

INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s Railway Children India

Report on Financial Statements

We have audited the accompanying financial statement of **M/s Railway Children India**, a company Limited by Guarantee ("the Company") which comprises the Balance Sheet as at March 31, 2018, and the Statement of Income & Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting & Auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act the Rules made there under.

We have conducted our audit in accordance with standards on Auditing specified under section 143(10) of the act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates



made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 such books;
 - (c) the Balance Sheet and Statement of Income & Expenditure dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial Statement comply with the Accounting Standards specified under section 133 of companies Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2018, from being appointed as a director in terms of section 164(2) of the Companies Act 2013.
 - (f) In our opinion considering nature of business, size of operation and organisational structure of the entity, 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 31st March 2018, 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.
- (a) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has does not have any pending litigations.
 - ii. The Company does not have any long term contracts. The company does not have any derivative contracts;



- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra LLP
Chartered Accountants
Reg. No. 002081N/N500092



Nileshe Mehta

Partner

M. No. 093847

Place : New Delhi

Date : 11th June 2018

Railway Children India
(A Company Limited by Guarantee not having Share Capital)
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars		Note	As at March 31, 2018	As at March 31, 2017
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	-	-
	(b) Reserves and surplus	4	1,39,73,005	39,25,707
2	Non-Current liabilities			
	(a) Non-current Provisions	5	3,07,002	-
3	Current liabilities			
	(a) Other current liabilities	6	2,72,81,374	34,73,956
	(a) Current Provisions	7	515	-
			4,15,61,896	73,99,663
II.	ASSETS			
1	Non Current Assets			
	(a) Fixed Assets	16	14,26,961	5,02,256
	Tangible Assets			
2	Current assets			
	(a) Cash and cash equivalents	8	3,95,97,867	63,13,897
	(b) Other current assets	9	5,37,068	5,83,509
			4,15,61,896	73,99,663

Summary of significant accounting policies

1 & 2

The notes referred to above form intergral part of the financial statements

This is the Balance sheet referred to in our report of even date

For Luthra & Luthra LLP

Chartered Accountants
 Reg. No. 002081N/ N500092


Niles Mehta
 Partner
 M. No. 093847



For and on behalf of the Board of Directors


Mr. Navin Sellaraju Sukumar
 Director
 DIN: 06571246


Mr. Nitin Aggarwal
 Director
 DIN: 08095831

Place: New Delhi

Date: June 11, 2018

Railway Children India (A Company Limited by Guarantee not having Share Capital)
Statement of Income & Expenditure for the year ending 31st March, 2018

Particulars		Note	For year ended March 31, 2018	For year ended March 31, 2017
I.	Donations and grant received	10	5,15,52,874	1,41,37,868
II.	Other incomes	11	3,71,337	58,012
III.	Total revenue (I+II)		5,19,24,211	1,41,95,880
IV.	Expenses:			
	Grants to partners	12	1,78,22,713	94,15,803
	Employee related expenses	13	1,32,11,157	21,90,470
	Depreciation	16	2,18,242	32,663
	Program related expenses	14	82,95,811	21,56,878
	Other expenses	15	23,28,990	8,08,319
	Total expenses		4,18,76,913	1,46,04,133
V	Surplus / Deficit		1,00,47,298	(4,08,253)
VI	Tax expense:			
	(1) Current income tax		-	-
	(3) Deffered Tax		-	-
	Total Tax expenses		-	-
VII.	Profit/(Loss) after tax		1,00,47,298	(4,08,253)

Summary of significant accounting policies

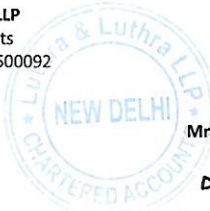
1 & 2

The notes referred to above form intergral part of the financial statements

This is the Statement of profit and loss referred to in our report of even date

For Luthra & Luthra LLP
Chartered Accountants
Reg. No. 002081N/N500092


Mr. Nitesh Mehta
Partner
M.No. 093847



For and on behalf of the Board of Directors


Mr. Navin Sellaraju Sukumar
Director
DIN: 06591246


Mr. Nitin Aggarwal
Director
DIN: 028095231

Place: New Delhi
Date: June 11, 2018

Railway Children India (A Company Limited by Guarantee not having Share Capital)

Notes to Accounts

Note 1 Railway Children India was incorporated under Section 25 of the Companies Act, 1956 on 19 November 2013 as a private limited company limited by guarantee and not having share capital and has been granted licence under section 25 vide licence no. 103464. The company is formed to carry out activities without any distinction or discrimination on the basis of caste, religion, race or colour or sex of providing relief to children and young person under the age of 25 years who are in condition of need, hardship or distress anywhere in world and in particular those living in streets.

Note 2 Significant Accounting Policies

a) **Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention, accrual basis of accounting, in accordance with the generally accepted accounting principles and comply with the accounting standards as per section 133 of the Companies Act 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014.

b) **Use of Estimates**

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and make assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingencies as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates include accounting for rates and taxes, and provisions etc. Contingencies are recorded when it is probable that a liability will be incurred, and amount can be reasonably estimated. Actual results could differ from those estimates.

c) **Taxation**

The company has been incorporated under Section 25 of The Companies Act ,1956 (corresponding section 8 of the Companies Act 2013) & thus not liable to pay tax.

d) **Depreciation**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as Prescribed under Part-C of Schedule II of Companies Act 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

e) **Employee Benefits**

Short-term employee benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined contribution plans:

The Company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss when they are due.

Defined benefit plans:

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

f) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- (i) the Company has a present obligation as a result of a past event,
- (ii) a probable outflow of resources is expected to settle the obligation and
- (iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- (ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.



Railway Children India (A Company Limited by Guarantee not having Share Capital)
Notes Forming Part of Balance Sheet

3 Guarantee

Guarantee Deposits

Particulars	March 31,2018 Rs	March 31,2017 Rs
At the Beginning	10,000	10,000
Issued During the Year	-	-
Outstanding at the end of the period	10,000	10,000

4 Reserves and Surplus

Particulars	March 31,2018 Rs	March 31,2017 Rs
General Reserve		
Balance brought forward from previous year	39,25,707	43,33,959
Profit/(Loss) after Taxes	1,00,47,298	(4,08,253)
Closing balance as at 31st March,2018	1,39,73,005	39,25,707

5 Non-Current Provision

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Provision for Gratuity	3,07,002	-
Total	3,07,002	-

6 Other Current Liabilities

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Salary Payable	-	4,05,544
Expenses payable	3,14,797	1,27,387
Auditors Remuneration Payable	2,16,000	2,50,680
Company Law Retainership Payable	32,854	31,500
Tds Payable	1,86,593	1,20,205
Grant received in advance	2,64,35,308	25,38,640
PF Payable	95,822	
Total	2,72,81,374	34,73,956

7 Current Provision

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Provision for Gratuity	515	-
Total	515	-

8 Cash and cash equivalents

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Cash in hand	-	-
Cash at Bank	3,95,97,867	63,13,897
Total	3,95,97,867	63,13,897



9 Short term loans and advances

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Security deposits	2,46,841	1,47,291
Prepaid expenses	1,60,552	56,233
Staff advances	1,06,233	12,545
Amount receivable from APPI	23,442	-
Amount receivable from SARD	-	3,67,440
Total	5,37,068	5,83,509

10 Donations and grant received

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Income from grant received	5,15,50,354	1,41,37,868
Donations	2,520	-
	5,15,52,874	1,41,37,868

11 Other Income

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Creditors written back	-	-
Interest Income	3,71,337	58,012
	3,71,337	58,012

12 Grants to Partners

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Grants to Partners	1,78,22,713	94,15,803
	1,78,22,713	94,15,803

13 Employee Benefit expense

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Salary (Program)	97,53,776	15,64,367
Salary (Enabling Function)	20,84,195	4,97,844
Staff welfare and capacity development	4,23,700	1,28,259
Gratuity Expenses	3,07,517	-
Employer's PF & ESI Contribution	6,41,969	-
	1,32,11,157	21,90,470

14 Program expenses

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Training and Program Monitoring Travel Expenses	18,92,320	5,09,646
Recruitment expenses	2,30,512	72,575
Research & Baseline study expenses	14,21,520	4,98,002
Livelihood Program Market Study	-	4,08,050
Organisational development expenses	35,13,917	6,68,605
Direct Implementation Cost	12,37,543	-
	82,95,811	21,56,878



15 Other Expense

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Office rent	7,25,100	3,06,027
Bank charges	-	535
Interest on tds	8,304	429
Legal & Professional Expenses	3,22,637	2,07,000
Office utilities and other expenses	8,15,732	2,24,429
Telephone communication expense	2,02,330	69,900
Travelling & conveyance expenses	2,54,887	-
Total	23,28,990	8,08,319

Legal & Professional includes Payment to Auditor

	(Rs)	(Rs)
As Auditor		
Audit Fees	2,36,000	2,07,000
Tax Audit Fees	-	-
In Other Capacity		
Taxation Matters	-	-
Company Law Matters	83,873	34,500
Reimbursement Expenses	2,764	-
	3,22,637	2,41,500

Related Party Transactions**Directors**

Navin Sellaraju Sukumar
Sunita (Till 11.12.17)
Vaiyacheri Subramaniam Gurumani (Till 26.3.18)
Manisha Chadha (Till 26.3.18)
Naghma Parvez Mulla (Till 26.3.18)
Vijay Sood (Till 26.3.18)
Nitin Aggarwal (w.e.f 26.3.18)

Transactions with Related Parties :- Rs. NIL/- (Previous Year : NIL)

Note 15 The company has not spent 85% of the income earned during the year and in case the same is not spent there may be tax liability. However in view of management resolution dt. 8th June 2018 regarding spending the same in next year no provision has been made in the accounts.

Note 16 The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 17 The Enterprise is a Level-II enterprise as per the norms of the NACAS and in persuasion of exemption or relaxation from the applicability of Accounting Standard issued by NACAS, available to such enterprises, information required in AS-17 Segment Reporting has not been disclosed

Note 18 The Company has taken 2 Office premises on lease in Delhi for its operations. The Office Premises is on lease for period of three years which is further extendable as per mutual agreement. The total lease rental recognized as an expense during the year under the above lease agreement amounts to Rs. 7,25,100 (Previous year Rs. 3,06,027).

Previous year figures have been regrouped / recast wherever found necessary to correspond with current year classification.

For and on behalf of the Board of Directors


Mr. Navin Sellaraju Sukumar
Director

DIN: 06571246


Mr. Nitin Aggarwal
Director

DIN: 08095831



Railway Children India (A Company Limited by Guarantee not having Share Capital)
Notes forming part of financial statements

16 Fixed Assets

Particulars	Tangible			Intangible		Grand Total	
	Computer	Office equipment	Furniture	Total	Software		Total
Gross Block							
Balance as at April 01, 2016	-	-	-	-	-	-	-
Additions	5,11,594	23,325	-	5,34,919	-	-	5,34,919
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	5,11,594	23,325	-	5,34,919	-	-	5,34,919
Balance as at April 01, 2017	5,11,594	23,325	-	5,34,919	-	-	5,34,919
Additions	3,10,379	1,46,450	2,14,118	6,70,947	4,72,000	4,72,000	11,42,947
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2018	8,21,973	1,69,775	2,14,118	12,05,866	4,72,000	4,72,000	16,77,866
Depreciation/Amortisation							
Balance as at April 01, 2016	-	-	-	-	-	-	-
Depreciation for the year	31,630	1,032	-	32,663	-	-	32,663
Accumulated Depreciation on disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	31,630	1,032	-	32,663	-	-	32,663
Balance as at April 01, 2017	31,630	1,032	-	32,663	-	-	32,663
Depreciation for the year	1,83,893	21,860	12,243	2,17,996	246	246	2,18,242
Accumulated Depreciation on disposals	-	-	-	-	-	-	-
Balance as at March 31, 2018	2,15,523	22,892	12,243	2,50,659	246	246	2,50,905
Net Block							
Balance as at March 31, 2017	4,79,963	22,293	-	5,02,256	-	-	5,02,256
Balance as at March 31, 2018	6,06,449	1,46,883	2,01,875	9,55,207	4,71,754	4,71,754	14,26,961

Railway Children India
(A Company Limited by Guarantee not having Share Capital)
CASH FLOW AS AT 31ST MARCH, 2018

	Year Ended March 31, 2018	Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Total Surplus for the year	1,00,47,298	(4,08,253)
Adjustments for :-	-	-
Depreciation	2,18,242	32,663
Provision for Gratuity	3,07,002	-
Operating profit/ (Loss) before Working Capital Changes	1,05,72,542	(3,75,590)
<u>Adjustments changes in working capital:</u>		
Decrease/ (Increase) in other current, Other Current assets	46,441	(5,37,709)
(Decrease)/ Increase in Other Current, Other Current Liabilities	2,38,07,933	31,92,497
Cash Generated from Operating Activities	3,44,26,917	22,79,198
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	3,44,26,917	22,79,198
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,42,947)	(5,34,919)
Proceeds from Sale of Fixed Assets	-	-
NET CASH GENERATED/ (USED) IN INVESTING ACTIVITIES	(11,42,947)	(5,34,919)
NET CASH GENERATED FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in payable to head office	-	-
Remittances from Head Office	-	-
NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	3,32,83,970	17,44,279
Cash and Cash Equivalent at the beginning of the year	63,13,897	45,69,618
Cash and Cash Equivalent at the end of the year	3,95,97,867	63,13,897
Net Increase / (Decrease) in Cash & Cash Equivalents	3,32,83,970	17,44,279
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	-	-
Balances with Banks in current accounts	3,95,97,867	63,13,897
	3,95,97,867	63,13,897
Fixed deposits placed for periods exceeding 3 months	-	-
Cash and Cash Equivalents as per Balance Sheet	3,95,97,867	63,13,897

For LUTHRA & LUTHRA LLP
Chartered Accountants
Firm Registration No. 002081N/MS00092



Nitesh Mehta
Partner

M. No. 093847
Place: N. Delhi
Date: June 11 2018


Mr. Navin Sellaraju Sukumar
Director

DIN: 06571246

For on behalf of
Railway Children India


Mr. Nitin Aggarwal
Director

DIN: 08095831