

INDEPENDENT AUDITOR'S REPORT**To the Management of Smile Train India ("the Company"), Vasant Kunj, New Delhi****Report on the Financial Statements**

We have audited the accompanying financial statements of **Smile Train India**, New Delhi ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Income and Expenditure for the year ended 31 March 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company Management 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, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with 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 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.

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 and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, and for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 is not applicable to the company.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 those books.
 - c. The Balance Sheet and 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 operating effectiveness of such controls, a separate report is attached in "Annexure A" hereto.
 - 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:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



V. P. Thacker & Co.



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

A handwritten signature in blue ink, appearing to read "S. Bahl".

Sanjiv Bahl
Partner
Membership No. 82462

Place: New Delhi
Date: 10th SEPT 2018

ANNEXURE TO AUDITORS' REPORT

Annexure A referred to in Paragraph 2.e under "Report on Other Legal and Regulatory Requirements" section of our Report of even date

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

We have audited the internal financial controls over financial reporting of Smile Train India, New Delhi, ("Company") as at 31 March 2018 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 Act.

Auditor's 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. Those Standards and the Guidance Note issued by ICAI 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 judgment, 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 control 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



Smile Train India
(A Company Incorporated Under Section 25 of the Companies Act, 1956)

CIN - U85100DL2009NPL193169

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

Balance Sheet as at 31st March 2018

	Notes	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Equity and Liabilities			
Shareholders' funds:			
Reserves and Surplus	3	(50,361,499)	5,658,983
Current Liabilities			
Other current liabilities	4	200,379,221	94,721,600
TOTAL		150,017,722	100,380,583
ASSETS			
Non Current Assets			
Property, Plant and Equipment			
-Tangible Assets	6	495,992	155,779
Long term Loan and Advances	5	1,584,000	1,584,000
Current assets			
Cash and cash equivalents	7	147,852,658	53,447,185
Other Current Assets	8	85,072	45,193,619
TOTAL		150,017,722	100,380,583
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

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

Sanjiv Bahl
Partner
Membership No.-082462
Place : New Delhi
Date: 10th SEPT 2018



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

Renu Mehta
Director
DIN: 05236879

Mamta Carroll
Director
DIN: 05236972



Smile Train India

(A Company Incorporated Under Section 25 of the Companies Act, 1956)

CIN - U85100DL2009NPL193169

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 31st March 2018

S.No.	Particulars	Note No.	As At	As At
			31st March 2018	31st March 2017
			Rs.	Rs.
I	Income	9		
	Grant Received		600,893,516	584,052,824
	Donations Received		214,491,647	196,786,647
II	Other Income	10	-	483,369
III	Total Revenue		815,385,163	781,322,840
IV	Expenses			
	Depreciation and Amortization Expenses	6	311,138	17,721
	Grants To Hospitals	11	831,340,267	927,112,317
	Employee Benefit Expenses	12	181,138	22,500
	Other Expenses	13	39,573,102	12,503,552
	Total Expenses		871,405,645	939,656,090
V	Surplus/ (Deficit) for the period		(56,020,482)	(158,333,250)

As per our Report of even date

For V. P. Thacker & Co.

Chartered Accountants

Firm Registration No. 118696W

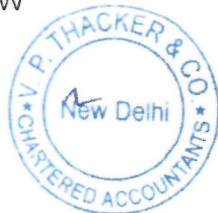
Sanjiv Bahl

Partner

Membership No.-082462

Place : New Delhi

Date: 10th SEPT 2018



For and on behalf of the Board of Directors

Smile Train India**Renu Mehta**

Director

DIN: 05236879

Mamta Carroll

Director

DIN: 05236972

