

PHONE : (033) 2230 7080
FAX : 91 033 2248 2983
E-MAIL : chaudhuri2011@gmail.com
samarendra1a@bsnl.in

A. S. GUPTA & CO.
CHARTERED ACCOUNTANTS
10, OLD POST OFFICE STREET, KOLKATA-700 001

INDEPENDENT AUDITORS' REPORT

To The Members of CHILDREN INTERNATIONAL INDIA,

REPORT OF THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **CHILDREN INTERNATIONAL INDIA** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

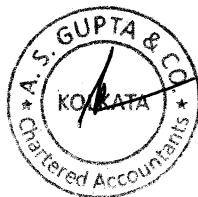
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matter 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 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 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 judgement and estimates that are reasonable and prudent and design, implementation and maintenances of 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.

AUDITORS' 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 assurances 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 judgement, 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. An audit also includes evaluating the appropriateness of 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 :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- and
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

1. As required by the Companies (Auditors' Report) Order, 2016, ("The Order") issued by the Central Government of India in terms of Section 143 of the Act, we report that the company is exempt from the applicability of the order and hence no separate report is furnished.
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 my opinion, proper books of account as required by law have been kept by the Company so far appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss and dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the Internal financial controls our financial reporting of the company and the operation effectiveness of such controls, refer to our separate report in Annexure - A.

For A. S. GUPTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302077E



Place: Kolkata
Date: the 7th day of September, 2016.

A handwritten signature in cursive script, appearing to read "S. N. Chaudhuri".

(CA. S. N. CHAUDHURI)
Partner
Membership No. 008158.

Annexure A to Independent Auditors' Report - 31st March 2016

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act:

We have audited the internal financial controls over consolidated financial reporting of **CHILDREN INTERNATIONAL INDIA** ("the Company") as at 31 March 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. S. GUPTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302077E



A handwritten signature in black ink, appearing to read "S. N. Chaudhuri".

(CA. S. N. CHAUDHURI)
Partner
Membership No. 008158.

Place: Kolkata

Date: the 7th day of September, 2016.

CHILDREN INTERNATIONAL INDIA
4TH FLOOR, STATESMAN HOUSE, BARAKAMBHA ROAD, NEW DELHI - 110 001
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

| PARTICULARS | NOTE | AS AT 31.03.2016 Amount(Rs.) | AS AT 31.03.2015 Amount(Rs.) |
|----------------------------------|------|---------------------------------|---------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 SHARE HOLDERS FUND | | | |
| a) Share Capital | 2.1 | 150,000 | 150,000 |
| b) Reserve & Surplus | 2.2 | 2,901,837 | 915,168 |
| 2 CURRENT LIABILITIES | | | |
| a) Other Current Liabilities | 2.3 | 25,780 | 48,047 |
| | | 3,077,617 | 1,113,215 |
| II ASSETS | | | |
| 1 NON CURRENT ASSETS | | | |
| a) Long term Advances | 2.4 | 20,800 | 12,000 |
| 2 CURRENT ASSETS | | | |
| a) Cash and Bank Balances | 2.5 | 3,005,245 | 767,677 |
| b) Short term Loans and Advances | 2.6 | 51,572 | 333,538 |
| | | 3,077,617 | 1,113,215 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 1 & 2

Signed in terms of our report of even date annexed

For and on behalf of the Board

For A. S GUPTA & CO.
 Firm Reg No. 302077E
 Chartered Accountants

Ramdas Pai

Mr. Ramdas Pai
(Director)

S. N. Chaudhuri

S. N. CHAUDHURI
 Partner
 Membership No. 008158



Place : Kolkata

Dated: the 7th day of September, 2016.

Pallab Chakrabarti

Mr. Pallab Chakrabarti
(Director)

CHILDREN INTERNATIONAL INDIA
4TH FLOOR, STATESMAN HOUSE, BARAKAMBHA ROAD, NEW DELHI - 110 001
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

| PARICULARS | NOTE | Year Ended 31.03.2016 Amount (Rs.) | Year Ended 31.03.2015 Amount (Rs.) |
|--|------|---------------------------------------|---------------------------------------|
| I INCOME | | | |
| a) Local Donations | | 7,070,600 | 6,877,487 |
| b) Donation from Children International , Kansas City, USA | | 2,517,226 | - |
| c) Project Income | | - | 684,177 |
| II TOTAL REVENUE | | 9,587,826 | 7,561,664 |
| III EXPENSES | | | |
| a) Program Expenses | 2.7 | 6,029,214 | 6,240,367 |
| b) Financial Cost | 2.8 | 2,224 | 4,214 |
| c) Other Expenses | 2.9 | 1,569,719 | 783,451 |
| IV TOTAL EXPENSES | | 7,601,157 | 7,028,032 |
| V Profit/(Loss) before Extra Ordinary Items and Tax (II-IV) | | 1,986,669 | 533,633 |
| VI Tax Expenses | | | |
| Current Tax | | - | - |
| VII Profit/(Loss) for the period from continuing Operation (V-VI) | | 1,986,669 | 533,633 |
| V Profit/(Loss) for the Period | | 1,986,669 | 533,632 |
| IX Earnings Per Equity Share | | | |
| Basic | | 132.44 | 35.58 |
| Diluted | | 132.44 | 35.58 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1 & 2

Signed in terms of our report of even date annexed

For **A. S GUPTA & CO.**
 Firm Reg No. 302077E
 Chartered Accountants

S. N. Chaudhuri

S. N. CHAUDHURI
 Partner
 Membership No. 008158



Place : Kolkata
 Dated: the 7th day of September, 2016.

For and on behalf of the Board

Ramdas Pai

Mr. Ramdas Pai
 (Director)

Pallab Chakrabarti

Mr. Pallab Chakrabarti
 (Director)

CHILDREN INTERNATIONAL INDIA

2. NOTES FORMING PART TO THE ACCOUNTS

2.1 SHARE CAPITAL

| Particulars | AS AT 31.03.2016 | AS AT 31.03.2015 |
|---|------------------|------------------|
| | Amount (Rs.) | Amount (Rs.) |
| Authorised | | |
| 50,000 Equity Shares @ Rs. 10 each | 5,00,000 | 5,00,000 |
| Issued, Subscribed & Paid up | | |
| 15,000 Equity Shares @ Rs. 10 each | 1,50,000 | 1,50,000 |
| TOTAL | 1,50,000 | 1,50,000 |

The company has issued only one classe of Equity shares having a face value of Rs. 10/- Each holder of equity shares is entitled to one vote per share.

(i) Reconciliation of number of shares outstanding and amount of share capital as at 31st March 2015 and 31st March 2014 is set out below:

| Particulars | AS AT 31.03.2016 | | AS AT 31.03.2015 | |
|---------------------------------|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | Amount (Rs.) | Number of shares held | Amount (Rs.) |
| Number of shares at beginning : | | | | |
| Equity Shares | 15,000 | 1,50,000 | 10,000 | 1,00,000 |
| Number of shares at end : | | | | |
| Equity Shares | 15,000 | 1,50,000 | 15,000 | 1,50,000 |

(ii) Details of shares held by each shareholder holding more than 5% shares :

| Class of shares / Name of shareholder | AS AT 31.03.2016 | | AS AT 31.03.2015 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Ramdas Pai | 10,000 | 66.67 | 10,000 | 66.67 |
| Pallab Chakraborti | 5,000 | 33.33 | 5,000 | 33.33 |



CHILDREN INTERNATIONAL INDIA

2.2 RESERVES AND SURPLUS

| Particulars | AS AT 31.03.2016 Amount (Rs.) | AS AT 31.03.2015 Amount (Rs.) |
|---|----------------------------------|----------------------------------|
| Surplus in the Statement of Profit & Loss | | |
| - As per last Balance Sheet | 915,168 | 381,535 |
| Add : Profit for the current year | 1,986,669 | 533,633 |
| TOTAL | 2,901,837 | 915,168 |

2.3 OTHER CURRENT LIABILITIES

| Particulars | AS AT 31.03.2016 Amount (Rs.) | AS AT 31.03.2015 Amount (Rs.) |
|-----------------------------------|----------------------------------|----------------------------------|
| <i>Other Liabilities</i> | | |
| i) Due to Auditors for Audit Fees | 16,035 | 7,410 |
| ii) Liabilities for Expenses | 6,900 | 36,137 |
| iii) Sponsorship Refund Payable | - | 2,000 |
| iv) TDS Payable | 2,845 | 2,500 |
| TOTAL | 25,780 | 48,047 |

2.4 LONG TERM ADVANCES

| Particulars | AS AT 31.03.2016 Amount (Rs.) | AS AT 31.03.2015 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| (i) Advances to Avanta Business Centre | 12,000 | 12,000 |
| (ii) Advances to Dhan Lal Dwivedi | 8,800 | |
| TOTAL | 20,800 | 12,000 |

2.5 CASH AND BANK BALANCES

| Particulars | AS AT 31.03.2016 Amount (Rs.) | AS AT 31.03.2015 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| i) Balance with Scheduled Bank in | | |
| a) Current Account with HDFC Bank, Connaught Place Surya Kiran Branch, A/c No. - 00037620000182 | 481,116 | 760,399 |
| b) FCRA Current Account with HDFC Bank, Connaught Place, K G Marg Branch A/c No. 50200004451031 | 2,516,129 | |
| ii) Cash in hand | 8,000 | 7,278 |
| Total Cash and Cash Equivalents (i+ii) | 3,005,245 | 767,677 |

2.6 SHORT TERM LOANS & ADVANCES

| Particulars | AS AT 31.03.2016 Amount (Rs.) | AS AT 31.03.2015 Amount (Rs.) |
|------------------------------|----------------------------------|----------------------------------|
| i) Receivable-Sesame Project | - | 279,266 |
| ii) TDS Receivable | 51,572 | 51,572 |
| iii) Sponsorship Receivable | | 2,700 |
| TOTAL | 51,572 | 333,538 |



CHILDREN INTERNATIONAL INDIA

2.7 PROGRAM EXPENSES

| Particulars | Year Ended 31.03.2016 Amount (Rs.) | Year Ended 31.03.2015 Amount (Rs.) |
|------------------|---------------------------------------|---------------------------------------|
| Program Expenses | 6,029,214 | 6,240,367 |
| TOTAL | 6,029,214 | 6,240,367 |

2.8 FINANCE COST

| Particulars | Year Ended 31.03.2016 Amount (Rs.) | Year Ended 31.03.2015 Amount (Rs.) |
|--------------|---------------------------------------|---------------------------------------|
| Bank Charges | 2,224 | 4,214 |
| TOTAL | 2,224 | 4,214 |

2.9 OTHER EXPENSES

| Particulars | Year Ended 31.03.2016 Amount (Rs.) | Year Ended 31.03.2015 Amount (Rs.) |
|------------------------|---------------------------------------|---------------------------------------|
| Office Rent | 54,667 | 84,331 |
| Professional Fees | 1,037,247 | 261,512 |
| Auditors' Remuneration | 8,625 | 7,410 |
| Other Supplies | 74,708 | 26,303 |
| Postage & Courier | 24,861 | 25,626 |
| Salaries | 275,000 | 348,287 |
| Telecom Expenses | 6,000 | - |
| Travel Expenses | 73,050 | - |
| Admin Expenses | 15,561 | 29,982 |
| TOTAL | 1,569,719 | 783,451 |



CHILDREN INTERNATIONAL INDIA**4TH FLOOR, STATESMAN HOUSE , BARAKHAMBA ROAD, NEW DELHI - 110 001.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March 2016****1. General :**

- 1.1 Children International India is a non-profit humanitarian organization dedicated to alleviating the burdens and effects of poverty on Indian children. The focus is to bring real and lasting change to children living in poverty and to provide them with an opportunity to grow up healthy, educated and prepared to succeed and contribute to the society. Children International India is registered as a company under Section 25 of the Companies Act, 1956 (No.1 of 1956) and the CIN allotted by the Registrar of Companies, National Capital Territory of Delhi and Haryana is U85320DL2012NPL245823 of 2012-13 dated 7 December 2012.
- 1.2 Being a charitable entity, the Company has got the exemption from the Director (Exemption) of Income tax under section 12A vide NQ.DIT (E) I 2013-14/ DEL - CR 23213 - 27092013 / 2209 dated 27/09/2013 with effect from Financial Year 2012-13. The company has also been granted approval under section 80G (5) (vi) of the Income Tax Act, 1961 vide NQ DIT (E) I 2013 - 14 / DEL - CE 25000 - 27092013 / 3739 dated 27/09/2013.
- 1.3 The company has been granted prior permission by the Ministry of Home Affairs under The Foreign Contribution Regulation Act, 2010 by virtue of letter number II/21022/94/(0074-01)/2014-FCRA-III dated 25 March, 2015. For the year under audit, the organisation has got foreign contribution of Rs. 25,17,225.75/- from Children International , Kansas City, USA.

2. Summary of Significant Accounting Policies :**2.1 Basis of Preparation**

These financial statements have been prepared and presented under the historical cost convention method on the accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles and practices in India.

The preparation of financial statements in conformity with generally accepted accounting principles that requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can reasonably estimated.

2.2 Fixed Assets and Depreciation:

There were no fixed assets purchased during the year. Since the company has no fixed assets , no depreciation has been provided.



2.3 Income Recognition:

Being a charitable non - profit organisation, the company receives grants and donations from various donors for the purpose of furtherance of its charitable objectives in India. All grants and donations are recognised as income in the Income and Expenditure account.

2.4 Provision for Taxation:

Since the Company got the exemption from the Director (Exemption) of Income tax under section 12A vide NQ.DIT (E) I 2013-14/ DEL - CR 23213 - 27092013 / 2209 dated 27/09/2013 with effect from Financial Year 2012-13. The company intends to apply its income solely towards its charitable purpose. In view of the above, and exemption granted, the Management believes that no provision of tax is required.

