

Indus Action Initiatives
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Balance Sheet as at 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March 2016	As at 31 March 2015
SOURCES OF FUNDS			
Corpus Fund	3	1,850,000	-
General fund	4	2,337,737	991,178
		<u>4,187,737</u>	<u>991,178</u>
Current liabilities			
Trade payables	5	-	-
- Total outstanding dues of Micro and Small Enterprises		53,515	151,752
- Total outstanding dues of creditors other than Micro and Small Enterprises		58,878	143,415
Other current liabilities	6	112,393	295,167
		<u>224,786</u>	<u>590,334</u>
TOTAL		<u>4,300,130</u>	<u>1,286,345</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	251,766	24,238
		<u>251,766</u>	<u>24,238</u>
Current assets			
Cash and bank balances	8	3,480,822	1,191,943
Short-term loans and advances	9	562,542	65,164
Other current assets	10	5,000	5,000
		<u>4,048,364</u>	<u>1,262,107</u>
TOTAL		<u>4,300,130</u>	<u>1,286,345</u>

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231 WAW-108024

Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon
Date: 30 SEPTEMBER 2016



For and on behalf of the Board of Directors of
Indus Action Initiatives

Tarun Cherukuri
Director
DIN: 06622010

Place: New Delhi
Date: 30th Sept 2016

Varuna Chand
Chief Operating Officer

Place: New Delhi
Date: 30th Sept 2016



Indus Action Initiatives
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Income and Expenditure Account for the year ended 31 March 2016

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Income			
Grants and donation received	11	4,913,048	3,238,986
Other income	12	6,557	1,671
Total		4,919,605	3,240,657
Expenditure			
Employee benefits	13	1,869,930	1,254,251
Depreciation	7	88,176	5,762
Other expenses	14	1,614,940	1,114,654
Total expenses		3,573,046	2,374,667
Surplus for the year		1,346,559	865,990

As per our report of even date attached.

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

Sandeep Batra
Partner
Membership No.: 093320

Place: Gurgaon

Date: 30 SEPTEMBER 2016



For and on behalf of the Board of Directors of
Indus Action Initiatives

Tarun Cherukuri
Director
DIN: 06622010

Place: New Delhi

Date: 30th sept 2016

Varuna Chand
Chief Operating Officer

Place: New Delhi

Date: 30th Sept 2016



Indus Action Initiatives
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Cash flow statement for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March 2016	For the period from 26 August 2013 to 31 March 2015
A. Cash flow from operating activities		
Surplus for the year	1,346,559	865,990
Adjustments for:		
- Miscellaneous balances written back	6,557	1,671
- Depreciation	88,176	5,762
Working capital adjustments:		
- (Increase) in loans and advances	(497,378)	(5,164)
- Increase in trade payables	(104,794)	4,344
- Increase in other liabilities	(84,537)	137,240
- Increase in Corpus fund	1,850,000	-
Net cash from operating activities	2,604,583	1,009,843
Income tax paid (including tax deducted at source)	-	(5,000)
Net cash generated from operations	2,604,583	1,004,843
B. Cash flow from investing activities		
Purchase of fixed assets	(315,704)	(30,000)
Net cash used for investing activities	(315,704)	(30,000)
Net increase / (decrease) in cash and cash equivalents (A+B)	2,288,879	974,843
Cash and cash equivalents at the beginning of the year	1,191,943	217,100
Cash and cash equivalents at the end of the year	3,480,822	1,191,943
Components of cash and cash equivalents:		
Cash in hand	75	75
Balances with scheduled banks	3,480,747	1,191,868
	3,480,822	1,191,943

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 attached

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Sandeep Batra
Partner

Membership No.: 093320

Place: Gurgaon

Date: 30 SEPTEMBER 2016



For and on behalf of the Board of Directors of
Indus Action Initiatives

Tarun Cherukuri
Managing Director
DIN: 06622010

Place: Delhi
Date: 30th sept 2016

Varuna Chand
Chief Operating Officer

Place: Delhi
Date: 30th sept 2016



1 Background

Indus Action Initiatives the ("Company") was incorporated in India on 26 August 2013. The Company is registered as Section 8 Company under the provisions of Companies Act, 2013.

The main focus area of the company is to mobilize public resources and empower communities to solve India's deep rooted problems in areas such as education, public health, law enforcement and accountability.

2 Significant accounting policies

(a) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The Financial statements are presented in Indian Rupees.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to the Small and Medium Sized Company.

(b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of expenses incurred during the reporting period. Differences between actual results and estimates are recognised in the year in which the actual results are known or materialised. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(c) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised 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 realised 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.



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Notes to the financial statements for the year ending 31 March 2016

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

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

(d) Fixed assets and depreciation / amortization

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets include inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto date of commissioning of the assets. Assets held for disposal are stated at their estimated residual values as at the balance sheet date.

Depreciation is provided on pro-rata basis as per written down value (WDV) method as per the useful life in Part 'C' of the Schedule II of the Act.

(e) Impairment of assets

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets', the carrying amount of Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the asset is estimated at the higher of its useful life. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recognized in the Statement of Profit and Loss.

(f) Cash and cash equivalents

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

(g) Revenue recognition

- The unrestricted grants and donations received by the company are recognised as income in the accounts in the year of receipt.
- The restricted grants and donations received and spent are recognised as income in the accounts whereas the utilized grant is shown as liability in the books.
- Survey receipts are recognized on accrual basis.



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(h) Employee benefits

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

(i) Operating Leases

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

(j) Income Taxes

The Company has license to operate under section 8 of the Companies Act, 2013 and Certificate of registration under Section 12A of the Income Tax Act, 1961. Accordingly, the Company is not liable to pay Income Tax under Income Tax Act, 1961.

(k) Provisions and contingent liabilities

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

(l) Foreign exchange transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains / (losses) arising on account of realization / settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and Loss .



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Indus Action Initiatives
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

		As at	As at
		31 March 2016	31 March 2015
3	Corpus Fund		
	Opening balance	-	-
	Add: Additions during the year	1,850,000	-
	Total	1,850,000	-
4	General fund		
		As at	As at
		31 March 2016	31 March 2015
	Opening balance	991,178	125,188
	Add: Additions during the year	1,346,559	865,990
	Total	2,337,737	991,178
5	Trade payables *		
		As at	As at
		31 March 2016	31 March 2015
	- Dues of micro and small enterprises	-	-
	- Dues of creditors other than micro and small enterprises	53,515	151,752
		53,515	151,752
	* Refer note 16		
6	Other current liabilities		
		As at	As at
		31 March 2016	31 March 2015
	Employee related payables	47,266	128,200
	Statutory dues	11,611	15,215
		58,877	143,415



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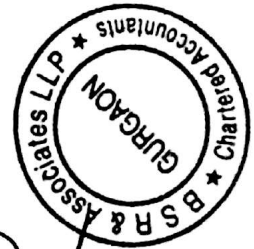
Notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

7 Tangible assets

Asset description	Gross block				
	As at 31 March 2014	Additions	Deletions/ adju stments	As at 31 March 2015	As at 31 March 2016
Computers Office Equipment	-	30,000	-	30,000	314,774 30,930
Total	-	30,000	-	30,000	315,704 345,704

Asset Description	Depreciation			
	As at 31 March 2014	For the year	On deletions/ a djustments	Upto 31 March 2015
Computers Office Equipment	-	5,762	-	5,762
Total	-	5,762	-	5,762
				88,176
				87,172 6,766
				93,938

Asset Description	Net block		
	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Computers Office equipment	-	24,238	227,602 24,164
Total	-	24,238	251,766



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Indus Action Initiatives
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Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

8	Cash and bank balances	As at	As at
		31 March 2016	31 March 2015
	Cash and cash equivalents:		
	Cash on hand	75	75
	Balance with scheduled banks		
	- on current accounts	3,480,747	1,191,868
		<u>3,480,822</u>	<u>1,191,943</u>
9	Short-term loans and advances (Unsecured, considered good)	As at	As at
		31 March 2016	31 March 2015
	Security deposit	60,000	60,000
	Advances to vendors	11,542	5,164
	Advance for Campaign Expenses	450,000	-
	Advance recoverable from employees	41,000	-
		<u>562,542</u>	<u>65,164</u>
10	Other current assets (Unsecured, considered good)	As at	As at
		31 March 2016	31 March 2015
	Advance income tax	5,000	5,000
		<u>5,000</u>	<u>5,000</u>



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Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

11 Grants and donations received

	For the year ended 31 March 2016	For the year ended 31 March 2015
Grants and donations received	4,913,048	3,188,986
Survey receipts	-	50,000
	<u>4,913,048</u>	<u>3,238,986</u>

12 Other income

	For the year ended 31 March 2016	For the year ended 31 March 2015
Miscellaneous balances written back	6,557	1,671
	<u>6,557</u>	<u>1,671</u>

13 Employee benefits expense

	For the year ended 31 March 2016	For the year ended 31 March 2015
Salary, wages and bonus	1,808,500	1,236,555
Staff welfare	61,430	17,696
	<u>1,869,930</u>	<u>1,254,251</u>

14 Other expenses

	For the year ended 31 March 2016	For the year ended 31 March 2015
Rent (refer note 17)	274,000	240,000
Legal and professional	70,600	116,710
Rates, fees and taxes	7,438	9,603
Conference and campaign expenses	163,002	265,400
Printing and stationery	285,820	187,954
Travelling and conveyance	253,450	102,725
Communication expenses	421,724	88,400
Electricity and water charges	35,222	19,311
Office expenses	67,743	56,242
Bank charges	876	1,180
Donation paid	-	21,100
Balances written off	11,722	-
Repair and Maintenance	17,580	-
Miscellaneous expenses	5,763	6,029
	<u>1,614,940</u>	<u>1,114,654</u>



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Indus Action Initiatives**(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)****Notes to financial statements for the year ended 31 March 2016****(All amounts are in Indian Rupees unless otherwise stated)**

15 During the current year, the Company did not apply 85% of income received during the year. Hence, the Company is exercising an option to accumulate unapplied income under section 11(2) of the Income Tax Act, 1961 (the Act) which shall be utilized over next five financial years. The Company is currently in the process of exercising the above option (form 10 is yet to be filed with the tax authorities). The amount proposed to be accumulated during the year under section 11(2) is Rs. 731,171. Accordingly, no provision of income tax has been made in the financial statements. The Company had also accumulated Rs.355,654 under section 11(2) in respect of FY 2014-15, which has been fully utilized during the current year.

16 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 received and available with the Company, there are no amounts payable to Micro and Small Enterprises (Suppliers) covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2016.

17 The Company has taken two site offices under cancellable operating lease agreement. Lease rental expenses have been charged to Statement of Profit and Loss amounting to Rs. 274,000 (Previous year 240,000)

18 Related

a) Related party and nature of the relationship where control exists- Nil.

b) Related party with whom the transactions have taken place during the year:

Key Management Personnels:

Tarun Cherukuri

Varuna Chand

c) Details of transactions during the year:

Transactions during the year	For the year ended 31 March 2016	For the year ended 31 March 2015
Donations received:		
Tarun Cherukuri	-	175,000
Vaibhav Mathur	-	36,000
Advance for Campaign expenses:		
Tarun Cherukuri	400,000	-

19 Previous year figures have been regrouped/ reclassified wherever considered necessary, to make them comparable to those of current year.

As per our report of even date attached.

For B S R & Associates LLP*Chartered Accountants*

ICAI Firm Registration No. 116231W/W-100024

Sandeep Ratna*Partner*

Membership No.: 093320

Place: Gurgaon

Date: 30 SEPTEMBER 2016

*For and on behalf of the Board of Directors of***Indus Action Initiatives****Tarun Cherukuri***Director*

DIN: 06622010

Place: New Delhi

Date: 30th Sep 2016**Varuna Chand***Chief Operating Officer*

Place: New Delhi

Date: 20th Sept- 2016