

Directors' Report

To
The Members,
Christel House India, Bangalore

Your directors take great pleasure in presenting their report on operations along with the 17th Annual Report of the Company and the audited accounts for the year ended March 31, 2017.

Our Philosophy

"Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime." The wisdom of 12th century philosopher Maimonides is frequently quoted, but how often is it effectively put into action in the charitable sector? This philosophy has been Christel House's leitmotif from the beginning. The success of our children highlighted in this Annual Report demonstrates that Christel House works.

Our Mission

To help impoverished children become self-sufficient members of society, Christel House provides robust K-12 education, character development, health care and nutrition, family assistance, career guidance and job placement.

Our Vision

Christel house transforms the lives of children by breaking the cycle of poverty.

Our Approach

Unlike most charities, 100% of the donations will fund programs directly benefiting the children of Christel House, and will not be used for Administrative & Fundraising overheads.

Review of Operations

I. PROGRAM OVERVIEW:

This is the 16th Academic year of the Learning Center and 1223 children benefited from the Christel House Program. The Learning Center's aim is to provide high quality education to children from the least privileged sectors of society. Great emphasis is given to achieving high academic standards by employing excellent teaching skills and following a rigorous academic program. Special efforts have been made to impart remedial lessons to those who are less proficient in academics.

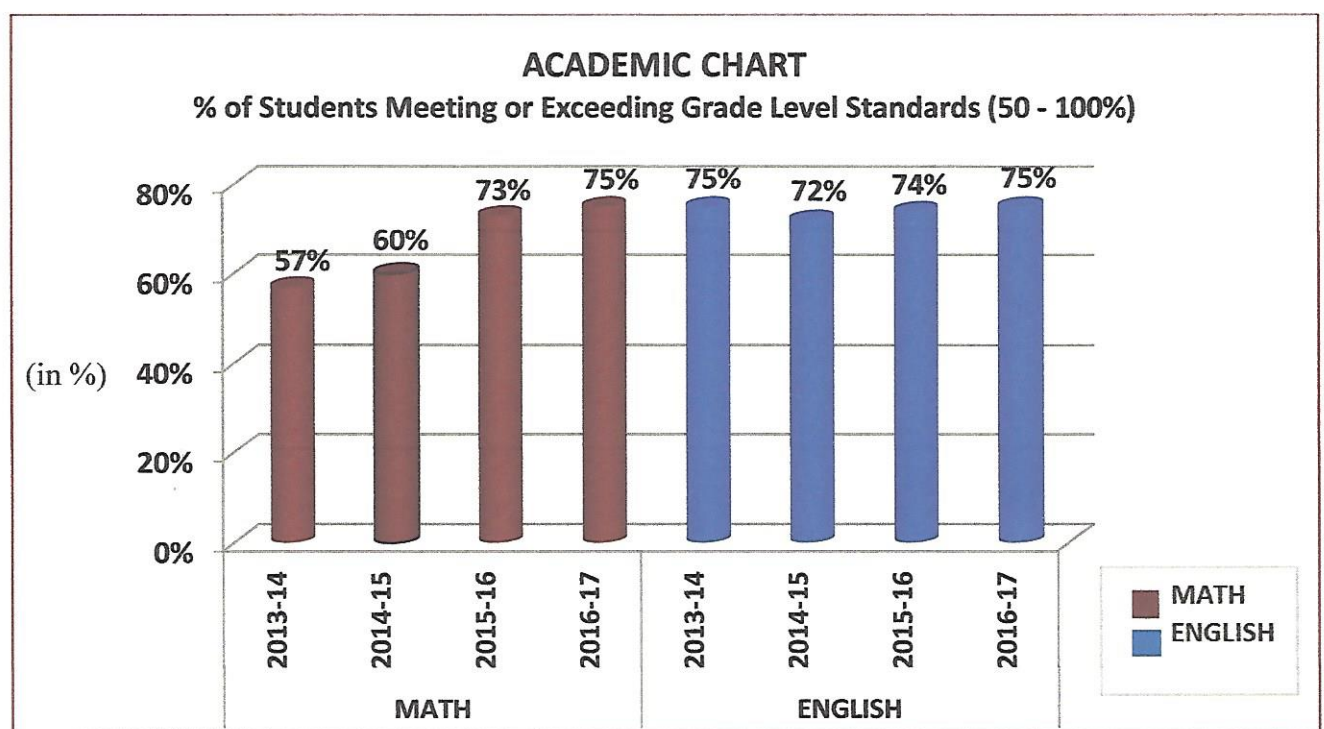
In addition, the Learning Center emphasizes on character and leadership development and life skills programs. Four timeless values—respect, responsibility, independence, and integrity—are the cornerstones of its character development program. They help our students make the right choices in life.



Christel House students are honest, hard working and compassionate. We encourage them to consider careers that make a positive social contribution. Christel House students care for their families and communities, and have a desire to make a positive contribution to society.

For the Academic year 2016-17, the student attendance rate was 96% (Previous Year 97%) and the year-over-year retention was at 97% (Previous Year 97%).

Below is the overview of the academic performance of Grades 1 to 10 during the year under review as measured by internal tests and examinations.



Note:

The graphical representation is the % of students who scored over 50% in the examinations and tests. The statistical data shows consistent improvement in the number of students scoring over 50% in Math. The skills of the students have clearly improved. The English scores show an increase in performance. This is in spite of the increase in the difficulty level of the internal tests and examinations. The improved scores can be attributed to the RTI (Response to Intervention) program which provides immediate remediation opportunities for students who fall behind.



The scores in the Board Exam of Grade 10, 11 and 12 and the ASSET standardized tests, show that our stricter internal grading has resulted in the students' performing better in the standardized tests and Board Examinations.

GRADE 10 - SECONDARY SCHOOL LEAVING CERTIFICATE (SSLC) RESULTS 2017

The SSLC results for this year showed a **94%** pass percentage with **65 of 69** students passing in the exam. The breakdown of the scores for the 69 students who appeared for the exam is as below:

Students have achieved a distinction (scored above 85%)	20 (29%)
Students have achieved a first division (scored between 60-84 %)	44 (64%)
Students have achieved a second division (scored between 50-59%)	0 (0%)
Students have achieved a pass (scored between 35-49%)	1 (1%)
Students fail	4 (6%)

Comparative data for Grade 10 - Secondary School Leaving Certificate (SSLC) Exam 2017

Christel House SSLC pass percentage	94%
State SSLC pass percentage	67.87%
Pass percentage for Bangalore South district (Christel House comes under this district)	69.92%
Pass percentage of all private unaided schools	80.70%

GRADE 11 PRE – UNIVERSITY COLLEGE (PUC) RESULTS 2017

The PUC results have been quite good considering that the difficulty levels increase considerably in this class as compared with grade 10. **100%** of Christel House India students have passed in the 1st PUC board examinations conducted by the PUC Board in March 2017.

GRADE 12 PRE – UNIVERSITY COLLEGE (PUC) RESULTS 2017

Grade 12 results for this year showed an **86%** pass percentage with **57 of 66** students passing in the exam. The breakdown of the scores for the 66 students who appeared for the exam is as below:

Students have achieved a Distinction (score between 85-100%)	8 (12%)
Students have achieved a first division (score between 60-84%)	41 (62%)
Students have achieved a second division (score between 50-59%)	7 (11%)
Students have achieved a pass (score between 35-49%)	1 (1%)
Students fail	9 (14%)

Comparative data for Grade 12 Pre- University Board Exam 2017

Christel House Pre- university college pass percentage	86%
State pass percentage	52.38%
Pass percentage for Bangalore North district (Christel House comes under this district)	67.17%
Pass percentage of all private unaided colleges	61.70%

The students who have failed will be appearing for the re-exam in June 2017.



COMMON ENTRANCE TEST (CET) RESULTS

We also prepared the students after the board exams for the Common Entrance Tests for Engineering and Medicine. The classes were conducted during the summer vacation. This resulted in 14 students who appeared for the test qualifying for admissions to engineering and other professional courses under the government subsidized quota of seats. The details of college admissions will be available only after the counselling sessions in June & July 2017.

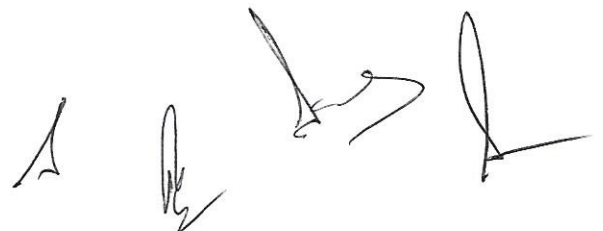
AZIM PREMJI UNIVERSITY (APU)

2 students qualified for the under graduate courses at Azim Premji University (APU) in 2017-18 making it a total of 7 CH graduates pursuing their courses at APU. They have been given full scholarships including hostel facilities.

ASSET TESTING:

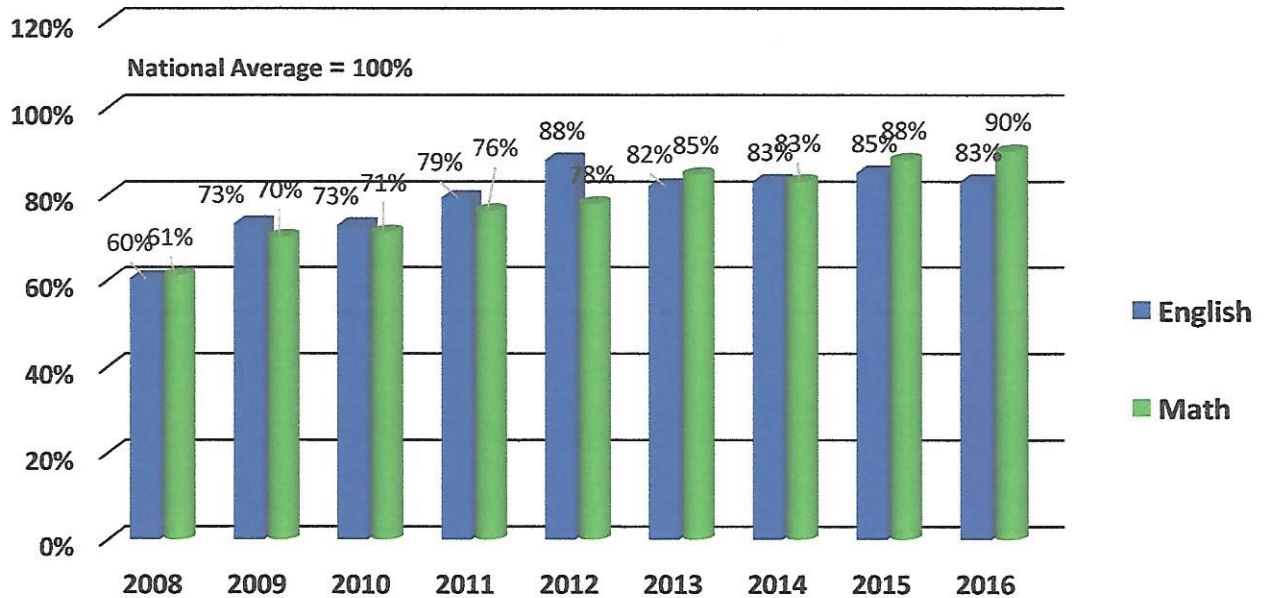
During the year 2008-2009, the Learning Center introduced ASSET Testing, a standardized test conducted by Educational Initiatives for Grade 5 to 9 in Math & English. In the academic year 2009-10, we increased the scope of the ASSET test to cover Grades 4-9 and added Science as an additional subject for external assessment. In the ASSET test of December 2016, our students showed improvement in Math and dropped marginally in English.

The ASSET Testing is India's leading skill based diagnostic assessment for students from Grade 3 to 10 conducted by Educational Initiatives India. Educational Initiatives offers assessment for learning services to help schools and governments to improve the quality of education. They work with approximately 1500 private English medium schools in India, the Gulf, Nepal and Singapore.





ASSET TEST COMPARATIVE SCORES



READING PROGRAM:

The reading program introduced in the primary classes, powered by the phonic method of teaching reading, has proved to be a huge success. Grades K through 6 are reading either at or above grade levels. The other classes have also shown significant improvement in their reading skills. The reading rewards and recognition program which rewards “Best Readers” in each grade every term has proved to be successful in motivating our students to read. The Library is always full of children reading during the recess time.

SUMMER AND SATURDAY PROGRAMS:

During Saturdays and the summer holidays, we have been conducting special classes for the children who need learning support. This remedial education program helps the academically weaker students to get the extra input in Math, English, Hindi and Kannada. This support has helped students to improve their scores. This program has been integrated with the RTI (Response to Intervention) program.

We have also been conducting special coaching camps/workshops for PE, Music and Art.

LEARNING SUPPORT – Response To Intervention (RTI) Program

The Learning Support Center began operations in June 2011 with a team of professionals consisting of a psychologist and special educators, thanks to our benefactor, Mr. John Spence.

The Response to Intervention program (RTI) has been one of the successes of this academic year, especially in the lower school (K to Grade 4). We employed 9 interventionists working with the teachers to identify gaps in learning and remediate the gaps immediately. This resulted in an improvement in the assessment for learning on the part of teachers. The proof of success of the RTI program is that the number of academically weaker students has reduced across the classes.

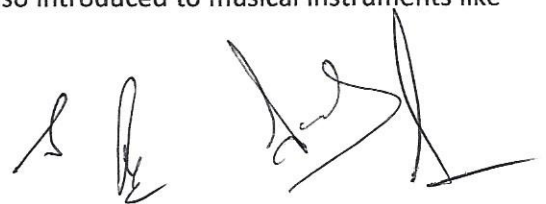
In the last academic year (2016-17), students with academic difficulties were divided into three tiers based on level of deficiency. Tier I included children with slight difficulty who were supported by the classroom teachers in class. Tier II included children with significant difficulty who were supported by interventionists with push in and pull out support. Tier III included children with severe difficulty who were supported by special educators with pull out support. Approximately 35% of the students in the school receive special intervention in some form. The performance of the students is reviewed every month and the students availing the services may change depending on the need. There were 14 students who were in the pull-out program. Based on progress we have seen, CH India will be continuing the RTI program in a modified format to implement inclusive education in 2017-18.

CO-CURRICULAR ACTIVITIES:

Art, Media and Music: Bindushree from Grade 12A won the second place in the inter- collegiate pencil sketch event “The Shakespearean festival” held at Jyoti Composite College.

The Christel House India Musical Fest was a good experience for our children where choirs from different schools performed for the children at the open-air auditorium of Christel House India. The choirs performed a medley of songs with Western and Eastern music styles.

Routes to Roots an NGO based out of Delhi and supported by the Union Ministry of Culture facilitated a workshop for the students of Christel house India in Carnatic violin and Vocal music. This workshop was conducted by the “Dr. L Subramaniam Academy”. Students were also introduced to musical instruments like Flamenco Cajon and Kanjira.



II. COLLEGE & CAREERS PROGRAM (CCP):

The College & Careers Program was implemented for the first year in 2011-12 with the first batch of graduates from Grade 12.

365 students from six cohorts of Grade 12 have benefited from the College & Careers Program. The 7th cohort of Grade 12 students will join the CCP in June 2017.

The Junior College & Careers Program was revived in the year 2014-15 and has 50 students now participating in this program. This includes students who leave after Grade 10 to join other courses as well as students who move to do Pre-vocational and vocational courses.

Nearly 150 Christel House India graduates are gainfully employed today, thanks to the College & Careers Program. Their average annual incomes range from Rs.195,000 to Rs.910,000, marking a significant shift in their economic status. Now in its seventh year, College & Careers is the capstone Christel House program that breaks the cycle of poverty completely.

Integrity, Reliability, Confidence, Responsibility, Sensitivity, Teamwork and Respect. These are highly sought-after qualities global companies like Accenture, IBM, KPMG, Infosys, TCS, Cognizant look for in prospective employees. It is no coincidence that these businesses hire Christel House graduates. Our values are the foundation upon which good character is built – and this is a top Christel House priority. It prepares each of our students to live a meaningful life, and make the world a better place.

The College & Careers Program has the following groups:

Particulars	Number of students	%
Study only	174	42%
Work and study (full time/ part time jobs and are also studying)	29	7%
Completed Degree; Awaiting Jobs	5	1%
Work only	122	29%
Not engaged	20	5%
Home Makers	15	4%
Junior CCP	50	12%
Total	415	100%

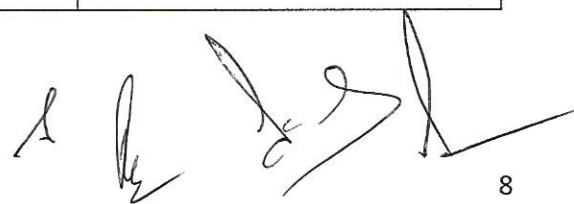
The JIVA program is being implemented as the Career Guidance and Counseling Program from the academic year 2012-13. This is a very detailed program made for Indian children and implemented from Grades 5 to 12. This has been a very successful program and records of the children have been maintained by the counselors who implement the JIVA program. In addition to the JIVA program, we use the Life skills program from NIMHANS as well as inserts from the Student Success Planner to enhance the College and Careers Program.

III. HEALTH AND WELLNESS PROGRAM:

The Learning Center provides all students with breakfast, lunch, evening snacks with a glass of milk on all working days. The quality, hygiene and nutritional value are checked by a committee of staff, students and management on a regular basis. Regular modifications and additions to the diet are implemented by the committee members. The Learning Center follows the WHO guidelines in its medical program.

A summary of the number of students who received medical services during the year as follows:

Details	Number of students who received medical aid in 2016-17	Number of students who received medical aid in 2015-16
Dental	Nil (no follow up treatment required in 2016-17)	14
Dermatology	4	1
Ophthalmology	21	18
ENT	4	2
Orthopedic	6	11
Pediatric	57	75
Neurology	4	8
Hospitalization	20	16
Psychological Intervention	9	4
Counseling	300 individual sessions & 40 Group sessions	347 individual sessions & 42 Group sessions
Homeopathic treatment received	65 (number dropped in 2016-17 due to the reduction in doctor engagement days)	230
Annual Health Screening (Includes Dental / Dermatology / Ophthalmology / ENT & Pediatric screening)	879	890
Half yearly Health screening for new students	80	82
Immunization	a) Hepatitis 'B' – 240 doses	a) Hepatitis 'B' – 246 doses
	b) D.T - 140 doses	b) D.T - 140 doses
	c) M.M.R - 70 doses	c) M.M.R -70 doses
	d) Blood Grouping – 80 doses	d) Blood Grouping – 82 doses
	e) H.B. Count - 80 doses	e) H.B. Count - 82 doses
	f) T.T - 10 doses	f) T.T - 12doses



Since most of our children do not have access to clean water or proper sanitary facilities in their home communities, we have a bathing and laundry facility at the Learning Center's campus exclusively for the students. As a result, all students have a shower twice a week and their uniforms are laundered and returned to them.

We would like to specifically acknowledge and thank the continued generosity of Mr. John Spence, Chairman of Karma Royal Group, whose unstinted support ensures an excellent food and nutrition program.

We would like to also thank M.S. Ramaiah Hospitals and Medical College for the subsidized medical services provided to our students.

We place on record our gratitude to Dr. Issac Mathai of Soukya Foundation for his continued support by providing free Homeopathic treatment to all students.

IV. OTHERS:

Enfold Proactive Health Trust conducted programs on child safety and the POCSO Act for all the stakeholders in the school including teachers, support staff and parents. The session included problems that are faced in the communities and in school and how parents and school staff could ensure that children are safe in school and at home.

Enfold also conducted sex education programs for parents that included understanding the change in sexual behavior of boys and girls, abstinence, safe sexual practices, public display of affection etc. and equal opportunities for girls and boys.

Entrepreneurship training was held for all students of Grade 11 Commerce section. This training was conducted by an NGO, Udhyam Shiksha and was held over a 6 week period. The students were divided into teams and each team had to come up with a business idea including the strategies, budget and financial plan. The team then had to pitch their business ideas to a panel for funding. Each team was funded up to a maximum of Rs. 10,000/-. Subsequently, the teams marketed and sold their products while maintaining documentation for all activities and expenses.

V. VOLUNTEER PROGRAM:

The Learning Center has a robust volunteer program to help improve the academic performance of the students. During the year, 17 volunteers worked with our students in various academic and non-academic areas contributing a total of 877 hours. We thank all the volunteers and the volunteer organizations that helped us in this program.



VI. FACILITY / INFRASTRUCTURE:

The Learning Center has a total built area of 74,000 Square feet to house 31 classrooms from Kindergarten to Grade 12. This facility also includes Physics, Chemistry & Biology Labs, Junior & Senior Technology Hub, Junior & Senior Library, A.V. room, Teacher Resource room, Staff room, Art & Music room, Medical room, Special Education room, Language Lab, Dining Hall & Kitchen, Open Air Auditorium, Bathing and Laundry facility and the Administration area.

VII. CHRISTEL HOUSE LAVASA:

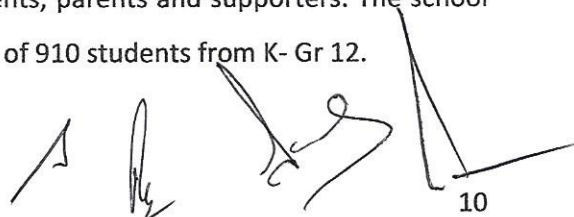
Your Directors take great pleasure in informing that the school in Lavasa City completed six years of its operations. Christel House Lavasa serves the underserved children in and around the Lavasa project area outside Pune. Lavasa, free India's largest Hill Station spread across 25,000 acres of land is an integrated township, which will have residential, commercial, educational and recreational facilities.

Number of students at the end of the Ac. Year 2016 - 17	444
Total Number of Staff	29
Total Number of families benefitted	278
Grades (including the 2015-16 batch)	KG to Grade 8
Facility	Total built up area – 25,000 sq. ft. 16 Class rooms, Computer lab, Music room, Dining hall, Medical room, Staff room, Library/AV room, Art & Craft room and Administration room.

However, due to a number of operational constraints, Christel House and Lavasa have agreed that responsibility for running the school would be returned to Lavasa Corporation, effective with the 2017-18 academic year. Lavasa will admit paying students in grades K-8, but impoverished children from the surrounding villages will continue to receive free education.

VIII. CHRISTEL HOUSE NAYA RAIPUR:

Christel House India launched its new school in India in Naya Raipur, Chhattisgarh on 16th August 2016 with 210 students from Grades K to 2 from a temporary facility. The permanent school facility was inaugurated by Dr. Raman Singh, Honorable Chief Minister – Chhattisgarh, Mr. Rajesh Munat, Honorable Minister for Urban Development and Transport – Chhattisgarh, and Ms. Christel DeHaan, Founder and CEO of Christel House on 10th February 2017. The event was attended by hundreds of students, parents and supporters. The school will add 70 students in KG every year until it reaches its full strength of 910 students from K- Gr 12.



Christel House India entered into an Agreement with Naya Raipur Development Authority (NRDA), a Government of Chhattisgarh undertaking on 3rd November 2014 to start a school in Naya Raipur to educate the underprivileged children in the new city.

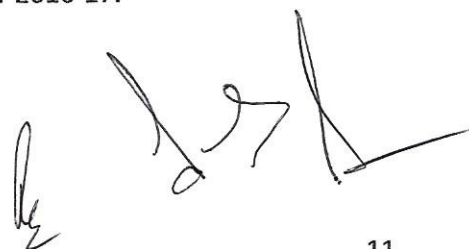
NRDA is a Special Area Development Authority established by Government of Chhattisgarh under the Chhattisgarh Nagar Tatha Gram Nivesh Adhiniyam, 1973 for development and administration of Naya Raipur. Naya Raipur, a new capital city being developed by the State of Chhattisgarh 20 KMs outside of the existing capital city, Raipur and consists of 41 villages covering a total of 59,000 Acres. The Core Development Area is about 19,800 Acres.

NRDA will build the school facility in 3 phases on a 5 Acres of Land parcel according to Christel House standards and provide all initial capital expenses like furniture, equipment, etc. Christel House India is responsible for meeting the Operational, General, Administrative and Fundraising expenses to run the school and responsible for the school's operations including student admissions and staff recruitment.

Number of students at the end of the Ac. Year 2016 - 17	210
Total Number of Staff	21
Total Number of families benefitted	183
Grades (including the 2015-16 batch)	KG to Grade 2
Facility	Total built up area – 25,000 sq. ft. 9 Class rooms, Computer lab, Music room, Dining hall, Medical room, Staff room, Art & Craft room and Administration area.

IX. FUND RAISING OVERVIEW:

The year 2016-17 witnessed tremendous efforts from our fundraising team in terms of networking and tapping new markets, local and multinational companies and foundations. They faced multiple challenges in raising funds due to tough economic conditions. However, they were successful in securing new donations / grants and renewing the existing donors generally at increasing level of support. As a result, our fund-raising team achieved 100% (prior year - 91%) of the fundraising target for the year. This means that the funds raised by the team covered 64% (prior year 64%) of the programs costs for the year 2016-17.



We would like to place on record our sincere thanks to all our donors including Adobe, Airbus, Bangalore Fluid System Components Pvt. Ltd, Bramlands (Aviation) Ltd., Cholamandalam Investment & Finance Co. Ltd., Cisco Systems (India) Pvt Ltd, DELL International Services, Envisions Trust India, Fidelity Business Services India Pvt. Ltd., FIS Global, Impact Foundation, Karma Royal Group, Klaus Luft Foundation, Lavasa Corporation Limited, Leela Palace Hotel Bangalore, 3M India Limited, M.S. Ramaiah Hospitals, Mast Industries, Mineral Enterprises Ltd, Mphasis, Mr. John Spence, Mr. Kishore Sakhrani, Mr. Peter Spence, Ms. Poonam Mirchandani, Northern Lights Ltd., Northern Operating Services Pvt. Ltd, Perse School Parents Association, Phillips-Van Heusen Foundation Inc., Prestige Amusements Pvt. Ltd., Prestige Group, Quintiles, RCI India Pvt. Ltd., Soukya Foundation, Target Corporation India Pvt. Ltd., Talisma Corporation Pvt Ltd, Variegate Projects Private Limited and other donors who are too numerous to be mentioned individually.

We take this opportunity to place on record our sincere thanks to the fundraising team for their efforts.

X. FINANCE OVERVIEW:

The financial overview for the Financial Year 2016-17 is as follows:

INCOME	2016-17 ₹	2015-16 ₹
Donations and Sponsorship	18,24,36,255	13,55,64,991
Other Income	22,85,234	38,53,135
Total revenue	18,47,21,489	13,94,18,126
EXPENSES		
(a) Employee benefit expenses	7,81,53,220	6,47,08,622
(b) Depreciation and amortisation expense	53,22,697	45,03,521
(c) Other school operating expenses	5,62,41,439	3,90,69,984
Total expenses	13,97,17,356	10,82,82,127
Surplus before tax	4,50,04,133	3,11,35,999
Surplus carried to Balance Sheet	4,50,04,133	3,11,35,999

Note: Revenue and expenses for 2016-17 increased when compared to the prior year mainly due to the addition of the new school in Naya Raipur.



XI. TRANSPARENCY, ACCOUNTABILITY AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Christel House India is a charity registered under section 12 A (a) and 80 G of the Income Tax Act 1961. We ascribe to rigorous business practices, high measures of accountability & Internal Financial Controls and absolute transparency. The financial books and transactions are subjected to rigorous verification process every year by reputed external financial auditors and received unqualified opinion with no internal control issues or recommendations.

XII. DISCLOSURE REQUIREMENTS UNDER COMPANIES ACT 2013:**1. DIVIDEND:**

Since the company is a Not-for – profit organization, disclosure of Dividend does not arise.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting financial position of the company between 31st March 2017 and the date of this report.

3. CHANGE IN THE NATURE OF ACTIVITIES OF THE COMPANY IF ANY:

There is no change in the nature of activities of the company during the year.

4. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the income and expenditure account of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

- (a) The reporting relating to the conservation of energy and absorption of technology are not applicable to the company.
- (b) Expenditure in foreign currency towards travel Rs. 100,024/- (previous year Rs. 340,391/-).
- (c) Income/Earnings in foreign exchange: Donations received in foreign currency Rs. 139,662,978/- (previous year Rs. 112,798,826/-)



6. RELATED PARTY TRANSACTIONS:

Refer form AOC – 2 annexed to this Report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the company is duly constituted. There were no changes to the constitution of the Board and key managerial personnel during the year.

8. DETAILS RELATING TO DEPOSITS ACCEPTED:

The company has not accepted deposits during the year and reporting under this head is not applicable to the company.

9. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has no loans, guarantees or investments in other entities. All surplus monies are invested in Fixed Deposits of Banks

11. RISK MANAGEMENT POLICY:

Considering the nature of the activities of the company, the Board does not foresee any risk that may threaten the existence of the company. The Board monitors the fund position to ensure that the activities of the company are carried out smoothly.

12. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The company is registered as a not-for-profit company and hence the reporting under this section is not relevant to the company.

13. SECRETARIAL STANDARDS:

The company has adopted the SS 1 and 2 relating to Board and General meetings.

14. AUDITOR'S REMARKS ON THE FINANCIAL STATEMENTS:

There are no adverse remarks by the auditors as part of their audit report for the year under audit.

15. SAFETY OF EMPLOYEES AND CHILDREN FROM HARASSMENT:

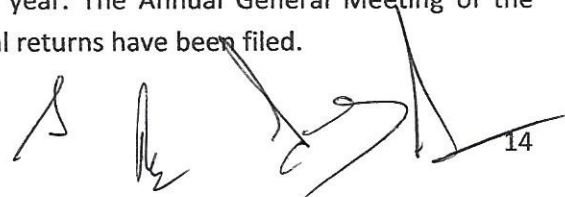
The company has developed and implemented a Policy to prevent sexual harassment and a related committee for protection of women and children.

16. COST AUDIT REPORT:

Disclosure under this head is not applicable to the company.

17. BOARD MEETINGS:

The Board of Directors met 4 times during this financial year. The Annual General Meeting of the Company was held within the prescribed time and all annual returns have been filed.



18. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 forms part of this report.

19. PARTICULARS OF EMPLOYEES:

Particulars of Employees of the company in receipt of a remuneration in excess of limits prescribed by Rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 of the Companies Act 2013 form part of this report.

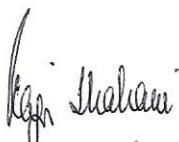
XIII. AUDITORS:

The Auditors, M/s N. Nityananda & Co., Chartered Accountants, Bangalore were appointed as Statutory auditors at the AGM held on 26.09.2014 for a period of 5 years, subject to ratification by the shareholders at every Annual General Meeting. Being eligible, their appointment as Statutory Auditors for Financial year 2017-18 is now being placed before the shareholders for ratification.

XIV. ACKNOWLEDGEMENTS:

Our Donors helped Christel House India transform the lives of more than 1200 impoverished children during the year. Our committed staff propelled these children on their journey towards becoming solid citizens who pursue higher education and meaningful employment. The Board takes this opportunity to place on record their sincere thanks to all donors, staff members, volunteers, vendors, bankers, contractors and auditors for their continued support.

For and on behalf of the Board of Directors



Managing Director

Bengaluru
22nd June 2017



Director



Director & Company Secretary





INDEPENDENT AUDITOR'S REPORT

To the Members of Christel House India, Bangalore

Report on the Financial Statements

We have audited the accompanying financial statements of **Christel House India, Bangalore** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Income and Expenditure, the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters under 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 and financial performance 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 relevant rules thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Statement of Income and Expenditure and the Cash flow Statement together with the notes thereon and annexed thereto give in the prescribed manner, the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2017; and
- (ii) In case of the Statement of Income and Expenditure, of the Surplus, i.e Excess of Income over Expenditure for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. 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 accounts as required by law have been kept by the Company as far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Income and Expenditure and Cash Flow Statement 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 relevant rule issued thereunder;
 - e) on the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and
 - g) with respect to the other matters included in the Auditor's Report in accordance with Section 143(11) read 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 derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company.
 - iv. The company has provided requisite disclosures in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the company.
2. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order 2016, (as amended) since in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.

Place: Bangalore
Date: 22.06.2017



for N. Nityananda & Co.,
Chartered Accountants
Firm Regn No: 0024795


N. Nityananda
(Proprietor)
Membership No. : 020275

**"Annexure A" to the Independent Auditor's Report of even date on the Financial statements of
CHRISTEL HOUSE INDIA for the year ended 31st March 2017.**

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 Christel House India as of March 31, 2017 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India. These 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, 2017, 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.

Place : Bengaluru
Date : 22.06.2017



for N. Nityananda & Co.,
Chartered Accountants
Firm Regn No. 002479S

[Signature]
N.Nityananda
(Proprietor)

Membership No. 020275

CHRISTEL HOUSE INDIA, BENGALURU
BALANCE SHEET AS AT 31ST MARCH 2017

Particulars		Note No.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	18,05,16,000	18,05,16,000
	(b) Reserves and surplus	2	(3,58,53,549)	(8,08,57,682)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	3	16,03,218	10,64,187
	(d) Short-term provisions	4	71,14,158	48,31,517
	TOTAL		15,33,79,827	10,55,54,022
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	5	6,92,03,331	6,16,54,635
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	17,78,000
	(iv) Intangible assets under development		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	6	28,93,175	22,98,226
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	7	7,91,44,847	3,67,09,398
	(e) Short-term loans and advances	8	21,38,474	31,13,763
	(f) Other current assets		-	-
	TOTAL		15,33,79,827	10,55,54,022
	Notes on Financial Statements & Significant Accounting Policies	1 to 18		

Place : Bengaluru
Date : 22.06.2017

For and on behalf of the Board




 Managing Director Director Director and Company Secretary

This is the Balance sheet referred to
in our report of even Date
for N.Nityananda & Co.,
Chartered Accountants
Firm Regn No. 002479


 N.NITYANANDA
(Proprietor)
Membership.No.020275

CHRISTEL HOUSE INDIA, BENGALURU
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars		Note No.	2016-17	2015-16
			₹	₹
INCOME				
1	Donations and Sponsorship	9	18,24,36,255	13,55,64,991
2	Other Income	10	22,85,234	38,53,135
3	Total revenue (1+2)		18,47,21,489	13,94,18,126
4 EXPENSES				
	(a) Employee benefit expenses	11	7,81,53,220	6,47,08,622
	(b) Depreciation and amortisation expense	5	53,22,697	45,03,521
	(c) Other school operating expenses	12	5,62,41,439	3,90,69,984
	Total expenses		13,97,17,356	10,82,82,127
5	Surplus before tax *		4,50,04,133	3,11,35,999
6	Surplus carried to Balance Sheet		4,50,04,133	3,11,35,999
7	Earnings per share (Refer Note 15)			
	Notes on Financial Statements & Significant Accounting Policies	1 to 18		

Note: * 'Surplus' means excess of Income over Expenditure

Place : Bengaluru
Date : 22.06.2017

For and on behalf of the Board




Managing Director Director Director and Company Secretary

This is the Statement of Income & Expenditure referred to in our report of even Date for N.Nityananda & Co., Chartered Accountants Firm Regn No. 002479S

N.NITYANANDA
(Proprietor)

Membership.No.020275





**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31st MARCH 2017:**

A. Organization

Christel House India (the company) is set up as a company under The Companies Act 1956 and is registered as a Not – for – profit organization under Section 8 of the Companies Act 2013 (formerly Section 25 of Companies Act 1956). The Company is established to provide education and other facilities such as health care, nutrition, basic values instilment, etc., to orphans, abandoned and under- privileged children.

B. Significant accounting policies:

1. Basis of Preparation

a) Basis of Preparation

The financial statements are prepared under the historical cost convention and evaluated on a going concern basis and are in accordance with the generally accepted accounting principles and according to the Accounting Standards as notified under the Companies (Accounting Standard) Rules 2006 to the extent applicable.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP, requires the management of the Company(“Management”) to make estimates and assumptions that affect the reported amounts of revenue other than Donations/Contributions and expenses of the year, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2. Fixed assets:

Fixed assets which are acquired are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of duties and taxes and other incidental expenses, which are directly related to the acquisition of the assets & bringing the assets to its working condition for the intended use. The Fixed assets which are received as donations are recorded at nominal value.

3. Depreciation:

Depreciation on fixed assets is provided on Straight Line Method on pro-rata basis over their estimated useful lives as prescribed in Schedule II to the Companies Act 2013.



Four handwritten signatures in blue ink, appearing to be of different individuals, written in a cursive style.

4. Revenue Recognition

- a. Donations/contributions other than (b) below, are recognized on its ultimate collection.
- b. Voluntary services, in the nature of honorary services are not ascribed any values and are not recorded. Donations received which are in the nature of fixed assets, other than Land, for the company is recorded at a nominal value.
- c. Interest income is recognized on time proportion basis.
- d. Income from other fund raising activities are accounted on accrual basis.

5. Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Exchange differences in respect of all monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/losses arising there from are adjusted to the Statement of Income & Expenditure.

6. Employee Benefits

Regular contributions are made to provident/ other funds. Post-employment benefit of Gratuity is recognized as an expense to the extent of Contribution made towards gratuity for Company's Employees to Gratuity Trust managed by LIC.

As per the Leave encashment policy of the company, the leave salary being a short term benefit is provided for eligible employees on actual basis.

7. Impairment of assets

At each Balance Sheet date, the Company reviews the carrying value of tangible and intangible assets to assess, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows which are discounted to their present value based on appropriate discount rates.

8. Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements.



A handwritten signature in blue ink, consisting of several loops and strokes, positioned to the right of the circular stamp.

CHENTHAMARAI V
PRACTISING COMPANY SECRETARY

Compliance Certificate for the year ended 31/03/2017

To,
Board of Directors,
Christel House India,
Bellahalli Road, (off Hennur Road),
Kannur Post,
Bangalore 562149.

I have examined the registers, records, books and papers of Christel House India (the company), a Not- for-profit company registered under Section 25 of the Companies Act 1956 (currently governed by section 8 of the Companies Act 2013) as required to be maintained under the Companies Act 2013, and also the Memorandum and Articles of Association of the Company for the year ending 31.3.2017 (Financial Year). In my opinion, and to the best of my knowledge and according to the examinations carried out by me and the explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

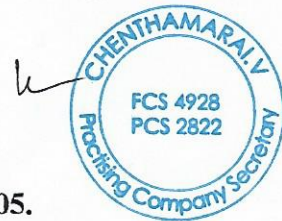
1. The company has kept and maintained all the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there-under and all the entries made therein have been duly recorded.
2. The Company has filed the forms and returns as stated in the Annexure B to this certificate, with the Registrar of Companies or other authorities prescribed under the Act.
3. The Company being a private limited company has the minimum prescribed paid up capital and
 - (i) its maximum number of members during the said financial year was three.
 - (ii) It has not invited or accepted any deposits from Directors, shareholders or the public or any other entity.
 - (iii) It has not invited public to subscribe for its shares or debentures.
4. The Board of Directors of the Company met four times during the year on 23rd June 2016, 29th September 2016, 30th November 2016 and 2nd March 2017 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. Circular resolutions passed have been passed after following the due process and ratified at the subsequent board meeting.
5. The company did not close its register of members during the year.
6. The Annual General Meeting in respect of the financial year ending 31/03/2016 was held on 29th September 2016 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

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CHENTHAMARAI V
PRACTISING COMPANY SECRETARY

7. No Extraordinary General meeting was held during the financial year.
8. The Company has maintained the Register of Directors and their disclosure of interest in other entities.
9. There were no instances transactions under section 188 (Related Party Transactions) during the financial year that required the approval of the shareholders of the company or the Board of Directors or Central Government.
10. The Company has not issued any duplicate share certificate during the year.
11. The Company has not allotted shares during the year.
12. There were no requests for Transfer of shares during the year.
13. The Company being a company registered under section 8 of the Act 2013 (formerly Section 25 of the Companies Act 1956) has not declared dividend during the financial year and during the preceding financial years and therefore the provisions of the Act relevant to the declaration and payment of dividend is not applicable to the company.
14. The Board of Directors is duly constituted. There were no changes in the constitution of the Board during the year.
15. The Company did not appoint Managing Director or Whole time Director during the year.
16. All directors have duly disclosed their interest in other companies, firms etc as per the Act and the rules made there under.
17. The Company has not appointed any sole selling agents during the financial year.
18. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director and or such other authorities prescribed under the various provisions of the Act during the financial year.
19. The Company has not bought back any shares during the year.
20. As the Company has not issued any preference shares during the financial year, the provisions of the Act in respect of redemption of preference shares are not applicable to the company.



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CHENTHAMARAI V
PRACTISING COMPANY SECRETARY

21. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares or bonus shares pending registration of transfer of shares, as there were no transfer of shares during the year and no dividend was declared.
22. The Company being a private company, has not invited/accepted any deposits or unsecured loans falling within the purview of section 73 and 74 of the Companies Act 2013 and the rules framed there under.
23. There were no instances for the Board to comply with the provisions of section 180 (Restrictions on the powers of the board) of the Act.
24. There were no instances requiring the compliance of provisions of section 186 of the Act (Inter corporate Loans/ Deposits).
25. The Company has not altered the Memorandum of Association of the company during the year.
26. The Company has not altered its Articles of Association during the year.
27. There was no prosecution initiated against or show cause notice received by the company and no fines or penalties or other punishment was imposed on the company during the financial year, for offences under the Act.
28. The Company has not received any money from its employees during the financial year.
29. The Company has deposited, both employer's and employees' contribution to the Provident Fund, with the prescribed authorities.


Chenthamarai V
C.S.P 2822



Dated 22nd June 2017 at Bangalore

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Email: chentha@gmail.com Mobile: +91 99800 80635

CHENTHAMARAI V
PRACTISING COMPANY SECRETARY

Annexure: A: Statutory Registers maintained by the Company

1. Register of Members u/s 88
2. Register of share transfers
3. Register of Directors u/s 170
4. Register of Directors share holdings u/s 170
5. Register of contracts in which directors are interested u/s 189
6. Minutes of meetings of Board of Directors and General Meetings
7. Books of Accounts u/s 128

The following registers do have any entries to be made therein.

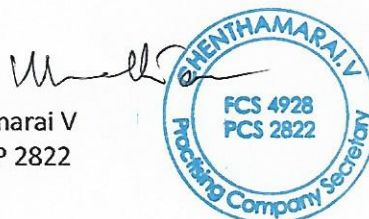
1. Register of Investments
2. Register of Deposits.
3. Register of Securities bought back.
4. Index to the Register of Members.
5. Register of Debenture holders and Index to the register of Debenture holders.
6. Foreign register of members and debenture holders.
7. Register of Loans and given or security.
8. Register of destruction of records / documents.
9. Register of Charges. (nil charges)
10. Register of renewed /duplicate share certificates.

Annexure B: Returns filed with Registrar of Companies:

Sl no	Form Number	Purpose	Chalan number
1	AOC -4 (XBRL)	Filing of Financial Statements for Year ended 31.03.2016	G19683036
2	MGT – 7	Filing of Annual Return 31.03.2016	G23740434

Bangalore
Dated: 22nd June 2017

Chenthamarai V
CSP 2822



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