164,760	179,760
Net block	2,788,232	84,765	2,872,997	35,000	77,836	112,836
Current assets, loans and advances						
Cash and bank balances	68,076,506	15,386,017	83,462,523	34,160,554	16,269,580	50,430,134
Loans and advances	20,852,770	1,004,321	21,857,091	182,552	113,330	295,882
	88,929,276	16,390,338	105,319,614	34,343,106	16,382,910	50,726,016
Less: Current liabilities						
Current liabilities	10,533,876	54,203	10,588,079	28,171	835,933	864,104
Net current assets	78,395,400	16,336,135	94,731,535	34,314,935	15,546,977	49,861,912
	81,183,632	16,420,900	97,604,531	34,349,935	15,624,813	49,974,748
Significant accounting policies						
10						

The accompanying schedules form an integral part of the financial statements

As per our report of even date attached

For **B S R & Company**

Chartered Accountants

Firm Registration No.: 128032W

S. Batra
Sandeep Batra
 Partner

Membership No.: 093320

Place: Gurgaon

Date: 26 September 2014

For and on behalf of ActionAid Association



S. Chandra
Sandeep Chandra
 Secretary

Place: New Delhi

Date: 26 September 2014

ActionAid Association
Statement of Income and Expenditure
(All amounts are in Indian Rupees)

Schedule	Year ended 31 March 2014		Year ended 31 March 2013	
	FC	NFC	FC	NFC
Income				
Donations received for specific purpose	198,791,163	63,698,784	14,503,421	41,671,001
Interest income	1,661,259	703,768	2,414,326	897,777
Income-transferred from Restricted Funds-Regular Giving	-	-	-	9,387,331
General donation	12,383	794,660	357,909	520,166
Other income	3,936	-	-	-
	200,468,741	65,197,212	17,275,656	52,476,275
				69,751,931
Expenditure				
Programme expenses - sub grant	134,557,548	55,023,037	13,266,214	41,098,957
Programme expenses - internal programme	13,989,586	5,184,103	1,237,207	2,123,644
Administrative and other expenses	22,393,719	3,491,644	58,989	4,164,817
Personnel Expenses	27,850,310	-	-	-
Depreciation	442,605	14,071	456,676	-
	199,233,768	63,712,855	14,562,410	47,387,418
				61,949,828
(A) - (B)	1,234,973	1,484,357	2,713,246	5,088,857
				7,802,103

Excess of income over expenditure transferred to general fund

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Significant accounting policies

The accompanying notes form an integral part of the financial statements

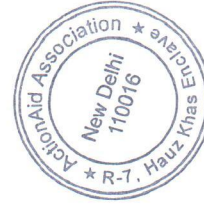
As per our report of even date attached

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

Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon
Date: 26 September 2014

For and on behalf of ActionAid Association



Sandeep Chachra
Secretary

Place: New Delhi
Date: 26 September 2014

ActionAid Association
Schedules to the financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees)

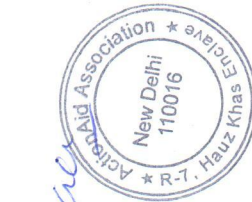
	As at 31 March 2014		Total	As at 31 March 2013		Total
	FC	NFC		FC	NFC	
Schedule 1: Capital reserve						
Opening balance	35,000	77,836	112,836	-	184,883	184,883
Add:						
-Transferred from restricted fund - regular giving	3,028,237	-	3,028,237	-	-	-
-Transferred from restricted fund - institutional donors	167,600	21,000	188,600	50,000	-	50,000
	3,220,837	98,836	3,329,673	50,000	184,883	234,883
Less:						
-Depreciation for the year	442,605	14,071	456,676	15,000	17,244	32,244
-Loss on assets	-	-	-	-	89,803	89,803
	2,788,232	84,765	2,872,997	35,000	77,836	112,836
Schedule 2: General fund						
Opening balance	2,713,246	12,809,225	15,522,471	-	7,720,368	7,720,368
Add:						
-Transferred from statement of income and expenditure	1,234,973	1,484,357	2,719,330	2,713,246	5,088,857	7,802,103
	3,948,219	14,293,582	18,241,801	2,713,246	12,809,225	15,522,471
Less:						
-Transfer to Restricted Fund- Regular Givings	-	1,287,392	1,287,392	-	-	-
-Transfer to statement of income and expenditure	-	-	-	-	-	-
	3,948,219	13,006,190	16,954,410	2,713,246	12,809,225	15,522,471
Schedule 3: Restricted fund - Regular Givings						
Opening balance	66,000	2,525,472	2,591,472	-	5,356,814	5,356,814
Add:						
-Depreciation for the year	442,605	14,071	456,676	-	-	-
-Transfer from General Fund	-	1,287,392	1,287,392	-	-	-
-Funds received during the year	125,175,932	34,709,193	159,885,125	66,000	31,291,102	31,357,102
	125,684,537	38,536,128	164,220,665	66,000	36,647,916	36,713,916
Less:						
-Grants disbursed during the year	70,281,093	34,598,284	104,879,377	-	24,735,113	24,735,113
-Transfer to income and expenditure account	-	-	-	-	9,387,331	9,387,331
-Administrative and personnel expenses	50,244,029	3,491,644	53,735,673	-	-	-
-Expenditure on project	1,113,311	425,200	1,538,511	-	-	-
-Transferred to capital reserve	3,028,237	21,000	3,049,237	-	-	-
	1,017,867	(0)	1,017,867	66,000	2,525,472	2,591,472



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ActionAid Association
Schedules to the financial statements for the year ended 31 March 2014
 (All amounts are in Indian Rupees)

	As at 31 March 2014			As at 31 March 2013		
	FC	NFC	Total	FC	NFC	Total
Schedule 4: Restricted fund - Institutional Donors						
Opening balance	31,535,689	212,280	31,747,969	46,053,800	7,292,230	53,346,030
Add:						
-Funds received during the year	119,213,957	28,301,318	147,515,275	35,310	9,855,938	9,891,248
	150,749,646	28,513,598	179,263,244	46,089,110	17,148,168	63,237,278
Less:						
-Grants disbursed during the year	64,276,455	20,424,753	84,701,208	13,266,214	14,812,244	28,078,458
-Expenditure on project	12,876,276	4,758,903	17,635,178	1,237,207	2,123,644	3,360,851
-Transferred to capital reserve	167,600	-	167,600	50,000	-	50,000
	73,429,315	3,329,942	76,759,257	31,535,689	212,280	31,747,969



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees)

Schedule 5 : Fixed assets

NON FOREIGN CONTRIBUTION (NFC)

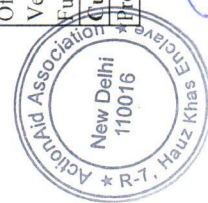
Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2013	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2014	As at 1 April 2013	For the year	As at 31 March 2014	As at 31 March 2013
Tangible assets								
Computers	89,609	-	-	89,609	87,578	1,219	88,797	2,031
Office equipment	149,500	-	-	149,500	75,583	11,088	86,671	73,917
Vehicles	-	21,000	-	21,000	-	1,575	19,425	-
Furniture and fixtures	3,487	-	-	3,487	1,599	189	1,788	1,888
Current year	242,596	21,000	-	263,596	164,760	14,071	178,831	77,836
Previous year	622,421	-	379,825	242,596	437,538	17,244	164,760	-

FOREIGN CONTRIBUTION (FC)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2013	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2014	As at 1 April 2013	For the year	As at 31 March 2014	As at 31 March 2013
Tangible assets								
Computers	50,000	797,521	-	847,521	15,000	260,256	572,265	35,000
Office equipment	-	230,866	-	230,866	-	19,790	211,076	-
Vehicles	-	2,167,450	-	2,167,450	-	162,559	2,004,891	-
Furniture and fixtures	-	-	-	-	-	-	-	-
Current year	50,000	3,195,837	-	3,245,837	15,000	442,605	457,605	35,000
Previous year	-	50,000	-	50,000	-	15,000	2,788,232	35,000

TOTAL

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2013	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2014	As at 1 April 2013	For the year	As at 31 March 2014	As at 31 March 2013
Tangible assets								
Computers	139,609	797,521	-	937,130	102,578	261,475	364,053	37,031
Office equipment	149,500	230,866	-	380,366	75,583	30,878	106,461	73,917
Vehicles	-	2,188,450	-	2,188,450	-	164,134	164,134	-
Furniture and fixtures	3,487	-	-	3,487	1,599	189	1,788	1,888
Current year	292,596	3,216,837	-	3,509,433	179,760	456,676	636,436	112,836
Previous year	622,421	50,000	379,825	292,596	437,538	32,244	179,760	-



Action Aid Association
Schedules to the financial statements for the year ended 31 March 2014
(All amounts are in Indian Rupees)

	As at 31 March 2014		As at 31 March 2013	
	FC	NFC	FC	NFC

Total

Schedule 6: Current assets, loans and advances

Cash and bank balances

Cash in hand	259,533	271	259,804	602	5,070	5,672
Balances with scheduled banks						
- in saving accounts	67,816,973	15,385,746	83,202,719	13,860,260	16,264,510	30,124,770
- in fixed deposit	-	-	-	20,299,692	-	20,299,692
	68,076,506	15,386,017	83,462,523	34,160,554	16,269,580	50,430,134

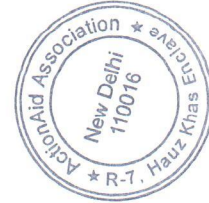
Loans and advances

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	3,165,464	852,027	4,017,491	-	330	330
Advance income tax	273,218	6,000	279,218	182,552	6,000	188,552
Advances to employees	1,971,174	46,294	2,017,468	-	-	-
Security deposits	3,269,650	100,000	3,369,650	-	107,000	107,000
Gratuity provision-excess of fund value against actuarial valuation	12,173,264	-	12,173,264	-	-	-
	20,852,770	1,004,321	21,857,091	182,552	113,330	295,882

Schedule 7: Current liabilities

Sundry creditors	2,437,322	39,034	2,476,356	23,371	780,474	803,845
Other liabilities	3,286,399	7,193	3,293,592	4,800	55,459	60,259
Employee Related payables	1,514,018	7,976	1,521,994	-	-	-
Provisions for Employee Benefits	3,296,137	-	3,296,137	-	-	-
	10,533,876	54,203	10,588,079	28,171	835,933	864,104



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2014
(All amount are in Rupees)

Schedule 8: Administrative and other expenses

	For the year ended 31 March 2014			For the year ended 31 March 2013		
	FC	NFC	Total	FC	NFC	Total
Consultancy expenses	2,024,231	2,776,474	4,800,705	57,268	1,844,595	1,901,863
Event expenses	302,371	96,567	398,938	-	324,744	324,744
Rent	3,834,243	40,000	3,874,243	-	60,000	60,000
Travelling and conveyance	6,161,584	-	6,161,584	-	-	-
Documentation and research	28,279	-	28,279	-	1,494	1,494
Telephone and email charges	1,152,796	4,840	1,157,636	1,299	9,947	11,246
Repairs and maintenance	998,390	7,219	1,005,609	-	507	507
Electricity and water charges	476,789	-	476,789	-	-	-
Bank charges	42,048	510,858	552,906	230	265,388	265,618
Auditors' remuneration:						
-audit fees	98,440	(45,134)	53,306	-	135,908	135,908
Printing and stationery	363,257	67,750	431,007	-	640,724	640,724
Software expenses	497,029	18,000	515,029	-	880,925	880,925
Postage and courier	1,624,164	-	1,624,164	-	-	-
Training and workshops	2,527,386	-	2,527,386	-	-	-
Computer maintenance expenses	375,625	-	375,625	-	-	-
Rates & taxes	80,714	70	80,784	192	585	777
Awareness and dissemination	1,114,615	-	1,114,615	-	-	-
Books and periodicals	59,933	15,000	74,933	-	-	-
Staff recruitment expenses	154,526	-	154,526	-	-	-
Vehicle running expenses	477,299	-	477,299	-	-	-
	22,393,719	3,491,644	25,885,363	58,989	4,164,817	4,223,806



ActionAid Association
Schedules to the financial statements for the year ended 31 March 2014
 (All amount are in Rupees)

	For the year ended 31 March 2014			For the year ended 31 March 2013		
	FC	NFC	Total	FC	NFC	Total
Salaries and wages	37,246,092	-	37,246,092	-	-	-
Contribution to provident fund	2,305,615	-	2,305,615	-	-	-
Contribution for other funds	(12,190,690)	-	(12,190,690)	-	-	-
Staff welfare expenses	489,293	-	489,293	-	-	-
	27,850,310	-	27,850,310	-	-	-

Schedule 9: Personnel expenses

Salaries and wages
 Contribution to provident fund
 Contribution for other funds
 Staff welfare expenses



ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

Schedule 10: Significant accounting policies and notes to the accounts

1. Background

ActionAid Association ('AAA'/the Society) is registered under the Societies Registration Act, 1860 vide registration certificate number S-56828 dated 5th October 2006.

The Society has been granted an exemption under Section 12A of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25th April 2008. The Society has also obtained exemption u/s 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT(E) 2011-12/A-2513/5744 dated 29th March 2012 for the period from 1 April 2012 to till it is rescinded.

The Society receives funds for charitable purpose in India. The Society aims to deepen our understanding of peoples' ability for progressive expressions and solidarities within the context of widespread social and ecological injustices, economic, political and cultural dispossession and feminization of dispossession.

2. Significant accounting policies

(a) Accounting convention

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ('GAAP') in India, and practices prevailing in India as applied consistently by AAA.

(b) Going concern

These accounts have been prepared on a going concern basis i.e. the assets and liabilities are recorded on the basis that the Society will be able to realise its assets and discharge its liabilities in the normal course of the business.

(c) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets etc. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(d) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realized gain and losses on foreign currency transactions during the year are recognized in the Statement of Income and Expenditure. Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at year end rates and resultant gains/ losses on foreign currency translation are recognized in the Income and Expenditure account.



ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

(e) Grants and disbursements

Remittances received from donors are disclosed under restricted funds- regular givings and restricted funds- institutional donors. Disbursements made to other non-governmental organizations out of the restricted funds are netted off from the restricted funds and included in the statement of income and expenditure as 'donation received for specific purpose to the extent expenditure incurred and 'programme expenses (Sub grant)'. Welfare programmes carried out by the Society are accounted as 'donation received for specific purpose to the extent expenditure incurred and 'programme expenses – internal programme in the statement of income and expenditure.

(f) Fixed assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided on written down value method as per Income Tax Act, 1961 at the following rates:-

Asset	Rate (in %) Per annum
Computers	60
Office equipment	15
Vehicles	15
Furniture and fixtures	10

The above rates and methods of depreciation are also in line with the estimated useful lives, as determined by the management.

The appropriateness of depreciation rate and depreciation method is reviewed by the management in each financial year.

(g) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Provisions, contingent liabilities and contingent assets

A provision is created when there is 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



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ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(i) Funds

Capital Reserve:- Capital Reserve represents capital assets purchased out of restricted fund and is represented by the net book value of such funded fixed assets.

General fund:- The Society also receives General Fund which are unrestricted in nature. The excess of income over expenditure during the year, being general purpose in nature is carried forward for use in future period.

Restricted fund (Regular Givings):- Restricted funds- regular givings are grants received for child sponsorship programme from various individual donors as linked committed giving largely allocated to Child's Development area.

Restricted fund (Institutional Donors):- Restricted funds- institutional donors are grants received from various funding agencies to carry out specific activities. These are held in Society until used for the purpose specified against them. At the end of the agreement, the unutilized restricted fund is returned to the respective donor. In case the unutilized amount is not required to be returned to the respective donor, the same is transferred to statement of income and expenditure in the relevant year in which the project is completed.

(j) Leases

Lease payment under an operating lease is recognized as expenditure in the statement of income and expenditure on a straight line basis over the lease term.

(k) Employee Benefit

Benefits such as salaries, etc., are recognized in the statement of income and expenditure in the period in which the employee renders the related service.

Defined contribution plan: The AAA's employee provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Income and Expenditure in the year when the employee renders the related service. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans:

Gratuity plan

The AAA's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined annually based on an actuarial valuation carried out by an independent actuary for the plan using the Projected Unit Credit Method, which recognizes each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for



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ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Compensated absences plan

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 using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure.

(l) Revenue recognition

(a) Interest income on deposit is recognized on time proportionate basis based on interest rates implicit in the transaction.

(b) Interest on Savings bank account is recognized on cash basis.

(m) Expenditure

The Society implements its programmes for strengthening training, research and policy development in the area of eradication of poverty through projects conducted by itself or by other local non-governmental organizations to which it disburses grants. Accordingly, expenditure incurred by the Society during the year to monitor such non-governmental organizations and implement their internal projects is charged to Statement of Income and Expenditure.

3. Employee Benefit Obligations:

Provident fund has been recognized as an expense in respect of the AAA's contribution for Provident Fund deposited with the government authorities and has been shown under personnel expenses in the Statement of Income and Expenditure.

Gratuity plan: The AAA operates a gratuity plan wherein every regular and contractual employees (with fixed term of three years and above) and who has completed three years of service, is eligible for gratuity as per the group gratuity scheme of the Life Insurance Corporation. The plan allows one month's basic salary per year of service (after a minimum of three years service) to be paid. In addition, in case of death in service, the legal heir / heiress or the nominee of the staff as the case may be, is eligible to receive gratuity for the balance potential service up to the normal retirement age.

Compensated absences plan: The AAA operates a compensated absences (leave encashment) plan wherein every employee shall be entitled to leave of 30 days per completed year of service. A minimum of total 20 days of leave is compulsorily availed in each calendar year, failing which the same is treated as having lapsed. The salary for calculation of earned leave is last drawn basic salary. Leave can be encashed up to a maximum of 30 days only at the time of superannuation, resignation or death of the employee while in service.

Principal actuarial assumptions in respect of provision for gratuity and compensated absences at the balance sheet date are as follows:



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ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

Economic assumptions	As at 31st March 2014	As at 31st March 2013
Discount rate	9.12%	8.0%
Expected rate of salary increase	7%	7%
Expected rate of return on plan assets	0%	0%
Demographic assumptions		
Retirement age	58 Years	58 Years
Mortality table	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table
Attrition rate	5%	5%

4. Expenditure in foreign currency:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Travelling	390,879	NIL

5. Related Parties

- (a) Related party and nature of the relationship where control exists, irrespective of whether or Not there have been transactions between the related parties:

Name of the Party	Relationship
Action Aid India- Branch	Associate
Action Aid India- Karnataka Project	Employees of ActionAid Association are on the Board

- (b) Related party and nature of the relationship with which transactions have taken place during the year:

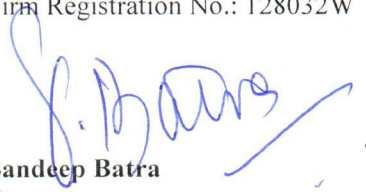


ActionAid Association
Schedules forming parts of the financial statements
(All amount are in rupees)

Name of the Party	Relationship	Nature of transaction	Amount for the period 1 Apr 2013 to 31 Mar 2014	Amount for the period 1 Apr 2012 to 31 Mar 2013
Action Aid India Branch	Associate	Transfer of Leave Encashment Balance	3,130,486	-
Action Aid India Branch	Associate	Transfer of Gratuity Provision	265,437	-
Action Aid Karnataka Project	Employees of ActionAid Association are on the board of AAKP	Printing charges for fundraising unit	3,430	495,835


6. The Society is classified as Small and Medium Sized Enterprise (SME) of Level – III entity for the purposes of applicability of Accounting Standards as defined by the Council of the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards as applicable to a Small and Medium Sized Enterprise.

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


Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon
Date: 26 September 2014

For and on behalf of **ActionAid Association**


Sandeep Chachra
Secretary

Place: New Delhi
Date: 26 September 2014



B S R & Company

Chartered Accountants

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

Telephone: +91-124-2549191
Fax: +91-124-2549101

FORM 10B (See Rule 17B)

Audit Report under section 12A (b) of the Income -tax Act, 1961 in the case of charitable or religious trusts or institutions

1. We have examined the Balance Sheet of Action Aid Association ("the Society") as at 31 March 2014 and the Statement of Income and Expenditure for the year ended on that date; which are in agreement with the books of account maintained by the said Society. These financial statements are the responsibility of the Board of Action Aid Association. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have obtained all the information and explanations which to the best of our knowledge, and belief, were necessary for the purposes of the audit. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of the books.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the state of affairs of the Society as at 31 March 2014; and
 - ii) in the case of Statement of Income and Expenditure, of the excess of expenditure over income of the Society for the year ended on that date.

The prescribed particulars are annexed hereto.

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


Sandeep Batra
Partner
Membership No.: 093320

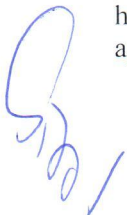
Place: Gurgaon

Date: 26 September 2014

**ANNEXURE
STATEMENT OF PARTICULARS**

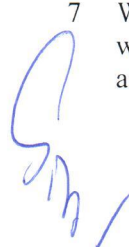
I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES

- | | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1. | Amount of income of the previous year applied to charitable or religious purposes in India during that year | Rs. 265,706,784 |
| 2. | Whether the Institution has exercised the option under clause (2) of the explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year | Not applicable |
| 3. | Amount of income accumulated or set apart/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 percent* of the income derived from property held under trust wholly for such purposes.
(* - as amended by Finance Act, 2002) | Not applicable |
| 4. | Amount of income eligible for exemption under section 11(1) (c) (Give details) | Not applicable |
| 5. | Amount of income in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) | Not applicable |
| 6. | Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof | Not applicable |
| 7. | Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so, the details thereof. | Not applicable |
| 8. | Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year- | |
| | (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or | Nil |



- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (b) | has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b) (ii) or section 11(2)(b) (iii), or | Nil |
| (c) | has not been utilised for purposes for which was accumulated or set apart during the period for which it was to be accumulated or set apart, in the year immediately following the expiry thereof? If so, the details thereof. | Nil |

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

- | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 1 | Whether any part of the income or property of the Institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such persons)? If so, give details of the amount, rate of interest charged and the nature of security, if any | Nil |
| 2 | Whether any land, building or other property of the Institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any | Nil |
| 3 | Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so give details | Nil |
| 4 | Whether the services of the Institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any | Nil |
| 5 | Whether any share, security, or other property was purchased by or on behalf of the Institution during the previous year from any such person? If so, give details thereof together with the consideration paid | Nil |
| 6 | Whether any share, security or other property was sold by or on behalf of the Institution during the previous year to any such person? If so give details thereof together with the consideration received | Nil |
| 7 | Whether any income or property of the Institution was diverted during the previous year in favour of any such person? If so, give details thereof together | Nil |
- 

B S R & Company

with the amount of income or value of property so diverted

- 8 Whether the income or property of the Institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details

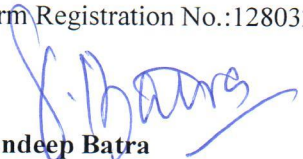
Nil

III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST

Sl. No.	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the Investment	Income from the investment	Whether the amount in col. 4 exceeded 5 percent of the capital of the concern during the previous year say, Yes/ No
1	2	3	4	5	6
Nil, no such investments held at any time during the previous year.					

This is the Annexure which is referred to in our Audit Report of even date. Part-II and Part-III of the Annexure has been prepared by the Secretary of the Society who has certified to us that no part of the income or property has been applied for the benefit of persons referred to in Section 13(3) of the Income Tax Act, 1961, which has been relied upon by us in accordance with Circular No. 143[F.No.180/74/73-IT (A-I)] dated 20.8.1974 issued by Central Board of Direct Taxes (CBDT).

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


Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon

Date: 26 September 2014