



## AVA & ASSOCIATES

CHARTERED ACCOUNTANTS

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New Delhi -110 008 (India)  
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### Independent Auditors' Report

To The Members of  
**Bharat Rural Livelihoods Foundation (BRLF)**

#### Report on the Financial Statements

We have audited the accompanying financial statements of Bharat Rural Livelihoods Foundation (BRLF), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Income and Expenditure Account, Receipt and Payment Account for the year ended on that date 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 and financial performance of the Society in accordance with the accounting practices followed as per the guidelines prescribed by the Government 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 misstatements. 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 but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. 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.



## Opinion

We further report that we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit. In our opinion proper books of accounts have been kept by the Society as far as appears from our examination of those books. We also report that the annexed statements of accounts are in agreement with the said books of accounts.

We also made an attempt to examine the transactions on test basis for regularity, reasonability, prudence and also the impact of various laws or underlying grant conditions with a view to appraise the propriety of expenditure. In our opinion and according to the information and explanation given to us, having regards to the explanation that certain items purchased/ services procured are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations and in view of exigencies of operations; and, for which appropriate management approvals have been obtained, there is an adequate internal control system commensurate with the size of the society.

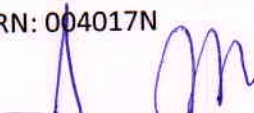
In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the schedules thereon give a true and fair view in accordance with the accounting principles generally accepted in India:

- a. In the case of Balance Sheet, of the state of affairs of the Society as at 31<sup>st</sup> March 2015.
- b. In the case of Income and Expenditure Account, of the Surplus of the period ended on that date.
- c. In the case of Receipt and Payment Account, of the cash flows during the period.

Further we report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of audit.
- b. In our opinion proper books of accounts as required under Societies registration Act, 1860 has been kept by the society so far as appear from our examination.
- c. the Balance Sheet, Income & Expenditure account and Receipt & Payment Account dealt with this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet, Income & Expenditure account and Receipt & Payment Account, comply with the relevant accounting standards issued by Institute of Chartered Accountants of India (ICAI).

For AVA & ASSOCIATES  
Chartered Accountants  
FRN: 004017N

  
(CA Avineesh Matta)

Partner

M. No. 083054

Place: New Delhi

Date: 03.06.2015



# **BHARAT RURAL LIVELIHOODS FOUNDATION (BRLF)**

Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001

BALANCE SHEET AS AT 31st MARCH 2015

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	Amount in Rs.	
		2014-15	2013-14
Corpus Fund	A	2,000,000,000	2,000,000,000
Endowment Fund	B	102,854,104	-
Capital Grant-in-Aid	C	960,583	-
Reserve & Surplus	D	205,961,079	14,322,493
Current Liabilities & Provisions	E	268,156	-
<b>Total (Rs.)</b>		<b>2,310,043,922</b>	<b>2,014,322,493</b>
<b>ASSETS</b>			
Fixed Assets	F	1,315,984	-
Investments	G	2,000,000,000	-
Investment of Endowment Fund	H	100,000,000	-
<b>Current Assets</b>			
Cash & Bank Balance	I	174,457,817	2,014,322,493
Other Current Assets	J	34,270,121	-
<b>TOTAL (Rs.)</b>		<b>2,310,043,922</b>	<b>2,014,322,493</b>

Significant Accounting Policies  
Contingent Liabilities & Notes to Accounts

As per our report of even dated attached

For AVA & Associates  
Chartered Accountants  
FRN : 004017N



*(Signature)*  
CA Avinresh Matta  
Partner  
M. No. 083054  
Place: New Delhi  
Date: 03.06.2015

For Bharat Rural Livelihoods Foundation

*(Signature)*  
(Zulfiqar Haider)  
Chief Executive Officer  
*(Signature)*  
(Sharad Bhargava)  
Chief Finance Officer

**BHARAT RURAL LIVELIHOODS FOUNDATION**

Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015**

		Amount in Rs.	
INCOME	Sch	2014-15	2013-14
<b>Grants, Subsidies &amp; Donations</b>			
i. Donation	K	-	1,000,000
ii. Grants		6,482,447	-
<b>Other Income</b>	L	203,425,966	13,322,493
<b>TOTAL</b>		<b>209,908,413</b>	<b>14,322,493</b>
<b>EXPENDITURE</b>			
<b>Expenditure</b>			
Program Expenses	M	7,350,474	-
Establishment Expenses	N	7,234,867	-
Other Administrative Expenses	O	2,975,982	-
Depreciation	F	708,504	-
<b>Excess of Income over Expenditure</b>		191,638,586	14,322,493
<b>TOTAL</b>		<b>209,908,413</b>	<b>14,322,493</b>
Significant Accounting Policies	P		
Contingent Liabilities & Notes to Accounts	Q		

As per our report of even date attached

For AVA & Associates  
Chartered Accountants  
FRN:004017N



For Bharat Rural Livelihoods Foundation

*(Signature)*  
CA Avineesh Matta  
Partner

M. No. 083054  
Place: New Delhi  
Date: 03.06.2015

*(Signature)*  
(Zulfiqar Haider)  
Chief Executive Officer

*(Signature)*  
(Sharad Bhargava)  
Chief Finance Officer



**BHARAT RURAL LIVELIHOODS FOUNDATION (BRLF)**  
 Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001  
**RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015**

		(Amount in Rs.)	
Receipts	Payments	2014-15	2013-14
Opening Balance Cash			
Bank Balance		2,014,322,493	
Other Donation Received			1,000,000
Corpus Grant from MORD, GOI			2,000,000,000
Tata Trusts Endowment fund for Institutional Development and Partnerships		100,000,000	
Grant from UNDP		8,085,150	
Interest received on Saving Bank Account		10,077,894	13,322,493
Interest received on Fixed Deposit with Banks (Net of Tds of Rs. 1,99,94,301)		166,551,904	
	Audit Fees Paid		31,461
	Books/ periodicals/publications		132,186
	Equipment Maintenance Expenses		69,149
	Conveyance Expenses		16,765
	Employer EPF Contribution		120,238
	EPF Admin Charges		9,000
	Fees and Registration		7,743
	Fixed Assets Purchased		
	- from Income from MORD Corpus Fund		421,786
	- from UNDP Sponsor Project		1,602,703
	Investments in Bank Fixed Deposits		
	- from Income from MORD Corpus Fund		2,000,000,000
	- from TATA Endowment Fund		100,000,000
	Consultancy & Professional Charges		849,000
	Meeting Expenses		509,174
	Misc Expenses		3,400
	Office Expenses		142,040
	Policy Strategy & Partnership Development Expenses		
	Postage & Courier		328,693
	Stationary Expenses		4,988
	Recruitment Expenses		60,481
	Office Rent		630,404
	Salary		1,144,000
	Security Deposit (Rent)		7,439,008
	Staff Communication Expenses		200,000
	Staff Welfare Expenses		33,230
	Telephone & Internet Expenses		57,975
	Travel Expenses		210,886
	Water & Electricity Expenses		1,992,108
	TCS Aid 360		49,485
			8,513,722
	Closing Balance		
	a) Cash	6,534	
	b) Bank	174,451,283	
			2,014,322,493
<b>TOTAL</b>		<b>2,299,037,441</b>	<b>2,014,322,493</b>

As per our report of even date attached

For AVA & Associates  
 Chartered Accountants  
 FRN : 004017N



CA Avineesh Matta  
 (Partner)  
 M. No. : 083054  
 Place: New Delhi  
 Date: 03.06.2015

For Bharat Rural Livelihoods Foundation

*(Signature)*  
 (Zulfiqar Haider)  
 Chief Executive Officer

*(Signature)*  
 (Sharad Bhargava)  
 Chief Finance Officer

**BHARAT RURAL LIVELIHOODS FOUNDATION (BRLF)**  
**Regd. Office: Room No. 38-A, Krishi Bhawan, New Delhi-110001**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2015**

PARTICULARS	(Amount - Rs.)	
	AMOUNT (2014-15)	AMOUNT (2013-14)
<b>SCHEDULE A - Corpus Fund</b>		
<b>Ministry of Rural Development, Government of India</b>		
Opening Balance	2,000,000,000	-
Add: Received During the year	-	2,000,000,000
Closing Balance	2,000,000,000	2,000,000,000

PARTICULARS	(Amount - Rs.)	
	AMOUNT (2014-15)	AMOUNT (2013-14)
<b>SCHEDULE B - Endowment Fund</b>		
<b>Tata Trusts Endowment fund for Institutional Development and Partnerships</b>		
Received during the year	100,000,000	-
Interest Earned during the year	7,237,062	-
Less: TDS	708,000	-
Less: Interest accrued but not due and received	414,616	-
Net Interest	6,114,446	-
Less: Utilization during the year	823,264	-
- Human Resource / Personnel Cost	3,049,380	-
- TCS Aid 360	606,370	-
- Travel Cost	582,955	-
- Office Running Cost	5,061,969	-
Total Utilization	1,052,477	-
Closing Balance of Endowment Fund	101,052,477	-
Add: Adjustments for		
TDS	708,000	-
Interest Accrued	414,616	-
Prepaid Expenses	679,011	-
Closing Balance	1,801,627	-
	102,854,104	-

Note: 15% of the annual interest income earned on the Endowment Fund or the unused portion of the income after meeting expenditure towards the purpose, whichever is greater, shall be added to the Endowment Fund and be reinvested in the same manner as the Endowment Fund is invested. Accordingly against Rs. 10,52,477/- an amount of Rs. 10,50,000/- has been deposited in bank FDR on 9th April 2015.



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<b>SCHEDULE C - Capital Grant in Aid</b>				<b>2013-14</b>
<b>United Nations Development Programme</b>				
Received during the year				-
Less: Amortized over the useful life of Assets purchased				-
Closing Balance				-
			<b>1,602,703</b>	
			<b>642,120</b>	
			<b>960,583</b>	

<b>SCHEDULE D - Reserve &amp; Surplus</b>				<b>2013-14</b>
<b>Surplus</b>				
Opening Balance				-
Add: Surplus of Income over Expenditure				14,322,493
Closing Balance				14,322,493
			<b>14,322,493</b>	
			<b>205,961,079</b>	

<b>SCHEDULE E - Current Liabilities &amp; Provisions</b>				<b>2013-14</b>
<b>i. Current Liabilities</b>				
Maintenance Charges Payable				-
<b>ii. Provisions</b>				
<b>Employee Benefits</b>				
- Long Term Defined Benefits Plan (Earned Leave)				-
- Short Term Benefits (Encashment of Leave)				-
<b>Total</b>				-
			<b>181,170</b>	
			<b>81,986</b>	
			<b>263,156</b>	
			<b>268,156</b>	

<b>SCHEDULE G - Investments</b>				<b>2013-14</b>
<b>Investments in FDR</b>				
Corpus Fund received from Ministry of Rural Development, Government of India				-
<b>Total</b>				-
			<b>2,000,000,000</b>	
			<b>2,000,000,000</b>	



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SCHEDULE H - Investments of Endowment Fund				2014-15	2013-14
Investments in FDR					
Tata Trusts Endowment fund for Institutional Development and Partnerships				100,000,000	-
<b>Total</b>				<b>100,000,000</b>	<b>-</b>

SCHEDULE I - Cash & Bank Balances				2014-15	2013-14
Cash in Hand				6,534	-
Bank Balances in Savings Accounts with YES Bank Chanakyapuri, New Delhi Branch					2,014,322,493
Account No. 000394600000384				173,389,168	-
Account No. 000394600000391				4,639	-
Account No. 000394600000443				1,057,476	-
<b>Total</b>				<b>174,457,817</b>	<b>2,014,322,493</b>

SCHEDULE J - Other Current Assets				2014-15	2013-14
Interest Accrued on Fixed Deposits with Banks					-
-Corpus Fund received from Ministry of Rural Development, Government of India				12,982,192	-
-Tata Trusts Endowment fund for Institutional Development and Partnerships				414,616	-
Prepaid License Fees					-
Security Deposit (Rent)				200,000	-
Tax Deducted at Source (2014-15)				19,994,301	-
<b>Total</b>				<b>34,270,121</b>	<b>-</b>

SCHEDULE K. Grants, Subsidies & Donations				2014-15	2013-14
i. Donation Received					1,000,000
ii. Grant From United Nation Development Program				6,482,447	-
<b>Total Grants</b>				<b>6,482,447</b>	<b>1,000,000</b>



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<b>SCHEDULE L. Other Incomes</b>		<b>2014-15</b>	<b>2013-14</b>
Saving Bank Interest	10,077,894		13,322,493
Less:	157,062	9,920,832	
-Transfer to Tata Trusts Endowment fund for Institutional Development and Partnerships			
Interest Earned on Fixed Deposits with Banks			
-Corpus Fund received from Ministry of Rural Development, Government of India	192,863,014		-
-Tata Trusts Endowment fund for Institutional Development and Partnerships	7,080,000		
Total	199,943,014	192,863,014	
Less: Transfer to Tata Trust Endowment Fund for Institutional Development and Partnerships	7,080,000	642,120	-
Miscellaneous Income			
<b>Total</b>		<b>203,425,966</b>	<b>13,322,493</b>

<b>SCHEDULE M. Program Expenses</b>		<b>2014-15</b>	<b>2013-14</b>
Policy Strategy & Partnership Development		328,693	-
Consultancy & Evaluation Fees		849,000	-
Expenditure on TCS Aid 360			-
Less: Utilization on account of Tata Endowment Fund for Institutional Development & Partnerships	8,513,722	5,464,342	
	3,049,380		
Travel Expenses			
	1,314,809	708,439	-
Less: Utilization on account of Tata Endowment Fund for Institutional Development & Partnerships	606,370		
<b>Total</b>		<b>7,350,474</b>	<b>-</b>



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SCHEDULE N. Establishment Expenses		2014-15	2013-14
Salary	7,632,507		-
Less: Utilization on account of Tata Endowment Fund for Institutional Development & Partnerships	823,264	6,809,243	-
Employer Contribution to Provident Fund		120,238	-
Earned Leave Expenses		263,156	-
EPF Admin Charges		9,000	-
Staff Communication Expenses		33,230	-
<b>Total</b>		<b>7,234,867</b>	<b>-</b>

SCHEDULE O. Other Administrative Expenses		2014-15	2013-14
Audit Fees		31,461	-
Books/ periodicals/publications		132,186	-
Equipment Maintenance Expenses		69,149	-
Conveyance Expenses		14,035	-
Fees and Registration		3,343	-
Meeting Expenses		509,174	-
Misc Expenses		3,400	-
Office Expenses	679,043		-
Less: Utilization on account of Tata Endowment Fund for Institutional Development & Partnerships	582,955	96,088	-
Postage & Courier		4,808	-
Stationary Expenses		48,187	-
Recruitment Expenses		436,905	-
Office Rent		676,000	-
Staff Welfare Expenses		49,706	-
Telephone & Internet Expenses		174,739	-
Travel Expenses		684,429	-
Water & Electricity Expenses		42,372	-
<b>Total</b>		<b>2,975,982</b>	<b>-</b>



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## Schedule F.

## Schedule F-a

## BRLF - FIXED ASSETS as on 31.03.15

Particulars	Rate	WDV as on 01.04.2014	Addition		Deduction	Total	Depreciation for the Year	WDV as on 31.03.2015
			More than 180 Days	Less than 180 Days				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE</b>								
Computer Hardware	60%	-	16,800	-	-	16,800	10,080	6,720
Office Equipment	15%	-	89,787	-	-	89,787	13,468	76,319
Furniture & Fixture	10%	-	265,999	-	-	265,999	26,600	239,399
<b>Sub Total</b>						<b>372,586</b>	<b>50,148</b>	<b>322,438</b>
<b>INTANGIBLE</b>								
Computer Software	33%	-	49,200	-	-	49,200	16,236	32,964
<b>Sub Total</b>						<b>49,200</b>	<b>16,236</b>	<b>32,964</b>
<b>Total</b>						<b>421,786</b>	<b>66,384</b>	<b>355,402</b>

## UNDP Sponsor Project - FIXED ASSETS as on 31.03.15

## Schedule F-b

Particulars	Rate	WDV as on 01.04.2014	Addition		Deduction	Total	Depreciation for the Year	WDV as on 31.03.2015
			More than 180 Days	Less than 180 Days				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE</b>								
Computer Hardware	60%	-	871,770	195,000	-	1,066,770	581,562	485,208
Office Equipment	15%	-	167,573	5,950	-	173,523	25,582	147,941
Furniture & Fixtures	10%	-	273,273	77,736	-	351,010	31,214	319,796
<b>Sub Total</b>						<b>1,591,303</b>	<b>638,358</b>	<b>952,945</b>
<b>INTANGIBLE</b>								
Software	33%	-	11,400	-	-	11,400	3,762	7,638
<b>Sub Total</b>						<b>11,400</b>	<b>3,762</b>	<b>7,638</b>
<b>Total</b>						<b>1,602,703</b>	<b>642,120</b>	<b>960,583</b>

TOTAL TANGIBLE

1,963,889	688,506	1,275,382
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TOTAL INTANGIBLE

60,600	19,998	40,602
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GRAND TOTAL

2,024,489	708,504	1,315,984
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## **SCHEDULE-P**

### **Bharat Rural Livelihoods Foundation (BRLF)**

#### **1. Legal Status and Operation:**

Bharat Rural Livelihoods Foundation (BRLF) has been promoted by Ministry of Rural Development, Government of India as an autonomous charitable society registered under the Society Registration Act, 1860 having registration no. S/ND/351/2013 dated 10<sup>th</sup> December, 2013.

Envisaged as supporting CSO projects focused on tribals, especially women's empowerment and livelihoods, BRLF's mission is to facilitate and upscale civil society action in partnership with Government for transforming livelihoods and lives of rural households, with an emphasis on women all over India. Concentrating in the Central Indian Tribal Region in the initial years of its functioning covering ten states of Odisha, Jharkhand, West Bengal, Chattisgarh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Rajasthan, Telangana and Gujarat, its long term goals *inter alia* are providing grants to civil society organisations (CSOs) to meet their human resource and institutional costs for up-scaling proven interventions, invest in institutional strengthening of smaller CSOs and capacity building and development of professional human resources working at the grassroots.

#### **2. Corpus Fund:**

A Memorandum of Understanding (MoU) between Ministry of Rural Development, Government of India and Bharat Rural Livelihoods Foundation (BRLF) dated 13<sup>th</sup> January 2014 has been entered into to provide grants upto Rs. 500 crores for creating corpus, in two tranches subject to conditions laid down in the MoU. During the year 2013-14 the Government of India has released Rs. 200 crore as first tranche of corpus fund on 5<sup>th</sup> March 2014 and the second tranche of Rs. 300 crores will be released after two years on fulfilment of conditions prescribed in the MOU. In accordance with Grant conditions in MoU, no expenditure can be met from the corpus fund received from Government of India; however, the income arising out of the corpus can be utilized to fulfil the objectives of the society. MoU also mandates review of BRLF and its programmes' impact assessment by the Government after five years and may take back the grant and may advise dissolution of BRLF in case the outcomes are not forthcoming as projected.

#### **3. Summary of Significant Accounting policies:**

##### **3.1 Accounting Convention**

These statements of accounts have been prepared under the historical cost convention, without any adjustment to the effect of inflation.

##### **3.2 Basis of preparation**

The financial statement has been prepared following accrual basis of accounting.

##### **3.3 Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues fund expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.





### 3.4 Grant in Aid

Treatment of Grant in Aid has been made in the accounts as per AS-12 – Accounting for Government Grants issued by Institute of Chartered Accountants of India.

- i. Grants in the nature of Corpus are treated as Corpus Fund and only the income arising out of Corpus shall be utilized to fulfil the objectives of BRLF.
- ii. Grants received for specific purposes are utilized for the purpose of its release.
- iii. Grants utilized to the extent of and in accordance with the grant conditions and project objectives are treated as Income in the Income & Expenditure Account.
- iv. Unutilized grants are treated as Liabilities in the Balance sheet.

### 3.5 Income Recognition

Interest on saving bank is recognized on accrued basis.

### 3.6 Fixed Assets

#### A. Tangible Assets

Tangible Assets are stated at cost of acquisition less depreciation and impairment losses (if any). The cost of tangible assets include inward freight, duties & taxes (non refundable) and incidental & direct expenditure related to acquisition.

#### B. Intangible Assets

Intangible Assets are stated at cost of acquisition less depreciation and impairment (if any). The Cost of intangible assets includes inward freight, duties & taxes and incidental & direct expenditure related to acquisition.

### 3.7 Depreciation

#### A. Tangible Assets

- a. Depreciation has been provided on written down value method as per the rate specified in Income Tax Act, 1961. Depreciation on assets purchased and put to use for less than 180 days in a year charged at the half rate of depreciation specified in Income Tax Act.
- b. Depreciation of Assets purchased out of Capital Grant-in-Aid have been treated as Non Operating income and shown under "Miscellaneous Income."

#### B. Intangible Assets

Cost of Intangible Assets (Software) is amortized on a straight line basis over their useful life of three years as estimated by the Management.

- C. Items, each costing Rs. 5000 or less, are fully depreciated in the year of acquisition.

### 3.8 Investment

- a. Investment: Fixed deposits with banks which are intended to be held against corpus funds considered as long term and disclosed under investment.
- b. Investment of Endowment Fund: Fixed deposits with banks intended to be held against endowment funds also considered as long term and classified under Investment of Endowment Fund.
- c. Other investments: Other fixed deposit with banks shall be classified as cash and cash equivalent because of readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values.

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### **3.9 Employee Benefits**

#### **i. Short Term Benefits**

Short term benefits like salary, allowances, ex-gratia are recognised as expenses in the year in which related services are rendered.

#### **ii. Defined Contribution Plan**

The Society makes defined contribution to Provident Fund scheme which are recognized in the profit and loss account on accrual basis

#### **iii. Defined Benefits Plan**

The provision in relation to Gratuity and Accumulated Encashment of Leave is made on employee discontinuance basis.

### **3.10 Impairment of Assets**

The carrying value of assets at each year balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

### **3.11 Provisions, Contingent Liabilities and Contingent Assets**

#### **i. Provisions**

A provision is recognised when the entity has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.


#### **ii. Contingent Liability and Assets**

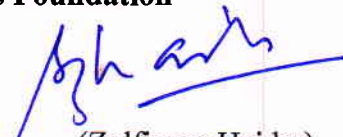
Contingent liability is a possible obligation that arise from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the society, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resource embodying benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent Assets are neither disclosed nor recognised.

### **3.12 Taxes on Income**

No Provision for Income Tax is considered necessary as the Society is registered as a Charitable Institution under section 12A (a) of the Income Tax Act, 1961 and the society shall fulfill the conditions attached to claim exemption under section 11 and 12 of the Income Tax Act..

**For Bharat Rural Livelihoods Foundation**

  
(Sharad Bhargava)  
Chief Finance Officer

  
(Zulfiquar Haider)  
Chief Executive Officer




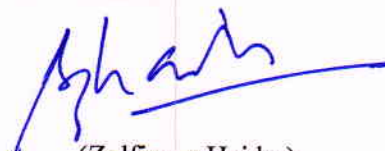
## **SCHEDULE-Q**

### **CONTINGENT LIABILITIES & NOTES TO ACCOUNTS (FORMING PART OF THE FINANCIAL STATEMENTS)**

- I. In the opinion of the Management Current Assets are approximately of the value stated if realized in the ordinary course of business except otherwise stated.
- II. During the year Society has received Rs 10,00,00,000/- from Navajbai Ratan Tata Trust and Sir Dorabji Tata Trust contributing Rs. 5,00,00,000/- each towards Tata Trusts Endowment Fund for Institutional Development And Partnerships'. As per the grant conditions the funds entrusted shall under no circumstances be in any manner diminished, drawn out, borrowed upon or merged with any other endowment fund of BRLF or any other organisation, divided used as collateral, or in any way encumbered or any lien created thereupon or advanced in any manner whatever.
- During the year society has earned interest of Rs. 72,37,062/- against Endowment Grant received from Tata Trusts Endowment Fund for Institutional Development. Out of total interest earned and has utilized Rs. 50,61,969/-(including Rs. 679,011 being prepaid expenses) during the year 2014-15 as per the decision taken in the Executive Committee meeting dated 19<sup>th</sup> December 2014 on the heads of expenditure stated therein.
- III. Expenditure on TCS Aid 360 amounting to Rs. 85,13,722/- has been incurred during the year on implementation and other related costs of a web based application, namely TCS Aid 360 for the purpose of the programs of the society. The management considers that due to the nature of expenditure involved, such expense does not give rise to a recognizable intangible asset, of which the probability of flow of future economic benefits attributable thereto is not ascertainable; and therefore is expensed off. Out of the total amount incurred, Rs. 30,49,380/- is utilized against the TATA endowment fund as per the approval in executive committee meeting dated 19<sup>th</sup> December 2014 as cost towards System & MIS development and the balance is expensed of in Income and Expenditure account.
- IV. During the year society has received grant of Rs. 80,85,150/- from United Nations Development Program (UNDP) and earned interest of Rs. 58,293.47. Out of total grant received Rs. 16,02,703/- has been used for purchase of fixed assets and treated as capital grant for the society. Depreciation of Rs. 6,42,120 provided in the books of accounts has been booked as miscellaneous Income in the Schedule L "Other Income".
- V. During the year the Society has sanctioned Project Grant of Rs. 37,34,21,000/- to seven partners in the month of March 2015. Further no amount has been released to seven partners till 31.03.2015.
- VI. The Society is not having any contingent liability as on 31.03.2015.
- VII. Figures have been rounded off to nearest rupees.

**For Bharat Rural Livelihoods Foundation**

  
(Sharad Bhargava)  
Chief Finance Officer

  
(Zulfikar Haider)  
Chief Executive Officer

