

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 31st March 2024, the Statement of Income and Expenditure and Receipt and Payment Account for the year then ended 31st March 2024, 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 31st March 2024 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.

Emphasis of Matter - 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.

Other Matter

- 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 31st March 2024 on which we issued unmodified audit opinion vide our report dated 30th August 2024. 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.

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

Management's Responsibility for the Special Purpose Financial Statements

The Board of Directors 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 the Board of Directors 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, the Board of Directors 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 Board of Directors is also responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibility 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.
- 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.



V. P. Thacker & Co.

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.

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

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Shitij Bahl
Partner
Membership No. 519873
UDIN: 24519873BKGVCE7609

Place: New Delhi
Date: 23rd December 2024



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 2024

Particulars	Schedule	31 March 2024 INR	31 March 2023 INR
Sources of Funds			
Restricted funds for specific purpose	A	9,78,83,378	2,28,47,921
TOTAL		9,78,83,378	2,28,47,921
Application of Funds			
Non-Current Assets			
Property, plant and equipment	B	16,75,192	21,90,618
Security deposit		15,84,000	15,84,000
TDS receivable		1,36,379	93,186
Current Assets			
Cash and Bank Balances		8,75,95,157	1,24,09,621
Fixed Deposit		68,92,650	65,70,496
TOTAL		9,78,83,378	2,28,47,921

For V. P. Thacker & Co.

Chartered Accountants

Firm Registration No. 118696W

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Partner

Membership No.-519873

Date: 23.12.2024

For and on behalf of the Board of Directors

Smile Train India**Renu
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Wholetime Director

DIN: 05236879

Date: 23.12.2024

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Wholetime Director

DIN: 05236972

Date: 23.12.2024



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 2024

S.No.	Particulars	Year ended 31 March 2024 INR	Year ended 31 March 2023 INR
I	Income		
	Grants	99,98,19,200	95,47,99,600
	Donations Received	14,35,722	3,57,12,242
II	Other Income*	7,64,453	7,31,977
III	Total Income (I+II)	1,00,20,19,375	99,12,43,819
IV	Expenses		
	Program Expenses	85,42,58,511	91,05,75,820
	Depreciation and amortization expense	8,22,224	7,62,426
	Employee Benefit Expenses	4,89,55,357	4,53,47,506
	Other Expenses	2,29,47,827	2,63,08,673
	Total Expenses	92,69,83,919	98,29,94,425
V	Surplus	7,50,35,456	82,49,394

Note :

* The other income reflects interest income added to principal amount for fixed deposits at the time of renewal including TDS of Rs. 43,190 (previous year Rs. 34,378).

For V. P. Thacker & Co.

Chartered Accountants

Firm Registration No. 118696W

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Partner

Membership No.-519873

Date: 23.12.2024

For and on behalf of the Board of Directors

Smile Train IndiaRenu
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Wholetime Director

DIN: 05236879

Date: 23.12.2024

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Wholetime Director

DIN: 05236972

Date: 23.12.2024



Smile Train India**Registered office: Plot No 3, LSC, Sector C, Pocket 6/7, Vasant Kunj, New Delhi, Delhi 110070****Schedule attached to and forming part of the Balance Sheet as at 31 March 2024****Schedule- (A)- Restricted funds for specific purpose**

Particulars	INR	INR
	As at 31 March 2024	As at 31 March 2023
Opening Balance	2,28,47,921	1,70,98,527
Amount received during the year	1,00,12,54,922	99,05,11,842
Addition to property, plant and equipment	3,06,800	19,18,208
Advance to vendors	-	(25,00,000)
Interest on income tax refund	-	1,938
Depreciation and amortization expense	(8,22,224)	(7,62,425)
Interest from SBI	3,99,109	4,13,696
Interest received adjusted as TDS	43,190	34,378
Increase/(decrease) in fixed deposits (net)	3,22,154	2,81,965
Utilisation during the year	(92,64,68,495)	(98,41,50,207)
Closing Balance	9,78,83,378	2,28,47,921



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Smile Train India

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

Schedule attached to and forming part of the Balance Sheet as at 31 March 2024

Schedule- (B)- Property, plant and equipment

Particulars	Useful Life as per Companies Act, 2013 (in Years)	Gross Block				Depreciation				Net		INR
		As at 1 April 2023	Additions	Deletion / Adjustment	As at 31 March 2024	As at 1 April 2023	For the year	Deletion / Adjustment	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	
Furniture & Fixtures	10	26,64,076	-	-	26,64,076	7,55,410	4,95,441	-	12,50,851	14,13,225	19,08,666	
Office Equipments	5	98,000			98,000	92,954	-		92,954	5,046	5,046	
Computers	3	14,84,641	3,06,800		17,91,441	12,07,737	3,26,783		15,34,520	2,56,921	2,76,904	
Total		42,46,717	3,06,800	-	45,53,517	20,56,101	8,22,224	-	28,78,325	16,75,192	21,90,616	
Previous Year		20,28,509	22,18,208	-	42,46,717	12,93,836	7,62,265	-	20,56,101	21,90,616		



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Notes to Financial Statements for the year ended March 31, 2024

1 Corporate Information

Smile Train India has been registered under section 25 of the Companies Act, 1956 (section 8 of the Companies Act, 2013) 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 amounting to Rs. 365,344 which is disclosed as other income in Income and expenditure account. Out of total interest Rs. 43,190 was adjusted against TDS and balance of Rs. 322,154 has been reinvested as a principal amount. Additionally, total Interest earned from Savings Bank is Rs. 399,109.

4 Property, Plant and Equipment & Deprecation

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 ('the Act') 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 the Company	Useful Life per Schedule II to the Act
Furniture & Fixtures	10 years	10 years
Computers	3 years	3 years
Office Equipments	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, provisions for income tax act does not arise.



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