



Independent Auditor's Report

To the Members of Board
ChildFund International USA

Report on the Financial Statements

We have audited the accompanying financial statements of **ChildFund International USA – India Office** which comprise the Balance Sheet as at March 31, 2018 and the Statement of Income & 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 matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its deficit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Income & Expenditure and the Receipts & payment account dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of:
S.SAHOO & CO.
Chartered Accountants
Firm No. 322952E



CA Subhajit Sahoo, FCA, LLB
Partner
M. NO: 057426

Place: Bangalore
Date: 19-09-2018

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) Child Fund International USA – India office is engaged in supporting locally led initiatives that strengthen families and communities, helping them break the cycle of poverty and protect the rights of their children. Accordingly it does not hold any physical inventory, thus paragraph 3 (ii) of the order is not applicable to the company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) According to the information and explanations given to us, the company has not granted/taken any loans, investments, guarantees, and securities therefore the compliance with the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax (Tax Deducted at Source), Professional Tax, Provident Fund and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, professional tax, provident fund outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of:
S.SAHOO & CO.
Chartered Accountants
Firm No. 322952E



CA Subhajt Sahoo, FCA,LLB
Partner
M. NO: 057426

Place: Bangalore
Date: 19-09-2018

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Balance sheet as at 31st March 2018

	Notes	31 March 2018	Amount in Rs. 31 March 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital		-	-
Reserves and Surplus:			
Working fund	3	2,62,46,238	2,91,11,192
(2) Non-Current Liabilities			
Long term borrowings		-	-
Long term provisions		-	-
(3) Current Liabilities			
Designated Fund - Projects	4	34,148	9,15,331
Funds for NSP Project	5	40,81,929	8,20,364
Subsidy Funds - Projects	6	2,69,612	10,67,415
Grants for Projects	7	14,37,209	73,39,124
Other Current liabilities	8	62,98,165	34,21,314
Other Provisions	9	25,20,811	5,25,987
		4,08,88,114	4,32,00,728
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	1,95,40,246	2,07,25,801
Intangible assets		-	-
		1,95,40,246	2,07,25,801
Current assets			
Cash and cash equivalents	10	1,62,23,729	1,71,11,357
Other current assets	11	51,24,140	53,63,570
		2,13,47,868	2,24,74,927
Summary of significant accounting policies	2.1	4,08,88,114	4,32,00,728

The accompanying notes are integral part of the financial statements

As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E



CA. Subhajt Sahoo FCA, LLB
Partner
M. No.: 057426

Place: Bangalore
Date : 19.09.2018

for ChildFund International USA - India Office

Neelam Makhijani
Neelam Makhijani
Country Director



ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)

Statement of Income and Expenditure account

(Amount in Rupees)

Particulars	Notes	31 March 2018	31 March 2017
Income			
Funds from International Office / Grants	13	16,81,57,020	14,02,13,408
Expenses paid by International Office		62,16,290	86,37,509
Miscellaneous Income		89,879	77,016
Total Revenue		17,44,63,189	14,89,27,932
Expenses:			
Personnel expenses	14	8,48,14,827	6,83,93,665
Project related expenditure	15	4,40,44,723	4,09,85,956
Other/ Incidental project expenses	16	4,48,19,529	4,13,62,923
Depreciation and amortization expense	12	36,49,065	38,56,436
Total Expenses		17,73,28,143	15,45,98,980
Excess of (Expenditure over Income)/ Income over Expenditure		(28,64,954)	(56,71,048)
Tax expense:			
Current tax expenses for current year		-	-
Current tax expenses for Previous year		-	-
Excess of (Expenditure over Income)/ Income over Expenditure transferred to working fund		(28,64,954)	(56,71,048)

Summary of significant accounting policies 2.1

The accompanying notes are integral part of the financial statements

As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426



for ChildFund International USA - India Office

Neelam Makhijani
Neelam Makhijani
Country Director

Place: Bangalore
Date : 19.09.2018



ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Receipts and payments account for the year ended March 31, 2018

		<i>Amount in Rs.</i>	
	Notes	31 March 2018	31 March 2017
Opening balance			
Cash in hand		71,597	75,000
Cash balance with scheduled bank, in current account	10	1,70,39,760	1,27,53,585
		<u>1,71,11,357</u>	<u>1,28,28,585</u>
Add : Receipts			
Funds from International Office		15,12,26,912	12,73,15,535
Grants received for Projects		76,05,975	79,33,668
Designated Fund - Projects	4	7,23,21,125	7,90,84,335
Subsidy Funds - Projects	6	28,74,35,709	38,40,78,230
Funds for NSP Project	5	66,65,312	1,04,68,213
Expenses paid by International Office		62,16,290	86,37,509
Designated funds send to National Office		18,471	18,600
Miscellaneous /Other Receipts		60,30,129	38,29,870
		<u>53,75,19,923</u>	<u>62,13,65,959</u>
Less: Payments			
Fixed Assets	12	25,70,572	45,50,130
Personnel expenses	14	8,48,14,827	6,83,93,665
Project related expenditure	15	4,40,44,723	4,09,85,956
Other/Incidental project expenses	16	4,48,06,716	4,09,40,103
Designated Fund - Projects	4	7,32,02,307	7,81,69,004
Subsidy Funds - Projects	6	28,82,33,512	38,46,58,669
Changes in current liabilities and provisions		(48,71,675)	(15,02,289)
Changes in loans and advances		(2,39,430)	(6,17,050)
Other Payments		58,46,000	15,05,000
		<u>53,84,07,552</u>	<u>61,70,83,188</u>
Closing balance			
Cash in hand	10	45,783	71,597
Cash balance with scheduled bank, in current account	10	1,61,77,946	1,70,39,760
		<u>1,62,23,729</u>	<u>1,71,11,357</u>
Summary of significant accounting policies	2.1		-

The accompanying notes are integral part of the financial statements
As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

for ChildFund International USA - India Office

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426



Neelam Makhijani
Country Director

Place: Bangalore
Date : 19.09.2018



ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Notes to the financial statements

	As at 31 March 2018	Amount in Rs. As at 31 March 2017
Note 3 - Working fund		
Opening balance	2,91,11,192	3,47,82,240
Add: Excess of (Expenditure over Income)/ Income over Expenditure	(28,64,954)	(56,71,048)
	2,62,46,238	2,91,11,192
 Note 4 - Designated Fund - Projects		
Opening balance	9,15,331	-
Add: Received during the year	7,23,21,125	7,90,84,335
Less: Distributed during the year	7,32,02,307	7,81,69,004
	34,148	9,15,331
 Note 5 - Funds for NSP Project		
Opening balance	8,20,364	63,880
Add: Received during the year	66,65,312	1,04,68,213
Less: Spent during the year	34,03,747	97,11,729
	40,81,929	8,20,364
 Note 6 - Subsidy Funds - Projects		
Opening balance	10,67,415	-
Add: Received during the year	28,74,35,709	38,40,78,230
Less: Remitted to projects during the year	28,82,33,512	38,30,10,815
Less : Undelivered Subsidy transferred to working fund	-	-
	2,69,612	10,67,415



ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Notes to the financial statements

	As at 31 March 2018	Amount in Rs. As at 31 March 2017
Note 7 - Grants for Projects		
Opening balance	73,39,124	25,73,000
Add: Received during the year	76,05,975	79,33,668
Less: Spent during the year	1,35,07,890	31,67,544
	14,37,209	73,39,124
Note 8 - Current liabilities		
Statutory Dues payable	25,08,381	19,86,608
Salary & Expenses Payable	37,89,784	14,34,706
	62,98,165	34,21,314
Note 9 - Provisions		
Provision for Leave Encashment	19,27,132	-
Provision for Audit Fees	5,93,679	5,25,987
	25,20,811	5,25,987
Note 10 - Cash and bank balances		
Cash on hand	45,783	71,597
Balances with scheduled banks, in current accounts	1,61,77,946	1,70,39,760
	1,62,23,729	1,71,11,357
Note 11 - Loans and advances		
<i>Unsecured, considered good</i>		
Advances recoverable in cash or kind or for value to be received	7,71,538	1,88,981
Deposits	29,88,832	38,90,185
Prepaid expenses	13,63,770	12,84,404
	51,24,140	53,63,570



ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)

Notes to the financial statements

(Amount in Rupee)
31 March 2018

(Amount in Rupee)
31 March 2017

	Non Grant Funds	Grant Fund	Working Fund	Partnership Effective Fund	Total	Noa Grant Funds	Grant Fund	Working Fund	Special Grant Funds	Partnership Effective Fund	Total
Note 13 - Funds from International Office / Grants											
Funds from International Office	3,52,61,477	32,09,138	5,43,22,808.66	6,16,42,627	15,12,26,912	1,56,46,994	-	3,24,05,822	1,45,85,015	6,46,77,704	12,71,15,535
Designated funds sent to National Office			18,471		18,471			18,600			18,600
Restricted funds from Donor	34,03,747	1,35,07,890			1,69,11,636	97,11,729	31,67,544				1,28,79,273
	3,86,65,224	1,35,07,890	5,43,41,280	6,16,42,627	16,81,57,820	2,53,58,723	31,67,544	3,24,24,421	1,45,85,015	6,46,77,704	14,02,13,408
Note 14 - Personnel expenses											
Salaries and allowances	59,42,311	32,09,138	3,94,85,357	3,40,51,804	8,26,88,610	17,02,423	11,16,150	3,06,67,402	49,41,853	2,84,57,151	6,68,85,074
Other Employee Benefits (Severance, Gratuity, Insurance etc.)	1,28,837	1,00,617	8,59,019	10,57,743	21,26,216		26,942	6,18,042		8,63,603	15,06,587
	60,71,148	33,09,755	4,03,24,376	3,51,09,547	8,48,14,827	17,02,423	11,43,092	3,12,85,444	49,41,853	2,93,20,754	6,83,93,665
Note 15 - Project related expenditure											
Community project expenditure	2,84,96,498	83,58,478		42,61,987	4,11,16,963	2,33,06,745	6,41,003		10,74,130	94,53,081	3,44,74,958
Training, Conference & Meetings	9,40,405		19,87,355		29,27,760	2,37,582	1,70,855		61,02,561		65,10,998
	2,94,36,903	83,58,478	19,87,355	42,61,987	4,40,44,723	2,35,44,327	8,11,858		71,76,691	94,53,081	4,09,85,956
Note 16 - Other/ Incidental project expenses											
Supplies	3,70,279		7,63,474	49,37,621	60,71,374		21,956	15,55,415	33,014	8,68,845	24,79,230
Contracted services	4,41,259	7,64,500	26,12,567	33,63,922	71,82,248	23,700	63,050	36,29,125	1,42,146	17,69,634	56,27,655
Travel expenses	5,21,587	4,93,444	28,19,556	73,39,423	1,11,73,811	67,112	1,92,608	36,44,359	6,81,506	57,70,721	1,03,56,306
Rent and Occupancy	17,11,684		10,06,624	55,12,612	82,30,920		20,130	19,79,510	15,40,540	44,22,532	80,62,752
Legal & Professional charges			8,50,172	24,39,267	32,89,439			6,85,162		30,44,386	31,29,548
Communication expenses	87,579		9,86,990	43,81,891	54,56,460	19,873	13,492	12,61,118	69,225	57,47,998	71,11,706
Conferences and meetings			9,03,433	8,81,125	17,84,558			4,99,559		14,38,469	20,38,028
Other expenses	24,985		10,79,273	5,13,648	16,17,906	1,289		7,93,438		7,40,151	15,34,878
Bad Debt/Amount Receivable Written off											
Loss on Sale of Assets			12,812		12,812			4,22,819			4,22,819
	31,57,173	12,57,944	1,10,34,981	2,93,69,510	4,48,19,529	1,11,974	3,11,236	1,44,70,585	24,66,471	2,46,02,736	4,13,62,923
TOTAL	3,86,65,224	1,29,26,177	5,53,46,632	6,87,41,845	17,36,79,879	2,53,58,723	22,66,186	4,57,56,049	1,45,85,015	5,27,76,572	15,87,42,544



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ChildFund International USA - India Office
 Formerly known as Christian Children's Fund Inc., National Office India
 Schedules to the financial statements

Note 12 - Tangible assets

Amount in Rs.

Assets	Gross Block				Depreciation			Net Block As at	
	As at	Additions	Deletions	As at	As at	For the Year	As at	31-Mar-18	31-Mar-17
	31-Mar-17			31-Mar-18	31-Mar-17		31-Mar-18		
Land	1,75,000	-	-	1,75,000	-	-	-	1,75,000	1,75,000
Building	6,22,707	-	-	6,22,707	3,74,976	9,267	3,84,243	2,38,464	2,47,731
Electrical Equipment	54,49,570	8,73,211	19,866	63,02,916	17,12,842	5,03,828	23,13,409	39,89,507	37,36,728
Computers/Printers	89,06,638	14,86,730	-	1,03,93,368	68,62,596	10,78,302	79,40,898	24,52,470	20,44,041
Vehicles	64,20,116	69,865	11,62,232	53,27,749	21,81,084	6,21,427	17,30,737	35,97,012	42,39,032
Furniture and Fixture	1,37,95,009	1,40,766	-	1,39,35,775	35,11,740	13,36,242	48,47,982	90,87,793	1,02,83,269
Total	3,53,69,040	25,70,572	11,82,098	3,67,57,515	1,46,43,239	36,49,065	1,72,17,269	1,95,40,246	2,07,25,801
Previous year	3,24,38,910	45,50,130	16,20,000	3,53,69,040	1,13,83,983	38,56,436	1,46,43,239	2,07,25,801	2,10,54,927



Aparna Jayaram

