



S. Sahoo & Co.

Chartered Accountants

Independent Auditor's Report

**To the Members of
ChildFund International USA
India Branch Office**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ChildFund International USA** ("India Branch Office"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Income & Expenditure for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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, 2019, its loss for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and Auditor's Report thereon

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexures to Board's Report etc. but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.



Auditor`s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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.

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 and the Statement of Income and Expenditure 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:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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



A handwritten signature in blue ink, appearing to read 'S. Sahoo', written over a horizontal line.

CA Subhajit Sahoo, FCA
Partner
M. NO: 057426

Place: New Delhi
Date: 20.09.2019
UDIN: **19057426AAAAPF7600**

"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, 2019:

- 1)
 - (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets however the said list is not complete and does not match with the books of accounts;
 - (b) The Fixed Assets have been physically verified by the management during the year however the discrepancies between the books records and the physical fixed assets are yet to be adjusted. It was informed that the company is working on same.
 - (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) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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, Sales tax, Value added Tax, 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, 2019 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, sales tax, value added tax 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 Subhajit Sahoo, FCA

Partner

M. NO: 057426

Place: New Delhi

Date: 20.09.2019

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of ChildFund International USA – India Office

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ChildFund International USA – India Office** as of March 31, 2019 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". 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 Companies Act, 2013.

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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2019, 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 and on behalf of:

S.SAHOO & CO.

Chartered Accountants

Firm No. 322952E



A handwritten signature in blue ink, appearing to read 'S. Sahoo', written over a horizontal line.

CA Subhajit Sahoo, FCA

Partner

M. NO: 057426

Place: New Delhi

Date: 20.09.2019

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Balance sheet as at 31st March 2019

	Notes	31 March 2019	Amount in Rs. 31 March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital		-	-
Reserves and Surplus:			
Working fund	3	19,348,359	26,246,238
(2) Non-Current Liabilities			
Long term borrowings		-	-
Long term provisions		-	-
(3) Current Liabilities			
Designated Fund - Projects	4	1,650,954	34,148
Funds for NSP Project	5	1,418,404	4,081,929
Subsidy Funds - Projects	6	536,386	269,612
Grants for Projects	7	11,543	1,437,209
Other Current liabilities	8	3,095,290	6,298,165
Other Provisions	9	4,830,082	2,520,811
		30,891,018	40,888,114
II. Assets			
Non-current assets			
Fixed assets			
	12		
Tangible assets		18,527,928	19,540,246
Intangible assets		-	-
		18,527,928	19,540,246
Current assets			
Cash and cash equivalents	10	8,141,334	16,223,729
Other current assets	11	4,221,756	5,124,140
		12,363,090	21,347,868
Summary of significant accounting policies	2.1	30,891,018	40,888,114

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

Place: New Delhi
Date : 20.09.2019

for ChildFund International USA - India Office

Neelam Makhijani
Country Director



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

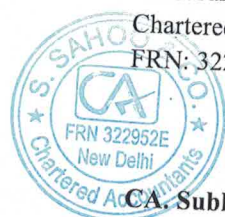
Statement of Income and Expenditure account

(Amount in Rupees)

Particulars	Notes	31 March 2019	31 March 2018
<u>Income</u>			
Funds from International Office / Grants			
Expenses paid by International Office	13	149,089,386	168,157,020
Miscellaneous Income		6,564,487	6,216,290
		55,049	89,879
Total Revenue		155,708,923	174,463,189
<u>Expenses:</u>			
Personnel expenses			
Project related expenditure	14	92,128,122	84,814,827
Other/ Incidental project expenses	15	23,758,067	44,044,723
Depreciation and amortization expense	16	42,635,794	44,819,529
Total Expenses	12	4,084,820	3,649,065
		162,606,802	177,328,143
Excess of (Expenditure over Income)/ Income over Expenditure		(6,897,879)	(2,864,954)
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		(6,897,879)	(2,864,954)
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

[Signature of CA. Subhajit Sahoo]

for ChildFund International USA - India Office

[Signature of Neelam Makhijani]
Neelam Makhijani
Country Director



Place: New Delhi
Date : 20.09.2019

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, 2019

			<i>Amount in Rs.</i>
	Notes	31 March 2019	31 March 2018
Opening balance			
Cash in hand		45,783	71,597
Cash balance with scheduled bank, in current account	10	16,177,946	17,039,760
		16,223,729	17,111,357
Add : Receipts			
Funds from International Office		144,924,853	151,226,912
Grants received for Projects		-	7,605,975
Designated Fund - Projects	4	70,355,999	72,321,125
Subsidy Funds - Projects	6	351,767,850	287,435,709
Funds for NSP Project	5	1,685,912	6,665,312
Expenses paid by International Office		6,564,487	6,216,290
Designated funds send to National Office		70	18,471
Miscellaneous /Other Receipts		74,180	6,030,129
		575,373,351	537,519,923
Less: Payments			
Fixed Assets	12	3,091,633	2,570,572
Personnel expenses	14	92,128,122	84,814,827
Project related expenditure	15	23,758,067	44,044,723
Other/Incidental project expenses	16	42,635,794	44,806,716
Designated Fund - Projects	4	68,707,044	73,202,307
Subsidy Funds - Projects	6	353,143,866	288,233,512
Changes in current liabilities and provisions		893,604	(4,871,675)
Changes in loans and advances		(902,384)	(239,430)
Other Payments		-	5,846,000
		583,455,746	538,407,552
Closing balance		8,141,334	16,223,729
Cash in hand	10	55,698	45,783
Cash balance with scheduled bank, in current account	10	8,085,636	16,177,946
		8,141,334	16,223,729
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: New Delhi
Date : 20.09.2019



[Signature of CA. Subhajit Sahoo]

[Signature of Neelam Makhijani]

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 2019	Amount in Rs. As at 31 March 2018
Note 3 - Working fund		
Opening balance	26,246,238	29,111,192
Add: Excess of (Expenditure over Income)/ Income over Expenditure	(6,897,879)	(2,864,954)
	<u>19,348,359</u>	<u>26,246,238</u>
Note 4 - Designated Fund - Projects		
Opening balance	34,148	915,331
Add: Received during the year	70,355,999	72,321,125
Less: Distributed during the year	68,707,044	73,202,307
Less: Trfd to Income & Expenditure	32,150	
	<u>1,650,954</u>	<u>34,148</u>
Note 5 - Funds for NSP Project		
Opening balance	4,081,929	820,364
Add: Received during the year	1,685,912	6,665,312
Less: Spent during the year	4,349,437	3,403,747
	<u>1,418,404</u>	<u>4,081,929</u>
Note 6 - Subsidy Funds - Projects		
Opening balance	269,612	1,067,415
Add: Received during the year	351,767,850	287,435,709
Less: Remitted to projects during the year	353,143,866	288,233,512
Add: Trfd from SSP balance in Income & Expenditure	1,642,790	-
	<u>536,386</u>	<u>269,612</u>

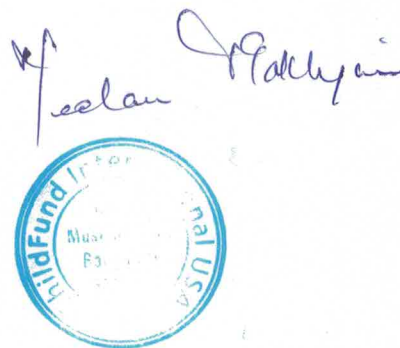


Handwritten signature: K. reclan T. Rakhyani



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

	Amount in Rs.
As at 31 March 2019	As at 31 March 2018
Note 7 - Grants for Projects	
Opening balance	1,437,209
Add: Received during the year	7,339,124
Less: Spent during the year	- 7,605,975
	1,425,666
	<u>11,543</u> <u>1,437,209</u>
Note 8 - Current liabilities	
Statutory Dues payable	2,194,732
Salary & Expenses Payable	2,508,381
	900,558
	<u>3,095,290</u> <u>6,298,165</u>
Note 9 - Provisions	
Provision for Leave Encashment	2,671,983
Provision for Audit Fees	1,927,132
Provision for Gratuity	623,362
	1,534,737
	<u>4,830,082</u> <u>2,520,811</u>
Note 10 - Cash and bank balances	
Cash on hand	55,698
Balances with scheduled banks, in current accounts	45,783
	8,085,636
	<u>8,141,334</u> <u>16,223,729</u>
Note 11 - Loans and advances	
<i>Unsecured, considered good</i>	
Advances recoverable in cash or kind or for value to be received	8,702
Deposits	771,538
Prepaid expenses	2,885,165
	1,327,889
	<u>4,221,756</u> <u>5,124,140</u>



Note 12 - Tangible assets

Assets	Gross Block				Depreciation			Net Block As at	
	As at 31-Mar-18	Additions	Deletions	As at 31-Mar-19	As at 31-Mar-18	Deletions on assets discarded	For the Year	As at 31-Mar-19	31-Mar-18
Land	175,000	-	-	175,000	-	-	-	175,000	175,000
Building	622,707	-	-	622,707	384,243	-	9,267	229,197	238,464
Electrical Equipment	6,302,916	865,157	-	7,168,073	2,313,409	-	690,622	4,164,041	3,989,507
Computers/Printers	10,393,368	1,985,144	382,626	11,995,886	7,940,898	363,495	1,400,250	3,018,232	2,452,470
Vehicles	5,327,749	-	-	5,327,749	1,730,737	-	623,267	2,973,745	3,597,012
Furniture and Fixture	13,935,775	241,332	-	14,177,107	4,847,982	-	1,361,413	7,967,712	9,087,793
Total	36,757,515	3,091,633	382,626	39,466,522	17,217,269	363,495	4,084,820	18,527,928	19,540,246
Previous year	35,369,040	2,570,572	1,182,098	36,757,515	14,643,239	1,075,035	3,649,065	19,540,246	20,725,801



Med am Gallyan



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

Notes to the financial statements

(Amount in Rupees)
31 March 2019

(Amount in Rupees)
31 March 2018

Note 13 - Funds from International Office / Grants

Funds from International Office	23,599,799	-	58,526,799.77	62,798,255	144,924,853	35,261,477	54,322,809	61,642,627	151,226,912
Designated funds send to National Office	-	-	70	70	70	18,471	18,471	18,471	18,471
Restricted funds from Donor	4,349,437	1,425,666			5,775,103	3,403,747	13,507,890		16,911,636
Undistributed DFC/ Subsidy adjusted with Working Fund			(1,610,640)		(1,610,640)				

Note 14 - Personnel expenses

Salaries and allowances	2,937,765	97,438	46,631,042	37,463,686	87,129,931	5,942,311	3,209,138	39,485,357	34,051,804	82,688,610
Other Employee Benefits (Severance, Gratuity, Insurance etc.)	46,895	-	3,076,237	1,875,060	4,998,191	128,837	100,617	839,019	1,057,743	2,126,217
	2,984,660	97,438	49,707,278	39,338,746	92,128,122	6,071,148	3,309,755	40,324,376	35,109,547	84,814,827

Note 15 - Project related expenditure

Community project expenditure	22,308,761	1,299,556	-	113,150	23,721,467	28,496,498	8,358,478	-	4,261,987	41,116,963
Training, Conference & Meetings	-	-	36,600	-	36,600	940,405	1,987,355	-	-	2,927,760
	22,308,761	1,299,556	36,600	113,150	23,758,067	29,436,903	8,358,478	1,987,355	4,261,987	44,044,723

Note 16 - Other/ Incidental project expenses

Supplies	65,653	-	955,369	1,118,592	2,139,614	370,279	763,474	4,937,621	6,071,374
Contracted services	1,170,336	-	2,179,567	2,397,512	5,747,415	441,259	2,612,567	3,363,922	7,182,248
Travel expenses	417,632	28,672	4,896,513	7,359,581	12,702,397	521,387	2,819,556	7,339,423	11,173,811
Rent and Occupancy	975,061	-	3,893,394	6,408,627	11,277,082	1,711,684	1,006,624	5,512,612	8,230,920
Legal & Professional charges	-	-	1,537,362	1,485,818	3,023,180	850,172	2,439,267	3,289,439	5,456,460
Communication expenses	14,815	-	897,487	4,042,706	4,955,008	87,579	986,990	4,381,891	5,456,460
Conferences and meetings	-	-	1,546,532	335,568	1,882,100	903,433	881,125	1,784,558	1,784,558
Other expenses	12,318	-	661,483	235,197	908,998	24,985	1,079,273	513,648	1,617,906
Bad Debt/Amount Receivable Written off	-	-	-	-	-	-	-	-	-
Loss on Sale of Assets	-	-	-	-	-	-	-	-	-
	2,655,815	28,672	16,567,706	23,383,601	42,635,794	3,157,173	11,034,901	29,369,510	44,819,529

TOTAL

27,949,236	1,425,666	66,311,585	62,835,497	158,521,983	38,665,224	12,926,177	53,346,632	68,741,045	173,679,080
------------	-----------	------------	------------	-------------	------------	------------	------------	------------	-------------



N. Jeevan
Shakya



Notes to Financial Statements

1. Background

ChildFund International USA (formerly Christian Children’s Fund Inc.,) (‘the International Office’ or ‘IO’) incorporated in the United States of America has established ChildFund International USA – India Office (formerly known as Christian Children’s Fund Inc., National Office India) as a place of business in Bangalore, India which is registered under Section 379 of the Companies Act, 2013 as a Foreign Company having its place of business in India vide registration no. F00052.

ChildFund International USA – India is registered under Section 12A of the Income Tax Act, 1961, vide letter no. PRO.718/10A/VOL AIC298.

Further, ChildFund International USA – India Office has been given permission by Reserve Bank of India to hold immovable property in India vide letter no. EC.CO.FCS (III) 1224 C29-74 dated 19 June 1974. ChildFund International USA – India Office has been granted registration from the Ministry of Home Affairs under the Foreign Contribution (Regulation) Act, 2010 to accept specified foreign contributions vide letter no. II/21022/69(268)/85-FCRA.3 dated 15th December 1987 bearing registration No. 094420147.

ChildFund International USA – India Office receives funds for charitable purposes in India. The principal activity is to support locally led initiatives that strengthen families and communities, helping them break the cycle of poverty and protect the rights of their children. This includes supporting programs relating to health, education, nutrition, water, sanitation and livelihood provided to millions of children and their families so that they can take greater control of their lives and their future.

2. Basis of Preparation

The financial statements of ChildFund International USA – India Office have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (“GAAP”) in India. These financial statements comply with the Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules and the relevant provisions of the Companies Act, 2013, to the extent applicable. The remittances are received from the IO in the bank account of ChildFund International USA – India Office and expenditures are incurred therefrom. Since ChildFund International USA – India Office is not carrying on business, it prepares an income and expenditure and not a profit and loss account.

2.1 Summary of Significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with the accounting policies described below 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 and related incomes. Actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in current and future periods.



(b) Tangible Fixed assets

Fixed assets are stated at historical cost. The cost of fixed assets includes taxes, duties, freight and other incidental expenditure related to acquisition and installation.

(c) Depreciation

Depreciation is provided on all fixed assets using straight line method at the rates of depreciation prescribed under Schedule II to the Companies Act, 2013.

(d) Provisions and contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(e) Contributions received and income recognition.

Non-Grant Program funds are contributions received from members of the ChildFund Alliance, Major Donors, and Corporate gifts to International Office (IO). It collectively assists the National Offices and projects in meeting their program goals and objectives. NSP categories include program enhancement, special opportunity, and emergency response. Income is recognized on receipt of amount and expenses are booked on the basis of monthly expense report submitted by the Local Partner Organizations (LPs).

Grant Awards from institutional donors, Grants are awarded via a signed agreement between the grantor and grantee, and the funds awarded are restricted for the implementation of specific programs. Segregated fund accounting is required and balances unspent must be returned to the donor.

Designated Fund - Projects - Designated (DFC) are the child specific contribution made by the sponsors in the form of monetary gifts to the sponsored child. List of children to get the gifts are sent to ChildFund International USA – India Office along with the money transfer. All gifts received through cash or cheques are deposited in ChildFund International USA – India's bank account and a corresponding cheque for the same value is issued in favour of the LPs.

Subsidy Funds - Projects – Monthly contributions received from sponsors to be used for ChildFund's program purposes. Subsidy funds are transferred from the International Office to the NO's account and subsequently are transferred to various LPs based on approved budgets for the implementation of projects for children.



ChildFund International USA – India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Schedules forming parts of the financial statements

Special Grant Program is created out of withheld subsidy of local partners in International Office to address a specific program need in the country. The funds are transferred to India Office on the basis of program plan on a monthly basis to its working fund.

Partnership Effective Fund empowers National Offices to have in-country spending discretion for up to 20% of a country's sponsorship funds which will support the capacity of local partners to deliver quality programs.

(f) Leases

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals are charged to the profit and loss on accrual basis.

(g) Income taxes

ChildFund International USA – India is registered under Section 12A of the Income tax Act, 1961 ('the Act') which exempts from taxes on income from property held under trust and voluntary contributions received. Accordingly, the income of ChildFund International USA – India is exempt from tax, subject to the compliance of terms and conditions specified in the Income Tax Act, 1961.

(h) Employee benefits

Benefits such as salaries, allowances are recognised in the Income and Expenditure Account in the period in which the employee renders the related services.

Provident fund:

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and ChildFund International USA – India make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary. ChildFund International USA – India has no further obligations under this plan beyond its monthly contributions. Monthly contributions made are charged to income and expenditure account.

Gratuity:

ChildFund International USA – India has an employee's gratuity fund managed by Life Insurance Corporation of India. The annual premiums paid to the LIC are charged to the Income & Expenditure account.

Compensated Absences:

Provision for leave encashment has been made as per the human resource policy of the Child Fund International – India Office. The company follows the period July to June to calculate the provision for leave encashment and accordingly the provision for leave encashment was made on 30th June 2018.



(i) Foreign exchange transactions

Transactions in foreign exchange are recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies (if any) as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the income and expenditure account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(j) Expenditure

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



ChildFund International USA – India Office
(formerly known as Christian Children’s Fund Inc., National Office India)
Schedules forming parts of the financial statements
(All amount are in Indian Rupees)

17. Additional Information to the Financial Statements

A. The Company is registered without share capital; there are no shareholders in the company.
Therefore Shareholders fund in the Balance sheet as on 31st March 2019 is NIL.

B. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (Previous year: Nil).

C. Auditors’ remuneration (including GST, included in professional charges)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit fees	623,362-	593,679-
Out of pocket expenses	-	-
	623,362-	593,679-

D. Details of expenses in foreign currency during the year:- Nil

E. Receipts in foreign currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sponsorship Funds – Designated	70,355,999	72,321,125
Sponsorship Funds – Projects	351,767,850	287,435,709
Funds from International Office	144,924,853	151,226,912
Grant received	-	7,605,975
NSP received	1,685,912	6,665,312
	568,734,614	525,255,033

F. ChildFund International USA – India Office has not imported any capital assets or traded goods during the year ended 31 March 2019 and in the previous year.

G. Dues to Micro, Small and Medium Enterprise

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. ChildFund International USA – India Office has not received such intimation from any of the enterprises which have supplied goods and services.

H. Related party disclosures

(a) Related party where control exists

Childfund International USA (formerly Christian Children’s Fund Inc.,) – International Office

(b)The following is a summary of significant transactions with related parties for the year



Handwritten signature of N. K. Talwar



ChildFund International USA – India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Schedules forming parts of the financial statements
(All amount are in Indian Rupees)

Particulars	Rs.	
	31 March 2019	31 March 2018
ChildFund International, USA		
• Remittances received	567,048,702	510,983,746
• Expenses paid by Head Office	6,564,487	6,216,290
ChildFund India, Society		
• Subsidy Paid to Society	99,887,012	-
• DFC Paid to Society	18,106,523	17,519,628
• NSP & Grant Paid to Society	6,926,303	6,802,500

- I. ChildFund International USA – India Office does not have any unhedged foreign currency exposure and outstanding derivative instruments as at year end.

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



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

Place: New Delhi
Date : 20.09.2019

for ChildFund International USA - India Office

Neelam Makhijani
Country Director

