

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Directors of Smile Train India, Vasant Kunj, New Delhi Report on the Audit of Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Smile Train India**, New Delhi ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Income and Expenditure and Receipt and Payment Account for the year then ended 31<sup>st</sup> March 2023, and notes to the Special Purpose Financial Statements, attributable to contributions received by the Company from foreign sources only in designated FCRA bank accounts, together with accompanying explanatory information. These Special Purpose Financial Statements have been prepared by the Company in accordance with the generally accepted accounting principles in India with the specific purpose of submitting them to the Ministry of Home Affairs in accordance with Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 and the Foreign Contribution (Regulation) Amendment Act, 2020 (the 'Direction').

In our opinion, the accompanying Special Purpose Financial Statements, give a true and fair view of the state of affairs of the Company (including unutilized foreign contributions) as at 31<sup>st</sup> March 2023 and its expenditure over income for the year then ended, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the Direction and accountings principles generally accepted in India.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose 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 together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2 to the Special Purpose Financial Statements, which describe the basis of preparation of these Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the Company, attributable to contributions received by the Company from foreign sources only in designated FCRA bank accounts, in accordance with the generally accepted accounting principles in India with the specific purpose of submitting them to the Ministry of Home Affairs in accordance with the Direction.



## **V. P. Thacker & Co.**

### **Restriction on Distribution and Use**

The Special Purpose Financial Statements are prepared to assist the Company to submit them to Ministry of Home Affairs, in compliance with the provisions under the Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Board of Directors of the Company for the specific purpose of submission to the Ministry of Home Affairs as mentioned above and should not be distributed to or used by any other parties. V.P. Thacker & Co., Chartered accounts shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior consent in writing.

### **Management's Responsibility for the Special Purpose Financial Statements**

Management is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view in accordance with the Direction and generally accepted accounting principles in India and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Special Purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose 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 Company Management is also responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose 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 Special Purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose 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.



## V. P. Thacker & Co.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on whether the company has adequate internal financial controls with reference to Special Purpose Financial Statements 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 Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that fair presentation.

We communicate with management 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 to the management 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.

### Other Matters

- As mentioned in the Basis of Accounting above, these Special Purpose Financial Statements have been prepared by the management, attributable to contributions received by the Company from foreign sources only in FCRA bank accounts, in accordance with the generally accepted accounting principles and the Direction and therefore, these Special Purpose Financial Statements do not present the affairs of the Company as a whole.
- We have audited the financial statements of the Company (as a whole) as of and for the year ended 31<sup>st</sup> March 2023 on which we issued unmodified audit opinion vide our report dated 29<sup>th</sup> August 2023. Our audit of these financial statements was conducted in accordance with the SAs and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



## V. P. Thacker & Co.

Our opinion is not modified in respect of the above matters.

For V. P. Thacker & Co.  
Chartered Accountants  
Firm Registration No. 118696W  
SHITIJ  
BAHL  
Shitij Bahl  
Partner  
Membership No. 519873  
UDIN: 23519873BGZIXK4383

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Place: New Delhi  
Date: 19<sup>th</sup> December 2023



**Smile Train India**

Registered office: Plot No 3, LSC, Sector C, Pocket 6/7, Vasant Kunj, New Delhi, Delhi 110070

**Balance Sheet as at 31 March 2023**

Particulars	Schedule	31 March 2023 INR	31 March 2022 INR
<b>Sources of Funds</b>			
Restricted Fund for Specific Purpose	A	2,28,47,921	1,70,98,527
<b>TOTAL</b>		<b>2,28,47,921</b>	<b>1,70,98,527</b>
<b>Application of Funds</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment			
-Tangible Assets	B	21,90,618	7,34,836
Other Recoverables		-	3,00,000
Security Deposit		15,84,000	15,84,000
Tds Receivable		93,186	84,780
<b>Current Assets</b>			
Cash and Bank Balances		1,24,09,621	56,06,380
Other Recoverables		-	25,00,000
Fixed Deposit		65,70,496	62,88,531
<b>TOTAL</b>		<b>2,28,47,921</b>	<b>1,70,98,527</b>

**For V. P. Thacker & Co.**  
Chartered Accountants  
Firm Registration No. 118696W

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**Shitij Bahl**  
Partner  
Membership No. 519873

Place: New Delhi  
Date: 19 December 2023

For and on behalf of the Board of Directors  
**Smile Train India**

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**Renu Mehta**  
Wholetime Director  
DIN: 05236879

Place: New Delhi  
Date: 19 December 2023

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**Mamta Carroll**  
Wholetime Director  
DIN: 05236972

Place: New Delhi  
Date: 19 December 2023



**Smile Train India**

Registered office: Plot No 3, LSC, Sector C, Pocket 6/7, Vasant Kunj, New Delhi, Delhi 110070

**Statement of Income and Expenditure Account for the Year ended 31 March 2023**

S.No.	Particulars	Note No.	Year ended 31 March 2023 INR	Year ended 31 March 2022 INR
I	<b>Income</b>			
	Grant Received		95,47,99,600	78,64,19,948
	Donations Received		3,57,12,242	7,15,378
II	Other Income*		7,31,977	6,07,616
III	Total Revenue		<b>99,12,43,819</b>	<b>78,77,42,942</b>
IV	<b>Expenses</b>			
	Program Expenditure		91,05,75,820	79,45,54,875
	Depreciation and Amortization Expenses		7,62,426	12,93,674
	Employee Benefit Expenses		4,53,47,506	4,02,81,121
	Other Expenses		2,63,08,673	1,85,08,142
	Total Expenses		<b>98,29,94,425</b>	<b>85,46,37,812</b>
V	Surplus/ (Deficit) for the year		<b>82,49,394</b>	<b>(6,68,94,870)</b>

Note :

\* The other income reflects interest income added to principal amount for fixed deposit at the time of renewal including tds receivable of Rs. 34,378 (Previous Year Rs. 31,285) and Interest on Income Tax Refund amounting to Rs. 1,938 (Previous Year Rs. NIL) received which relates to AY 2021-22.

**For V. P. Thacker & Co.**

Chartered Accountants

Firm Registration No. 118696W

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Partner

Membership No. 519873

Place: New Delhi

Date: 19 December 2023



For and on behalf of the Board of Directors

**Smile Train India**RENU  
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Wholetime Director

DIN: 05236879

Place: New Delhi

Date: 19 December 2023

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Wholetime Director

DIN: 05236972

Place: New Delhi

Date: 19 December 2023

Smile Train India

Registered office: Plot No 3, LSC, Sector C, Pocket 6/7, Vasant Kunj, New Delhi, Delhi 110070

Receipts and Payments Account For the year ending 31 March 2023

Receipts	Year ended		Payments	Amount (In INR)	
	31 March 2023	31 March 2022		31 March 2023	31 March 2022
<b>Opening Balance</b>					
HDFC A/C 50200013422562	25,38,472	7,21,93,288	SBI Bank Charges	1,50,190	1,51,012
SBI A/C 40021044322	30,67,908	15,623	HDFC Bank Charges	3,12,389	36,135
Donations Received from Smile Train Inc (New York)	95,47,99,600	78,64,19,948	Office Rent	40,66,242	39,34,656
Donation Received	3,57,12,242	7,15,378	Office Supplies	4,28,105	2,80,014
Funding to Hospital -Received back	17,700	61,256	Salary	3,55,79,270	3,23,36,041
Interest from SBI	4,13,696	2,90,888	Postage and Courier	42,528	30,901
Income Tax Refund	25,972	-	Telephone and Internet Expenses	7,43,213	7,12,212
Interest on Income Tax Refund	1,938	-	Insurance Expenses	-	3,185
			Repairs & Maintenance	1,75,082	38,800
			Meals Expenses	1,29,892	21,776
			MAB Expenses	6,71,207	18,621
			Professional Fees	80,20,031	78,95,169
			Accommodation Expenses	12,99,398	2,17,289
			Programme Expenses	83,11,99,153	72,34,11,786
			Photograph & Video	92,345	-
			Public Relation / Regional Marketing	94,07,773	54,34,224
			Advertising	6,18,000	-
			Utilities	3,25,552	1,72,942
			Subscription Expenses	-	1,299
			Meetings Expenses	4,63,781	4,479
			Travel Expenses	30,60,378	2,32,322
			Capital items charged to Revenue	95,268	-
			TDS Paid on expenses	8,02,65,239	7,81,27,171
			Staff Trainings (Retreat/Meetings)	6,35,863	-
			Transfer from Acct..562 to Acct..637	44,68,800	-
			Leave and Gratuity Expense	-	3,45,361
			<b>Total of Expenses</b>	<b>98,22,49,699</b>	<b>85,34,05,393</b>
			Property, plant and equipment	19,18,208	6,84,608
			<b>Total of Capital Items</b>	<b>19,18,208</b>	<b>6,84,608</b>
			<b>Closing Balance</b>		
			HDFC A/C 50200013422562	1,19,38,454	25,38,472
			SBI A/C 40021044322	4,71,167	30,67,908
			<b>99,65,77,528</b>	<b>85,96,96,381</b>	<b>99,65,77,528</b>
					<b>85,96,96,381</b>

For V. P. Thacker & Co.  
Chartered Accountants  
Firm Registration No. 118696W

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Shitij Bahl  
Partner  
Membership No. 519873

Place: New Delhi  
Date: 19 December 2023



For and on behalf of the Board of Directors  
Smile Train India

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DIN: 05236879

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Mamta Carroll  
Wholetime Director  
DIN: 05236972

Place: New Delhi  
Date: 19 December 2023

**Smile Train India****Schedule attached to and forming part of the Balance Sheet as at 31 March 2023****Schedule -(A) - Restricted funds for specific purpose**

Particulars	Amount (In INR)	
	As at 31 March 2023	As at 31 March 2022
Opening Balance	1,70,98,527	8,39,93,396
Amount received during the year	99,05,11,842	78,71,35,326
Addition to Property, plant and equipment	19,18,208	6,84,608
Advance to vendors adjusted with TDS liability	(25,00,000)	-
Interest on Income Tax Refund	1,938	-
Depreciation	(7,62,426)	(12,93,674)
Interest from SBI	4,13,696	2,90,888
Interest received adjusted as TDS	34,378	31,285
Increase/(decrease) in Fixed Deposits (net)	2,81,965	2,85,443
Utilisation during the year	(98,41,50,207)	(85,40,28,745)
<b>Closing Balance</b>	<b>2,28,47,921</b>	<b>1,70,98,527</b>



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Smile Train India

Schedule attached to and forming part of the Balance Sheet as at 31 March 2023

Schedule - (B) - Property, Plant and Equipment

(Amount in INR)

Particulars	Depreciation Life as per Companies Act, 2013 (in Years)	Gross Block				Depreciation				Net Block	
		As at 1 April 2022	Additions	Deletion / Adjustment	As at 31 March 2023	As at 1 April 2022	For the year	Deletion / Adjustment	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Tangible Assets</b>											
Furniture & Fixture	10	5,34,132	21,29,944	-	26,64,076	3,98,557	3,56,853	-	7,55,410	19,08,666	1,35,575
Office Equipments	5	98,000	-	-	98,000	92,954	-	-	92,954	5,046	5,046
Computer	3	13,96,378	88,264	-	14,84,642	8,02,163	4,05,573	-	12,07,736	2,76,906	5,94,215
<b>Total</b>		<b>20,28,510</b>	<b>22,18,208</b>	<b>-</b>	<b>42,46,718</b>	<b>12,93,674</b>	<b>7,62,426</b>	<b>-</b>	<b>20,56,100</b>	<b>21,90,618</b>	<b>7,34,836</b>
<b>Previous Year</b>		<b>13,43,902</b>	<b>6,84,608</b>	<b>-</b>	<b>20,28,510</b>	<b>8,82,896</b>	<b>4,10,778</b>	<b>-</b>	<b>12,93,674</b>	<b>7,34,836</b>	<b>4,61,006</b>



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## Smile Train India

### Notes to Financial Statements for the year ended 31 March 2023

#### 1 Corporate Information

Smile Train India has been registered under section 25 of the Companies Act, 1956 vide Registration no. U85100DL2009NPL193169 dated 13th August 2009. The Company was established as a not-for-profit entity in India mainly to provide free corrective surgery to poor children with cleft lips and palates.

#### 2 Basis of preparation

The Special Purpose Financial Statements of the Company have been prepared, attributable to contributions received by the Company from foreign sources only in designated FCRA bank accounts, in accordance with the requirement of Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with Rule 13 and Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 and generally accepted accounting principles in India (Indian GAAP). The Special Purpose Financial Statements have been prepared under cash basis of accounting.

- 3 Total interest received on maturity amounts to Rs. 316,343 which is disclosed as income in Income and expenditure account. Out of total interest Rs.34,378 where adjusted against tds and balance of Rs. 281,965 reinvested as a principal amount. Additionally total Interest earned from Savings Bank is Rs 413,696 and Interest on Income Tax Refund amounting to Rs. 1,938 is received which relates to AY 2021-22.

#### 4 Property, Plant and Equipment & Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Property, Plant and Equipment is provided on written down value method as per Schedule II to the Companies Act, 2013 based on the estimated remaining useful life of the asset. Depreciation on additions to tangible assets is provided on pro-rata basis from the date of additions.

Asset	Useful Life adopted by Company	Useful Life per Schedule II of the Act
Furniture & Fixtures	10 years	10 years
Computer Equipment's	3 years	3 years
Office Equipment's	5 years	5 years

Property, Plant and Equipment costing up to Rs 65,000 are fully amortized in the year of purchase under the head 'Capital Items Charged to Revenue'.

#### 5 Taxation Of Income

The Company is registered under Section 12AA of Income Tax Act, 1961 and its income is exempted from income tax under Section 11 & 12 of that Act accordingly provision for income tax does not arise.



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