

## **Directors' Report**

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**To  
The Members,  
Christel House India, Bangalore**

Your directors take great pleasure in presenting their report on operations along with the 18<sup>th</sup> Annual Report of the Company and the audited accounts for the year ended March 31, 2018.

### **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 12<sup>th</sup> 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.

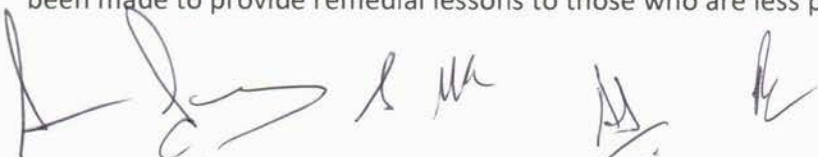
### **Our Approach**

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:**

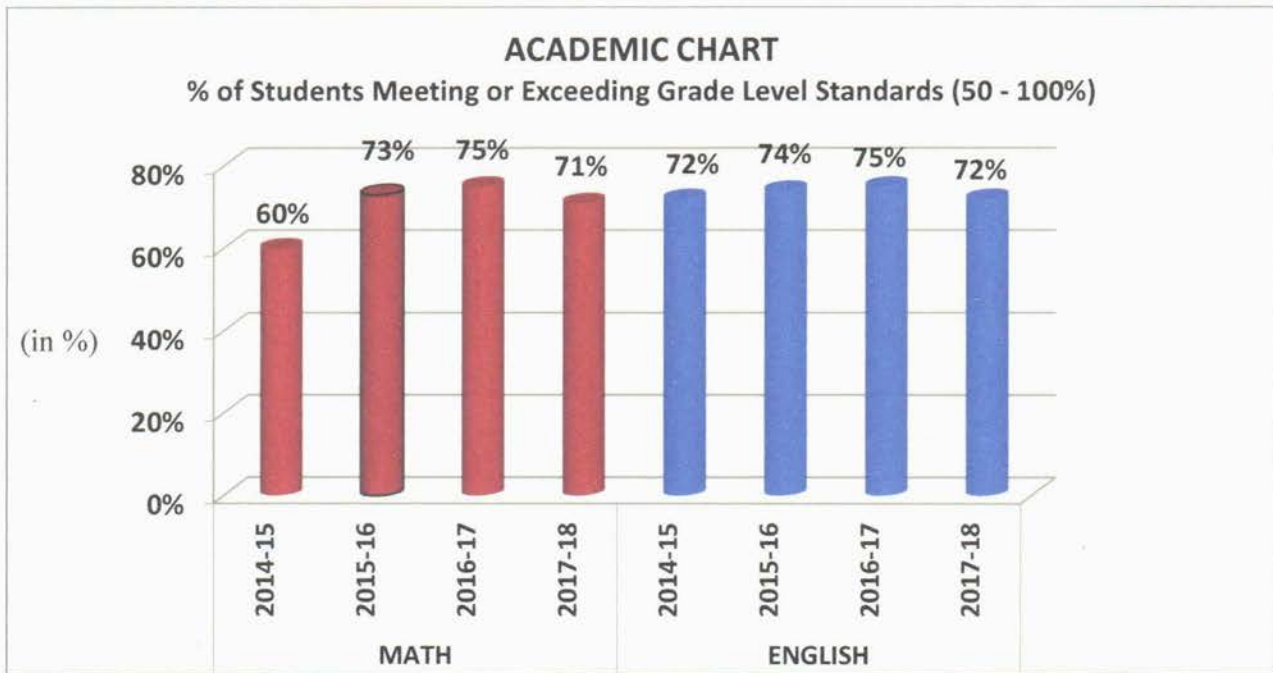
This is the 17<sup>th</sup> Academic year of the Learning Center and 1222 children benefited from the Christel House Program. The Learning Center’s aim is to provide high quality education to children from the least privileged sectors of society. Great emphasis is given to achieving high academic standards by employing excellent teaching skills and following a rigorous academic program. Special efforts have been made to provide remedial lessons to those who are less proficient in academics.



In addition, the Learning Center emphasizes character & 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, hardworking 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.

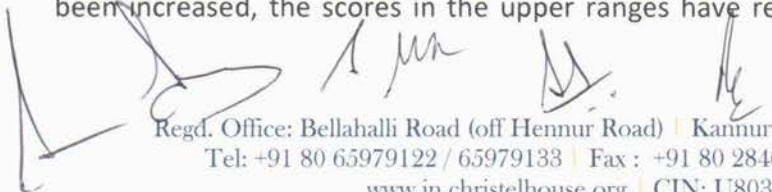
For the Academic year 2017 - 18, student attendance rate was 97% (Previous Year 96%) and the year-over-year retention was 97% (Previous Year 97%).

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% on examinations and tests. The data shows a slight drop in the number of students scoring over 50% in Math and English in 2017-18. The skills of the students have clearly improved, however since difficulty level of the tests have been increased, the scores in the upper ranges have reduced. There were many students scoring



between 40 – 50% who were not reflected in this table and there was improvement in actual learning. This improvement can be attributed to the RTI (Response to Intervention) Program which provides immediate remediation for students who fall behind.

The scores of the Board Exams of Grade 10, 11 and 12 and the ASSET standardized tests, show that our stricter internal grading has resulted in improved performance of the students.

### **GRADE 10 - SECONDARY SCHOOL LEAVING CERTIFICATE (SSLC) RESULTS 2018**

The SSLC results for 2018 showed a **97%** pass percentage with **59 of 61** students passing the exam.

The breakdown of the scores for the 61 students who appeared for the exam is below:

Students achieving a distinction (scored above 85%)	9 (15%)
Students achieving a first division (scored between 60-84 %)	44 (72%)
Students achieving a second division (scored between 50-59%)	6 (10%)
Students achieving a pass (scored between 35-49%)	0 (0%)
Students failed	2 (3%)

### **Comparative Data for Grade 10 - Secondary School Leaving Certificate (SSLC) Exam 2018**

Christel House SSLC pass percentage	97%
State SSLC pass percentage	71.9%
Pass percentage for Bangalore South Education district (Christel House comes under this district)	72%
Pass Percentage of all private unaided schools	83%

### **GRADE 11 PRE – UNIVERSITY COLLEGE (PUC) RESULTS 2018**

The PUC results were quite good considering that the difficulty levels increase considerably in this class as compared with grade 10. **All** Christel House India students (100%) passed the 1st PUC board examinations conducted by the PUC Board in March 2018.



### GRADE 12 PRE – UNIVERSITY COLLEGE (PUC) RESULTS 2018

Grade 12 results for this year showed an **87%** pass percentage with **53** of **61** students passing in the exam. The breakdown of the scores for the 61 students who appeared for the exam is below:

Students achieving a Distinction (score between 85-100%)	4 (7%)
Students achieving a first division (score between 60-84%)	37 (61%)
Students achieving a second division (score between 50-59%)	7 (11%)
Students achieving a pass (score between 35-49%)	5 (8%)
Students failed	8 (13%)

The students who failed will be appearing for the re-exam in June 2018.

### Comparative Data for Grade 12 Pre- University Board Exam 2018

Christel House Pre- university college pass percentage	87%
State pass percentage	59.6%
Pass percentage for Bangalore North district (Christel House comes under this district)	71.7%
Pass Percentage of all private unaided colleges	68%

### COMMON ENTRANCE TEST (CET) RESULTS

During the summer vacation, we prepare students for the Common Entrance Tests for admission to Engineering and Medical courses. This resulted in 12 out of 14 students who appeared for the Entrance Test qualifying for admissions to engineering and other professional courses under the government subsidized quotas. The details of college admissions will be available only after the counselling sessions in June & July 2018.

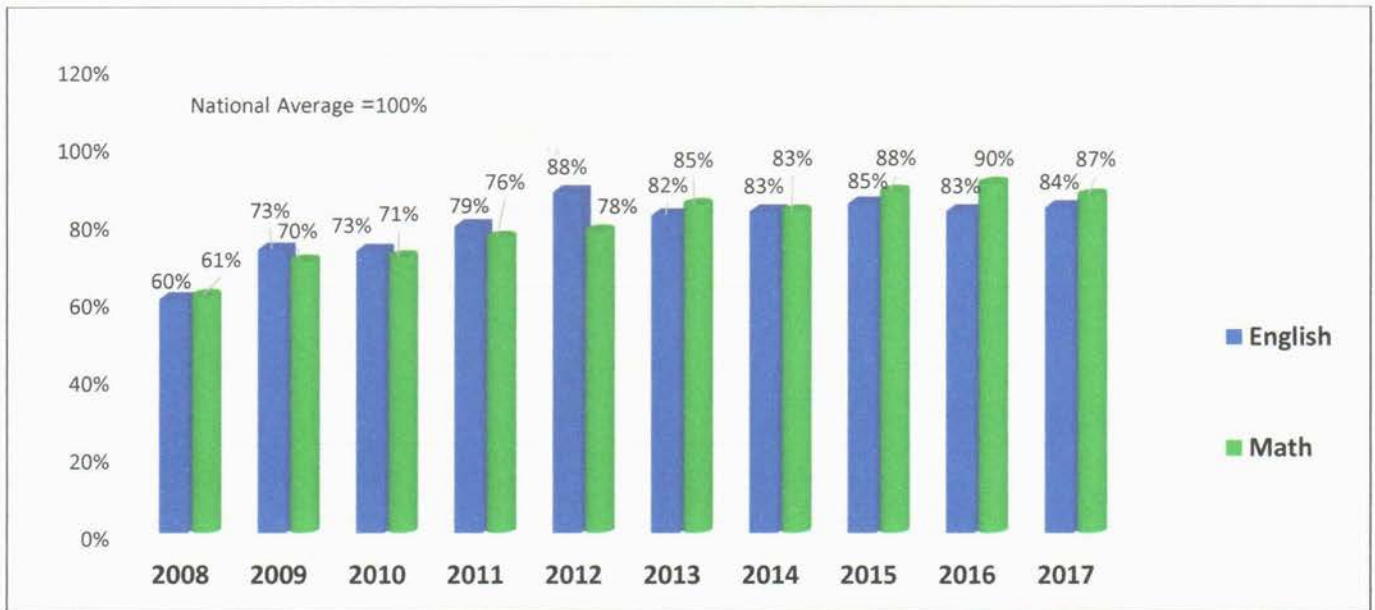
### ASSET TESTING:

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.

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 also added Science as an additional subject for external assessment. In 2016, we added Grade 3 and one subject Social Studies

to the ASSET test taken by the students. ASSET testing scores have remained relatively constant over the past 2 years. The classes that consistently underperform are grade 5 and grade 8 and we are working on finding a solution to improve performance in these grades.

### ASSET TEST COMPARATIVE SCORES



### READING PROGRAM:

The reading program introduced in the primary classes, powered by the phonics 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 reading skills. The reading rewards and recognition program which rewards “Best Readers” in each grade every term has also proven to be successful in motivating our students to read. The Library is always full of children reading during recess time.



**SUMMER AND SATURDAY PROGRAMS:**

During Saturdays and the summer holidays, we conduct special classes for children who need learning support. This remedial education program helps the bottom 35% of the academically weaker students get extra input in all subjects. This program has been integrated with the RTI (Response to Intervention) Program so that students receive consistent intervention from Monday through Saturday. This support has helped students improve their skills and scores. We also conduct special coaching camps/workshops for PE, Music, IT, Visual Media and Art.

**LEARNING SUPPORT CENTER:**

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 Interventional Program (RTI) has been one of the successes of the school academic program, especially in the lower school (K to Grade 4). We employed 9 interventionists working with the teachers to identify gaps in learning and remediating the gaps immediately. This results in an improvement in the assessments 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 2017-18, students with academic difficulties were divided into three tiers based on level of deficiency. Tier I included children with slight difficulty receiving support by the classroom teachers in class. Tier II included children with significant difficulty receiving support by interventionists with push in and pull out support. Tier III included children with severe difficulty receiving support by special educators with pull out support. Approximately 35% of the students in the school receive special intervention in some form. Student performance is reviewed every month and the students receiving RTI services may change depending on need. There were 14 students who were in the pull-out program at the end of the academic year 2017-18.



### CO-CURRICULAR ACTIVITIES:

#### **Art, Sports and Music:**

The school has a robust program of CO-Curricular activities throughout the year. Some of the major achievements during the year are as follows.

- The 'World Music Day' was observed on 21st June, 2017 and the school band exhibited their talent by playing some famous musical pieces.
- Lidya D, of grade 10 was selected to play football by the Julie Foundy Sports Leadership Academy and went to the USA to attend the camp from 7th July up to 21st July 2017.
- Shilpa H, of Grade 10 was selected to the Under 17 Karnataka State Girls Football team and participated in the national interstate football league tournament.
- The students of Grades 7-12 presented skits based on 'substance abuse' on July 25, 2017.
- The National Anthem (instrumental) performed by a group of Christel House students won the Second prize in the Independence Day national level competition organized by VIRSA, Routes 2 Roots program (A digital performing arts awareness and learning program, an initiative by Ministry of Culture, Government of India).

### 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. Through this program, Christel House provides financial support/scholarships to its graduates to pursue University education as well as career guidance and support. Seven cohorts of Grade 12 (433 graduates) have benefited from this Program. The 8<sup>th</sup> cohort of Grade 12 students will join the CCP in June 2018.

The Junior College & Careers Program includes 63 students participating in the program. This group of students includes those who leave after Grade 10 to join courses that are not offered at Christel House PU College as well as students who move to do Pre-vocational and vocational courses.



The College & Careers Program has the following groups:

Senior CCP Particulars	Students	%
Study only	187	43.19%
Work and study (full time/ part time jobs and are also studying)	29	6.7%
Completed Degree; Awaiting Jobs	4	0.92%
Work only	161	37.1%
Home Makers	25	5.77%
Not engaged (Neither studying nor working)	14	3.23%
Out of Contact	11	2.54%
Deceased	2	0.46%
<b>Total</b>	<b>433</b>	<b>100%</b>

Junior CCP Particulars	Students	%
Study only	36	57.14%
Work and study (full time/ part time jobs and are also studying)	1	1.59%
Work only	8	12.70%
Not engaged (Neither studying nor working)	15	23.81%
Home Makers	2	3.17%
Deceased	1	1.59%
<b>Total</b>	<b>63</b>	<b>100%</b>

The JIVA program is being implemented as part of the Career Guidance and Counseling Program from the academic year 2012-13 from Grades 5 to 12. This is a detailed program designed for Indian children to track their Interests, Aptitude and Potential. Records of the children have been maintained by the counselors who implement the JIVA program. In addition, the Learning Center uses the Life skills program from NIMHANS as well as 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 immunization program.



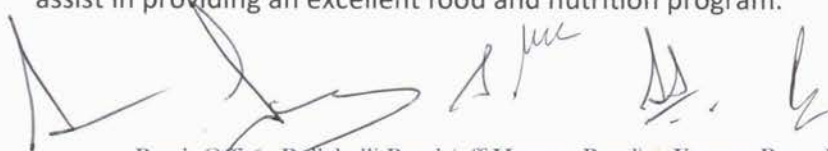


A summary of the number of students who received medical services during the year as follows:

Details	Number of students who received medical services in 2017-18	Number of students who received medical services in 2016-17
Dental	12	Nil (no follow up treatment required in 2016-17)
Dermatology	Nil	4
Ophthalmology	7	21
ENT	7	4
Orthopedic	14	6
Pediatric	75	57
Neurology	Nil	4
Hospitalization	12	20
Psychological Intervention	Nil	9
Counseling	312 individual sessions & 31 Group sessions	300 individual sessions & 40 Group sessions
Homeopathic treatment received	58	65
Annual Health Screening (Includes Dental / Dermatology / Ophthalmology / ENT & Pediatric screening)	864	879
Half yearly Health screening for new students	78	80
Immunization	a) Hepatitis 'B' - 234 doses	a) Hepatitis 'B' - 240 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 - 78 doses	d) Blood Grouping - 80 doses
	e) H.B. Count - 78 doses	e) H.B. Count - 80 doses
	f) T.T - 8 doses	f) T.T - 10 doses

Since most of the students do not have access to clean water or proper sanitary facilities in their home communities, the school has a bathing and laundry facility on the campus exclusively for the students. As a result, all students have 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 and Fidelity Business Services India Pvt Ltd whose unstinted support assist in providing 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 provisions of POCSO Act for all the stakeholders in the school including students, staff, support staff and parents. The session included problems that are faced in the communities and in school and how students, 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.

**V. VOLUNTEER PROGRAM:**

The Learning Center has a volunteer program to help improve the academic performance of the students. During the year, 9 volunteers worked with our students in various academic and non-academic areas contributing a total of 352 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. The school campus is compliant with all student safety guidelines as per the Department of Education and POCSO Act.



## **VII. CHRISTEL HOUSE NAYA RAIPUR:**

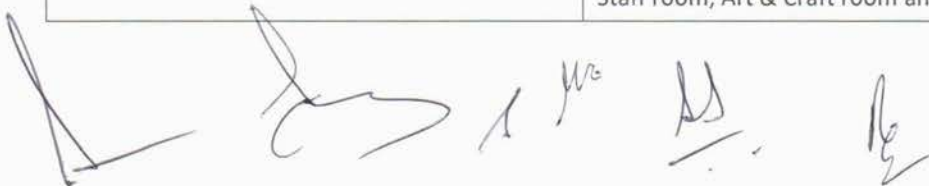
Christel House India launched its new school in Naya Raipur, Chhattisgarh on 16th August 2016 with 210 students from Grades K to 2 from a temporary facility. The permanent school facility was inaugurated by Dr. Raman Singh, Honorable Chief Minister – Chhattisgarh, Mr. Rajesh Munat, Honorable Minister 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.

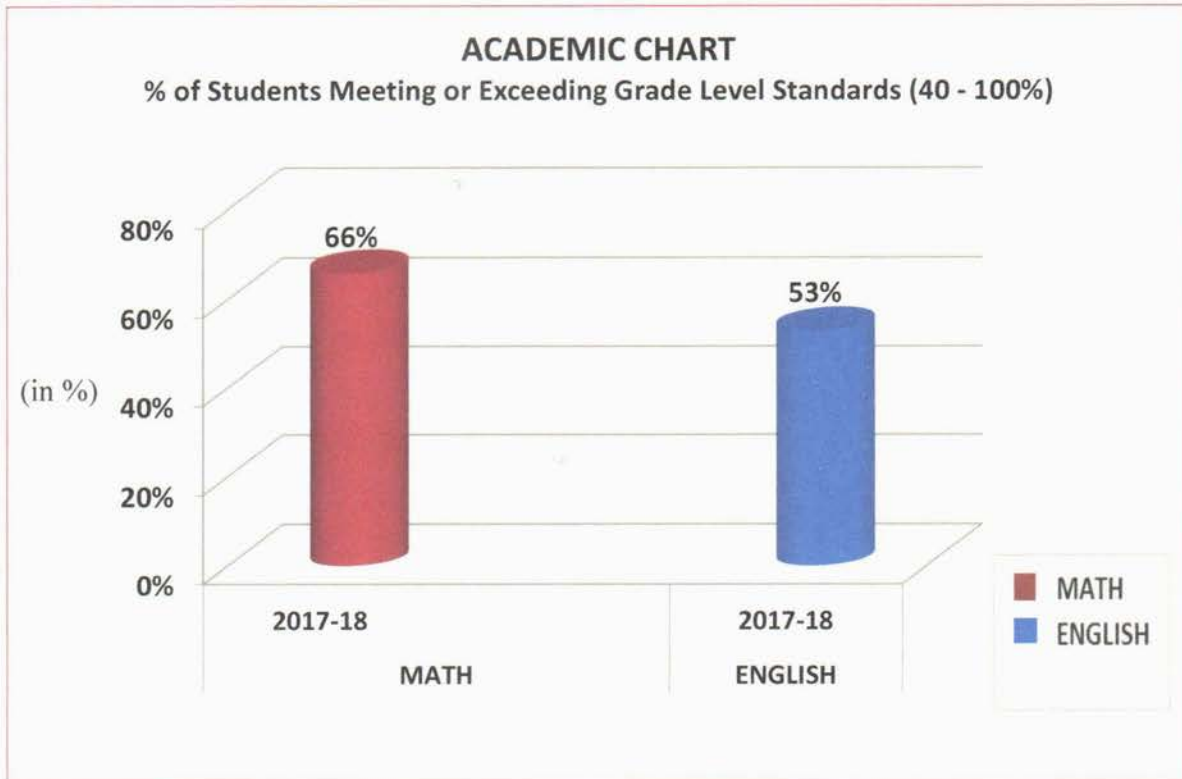
Christel House India partnered with Naya Raipur Development Authority (NRDA), a Government of Chhattisgarh undertaking, to educate underprivileged children in the Naya Raipur project area. NRDA will build the school facility in 3 phases on a 5 Acres of Land parcel according to Christel House standards and provide all initial capital expenses like furniture, equipment, etc. Christel House India is responsible for managing and funding the operations of the school including student admissions and staff recruitment.

We would like to specifically acknowledge and thank the Government of Chhattisgarh and NRDA for selecting Christel House India to serve the most needy population in Naya Raipur.

The Learning Center in Naya Raipur successfully completed its second year of operations during the year and a brief report card follows:

Number of students at the end of the Academic Year 2017-2018	279
Total Number of Staff	29
Total Number of families benefitting	238 families in Naya Raipur area.
Grades	KG to Grade 3
Facility	Total built up area – 25,000 sq. ft. 11 Class rooms, Computer lab, Music room, Dining hall, Medical room, Staff room, Art & Craft room and Administration area.



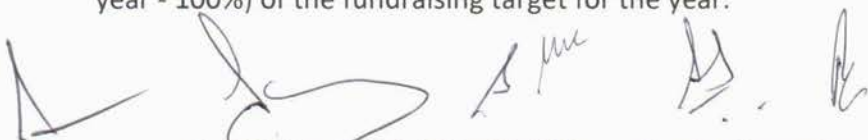


Since the academic year 2017-18 is the first full year of operations for CH Naya Raipur, we have been implementing an accelerated curriculum. Many students who joined in grade 1 and 2 did not have any previous schooling. KG and Grade 1 have shown improvement in comparison with the 2016-17 session and are working almost at grade levels. However, reading, understanding and analyzing the questions are still a problem since language acquisition is still under process.

Grade II & III are not working to their grade level skills since English is the language of instruction and they have a lot of gaps to cover due to lack of previous schooling and learning. We are working on the accelerated curriculum with grade 2 and 3 for the coming year and hope to bring the classes to grade level by the end of the next academic year.

**VIII. FUND RAISING OVERVIEW:**

The year 2017-18 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 conditions. Our fund-raising team achieved 72.11% (prior year - 100%) of the fundraising target for the year.



We would like to place on record our sincere gratitude to all our donors including Government of Chhattisgarh & NRDA, Adobe, Airbus, Apollo Tyres Foundation, Bangalore Fluid System Components Pvt. Ltd, Bio-Gen Extracts 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., Fidelity Information Services India Private Limited - FIS Global, Give Foundation, Hennes & Mauritz India Pvt. Ltd. (H&M), Hudson Bay Company, Impact Foundation, Karma Royal Group, Klaus Luft Foundation, KPB Foundation, Leela Palace Hotel Bangalore, 3M India Limited, Mast Industries, Mineral Enterprises Ltd, Mphasis, Mr. John Spence, Mr. Kishore Sakhrani, Mr. Nikhil Johri, Mr. Peter Spence, Mr. Srinivasan Raghavan, Ms. Poonam Mirchandani, Ms. Sangita Johri, M.S. Ramaiah Hospitals, Northern Lights Ltd., Northern Operating Services Pvt. Ltd, Page Industries Pvt. Ltd., Perse School Parents Association, Phillips-Van Heusen Foundation Inc., Prestige Group, Quintiles Research India Pvt. Ltd (IQVIA), RCI India Pvt. Ltd., Soukya Foundation, Talisma Corporation Pvt Ltd, Target Corporation India 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 gratitude to the fundraising team for their efforts.

#### **IX. FINANCE OVERVIEW:**

The financial overview for the Financial Year 2017-18 follows:

<b>INCOME</b>	<b>2017-18</b> ₹	<b>2016-17</b> ₹
Donations and Sponsorship	11,87,77,872	18,24,36,255
Other Income	18,65,452	22,85,234
<b>Total revenue</b>	<b>12,06,43,324</b>	<b>18,47,21,489</b>
<b>EXPENSES</b>		
(a) Employee benefit expenses	9,79,61,118	7,81,53,220
(b) Depreciation and amortisation expense	84,33,914	53,22,697
(c) Other school operating expenses	5,89,10,298	5,62,41,439
<b>Total expenses</b>	<b>16,53,05,330</b>	<b>13,97,17,356</b>
(Deficit)/Surplus before tax*	(4,46,62,006)	4,50,04,133
(Deficit)/Surplus carried to Balance Sheet	(4,46,62,006)	4,50,04,133

Note: (1) \* 'Surplus' means excess of Income over Expenditure and 'Deficit' means excess of Expenditure over income.

(2) Increase in Expenses for 2017-18 when compared to the prior year is mainly due to the full year impact of the new school in Naya Raipur.



**X. 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.

**XI. 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 2018 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:

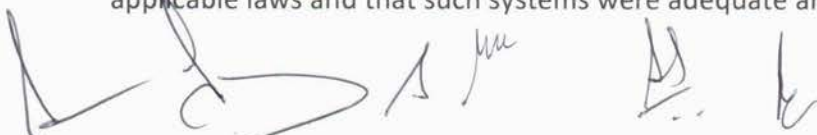
(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(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. 23,152/- (previous year Rs. 100,024/-).

(c) Income/Earnings in foreign exchange: Donations received in foreign currency-Rs. 80,952,307/- (previous year Rs. 139,662,978/-)

## **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. During the year, Ms. Mousumi Kapoor was inducted to the Board on 28.09.2017. The designation of Mr. Raju Shahani was changed from Managing Director to Director with effect from 01.04.2018 and Dr. Shekhar Seshadri resigned with effect from 01.04.2018. There were no other changes to the constitution of the Board and key managerial personnel.

## **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:**

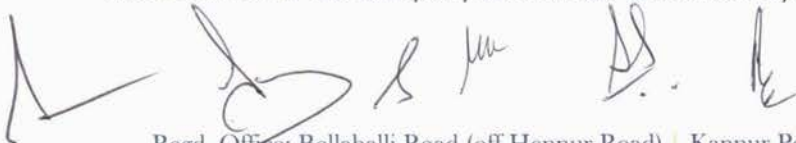
There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

## **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 board meetings were held on 22.06.2017, 28.09.2017, 07.12.2017, 26.03.2018. The Annual General Meeting of the Company was held within the prescribed time on 28.09.2017 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.

**XII. 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 2018-19 is now being placed before the shareholders for ratification.

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**XIII. 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 responsible citizens who pursue higher education and meaningful employment thereby breaking the cycle of poverty. 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



**Director**

Bengaluru  
20<sup>th</sup> June 2018



**Director**



**Director**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Christel House India, Bengaluru**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Christel House India, Bengaluru** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained by us 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, 2018; and
- (ii) In case of the Statement of Income and Expenditure, of the deficit, i.e Excess of Expenditure over Income 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we have not furnished the report since the same is not applicable. 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 our 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.

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: Bengaluru  
Date : 20<sup>th</sup> June 2018

For N. Nityananda & Co .,  
Chartered Accountants  
Firm Regn No: 002479S  
N.Nityananda  
(Proprietor)  
Membership No.: 020275





**CHRISTEL HOUSE INDIA, BENGALURU**  
**BALANCE SHEET AS AT 31ST MARCH 2018**

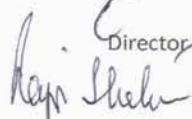
Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1 Shareholders' funds</b>			
	(a) Share capital	1	180,516,000	180,516,000
	(b) Reserves and surplus	2	(80,515,585)	(35,853,549)
	(c) Money received against share warrants		-	-
	<b>2 Share application money pending allotment</b>		-	-
	<b>3 Non-current liabilities</b>			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
	<b>4 Current liabilities</b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	3	5,870,579	1,603,218
	(d) Short-term provisions	4	6,354,628	7,114,158
	<b>TOTAL</b>		<b>112,225,622</b>	<b>153,379,827</b>
<b>B</b>	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	5	80,304,534	69,203,331
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	6	2,560,229	2,893,175
	(e) Other non-current assets		-	-
	<b>2 Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	7	26,524,376	79,144,847
	(e) Short-term loans and advances	8	2,836,483	2,138,474
	(f) Other current assets		-	-
	<b>TOTAL</b>		<b>112,225,622</b>	<b>153,379,827</b>
	<b>Notes on Financial Statements &amp; Significant Accounting Policies</b>	<b>1 to 17</b>		

Place: Bengaluru  
Date : 20th June 2018

For and on behalf of the Board

  
Director

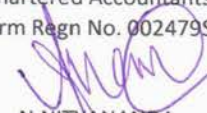
  
Director

  
Director

  
Director

  
Director

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

  
N.NITYANANDA  
(Proprietor)  
Membership.No.020275



**CHRISTEL HOUSE INDIA, BENGALURU**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars		Note No.	2017-18	2016-17
			₹	₹
<b>INCOME</b>				
1	Donations and Sponsorship	9	118,777,872	182,436,255
2	Other Income	10	1,865,452	2,285,234
3	<b>Total revenue (1+2)</b>		<b>120,643,324</b>	<b>184,721,489</b>
<b>EXPENSES</b>				
	(a) Employee benefit expenses	11	97,961,118	78,153,220
	(b) Depreciation and amortisation expense	5	8,433,944	5,322,697
	(c) Other school operating expenses	12	58,910,298	56,241,439
	<b>Total expenses</b>		<b>165,305,360</b>	<b>139,717,356</b>
5	<b>(Deficit)/Surplus before tax *</b>		<b>(44,662,036)</b>	<b>45,004,133</b>
6	<b>(Deficit)/Surplus carried to Balance Sheet</b>		<b>(44,662,036)</b>	<b>45,004,133</b>
7	<b>Earnings per share (Refer Note 15)</b>			
	<b>Notes on Financial Statements &amp; Significant Accounting Policies</b>	<b>1 to 17</b>		

Note: \* 'Surplus' means excess of Income over Expenditure and 'Deficit' means excess of Expenditure over Income

Place: Bengaluru  
Date : 20th June 2018

For and on behalf of the Board

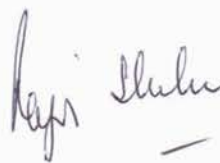
  
Director

  
Director

  
Director









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



**CHRISTEL HOUSE INDIA, BENGALURU**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2018:**

**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.

The image shows several handwritten signatures in black ink, likely representing the management or directors of Christel House India. There are approximately seven distinct signatures of varying lengths and styles, some appearing to be initials or full names.

#### 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.

The bottom of the page features several handwritten signatures and initials in black ink. From left to right, there is a large, stylized signature, followed by a smaller signature, then a few individual initials, and finally a signature that appears to be 'Me'.

**CHENTHAMARAI V**  
PRACTISING COMPANY SECRETARY

**Compliance Certificate for the year ended 31/03/2018**

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 (corresponding to 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 31.3.2018 (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 22<sup>nd</sup> June 2017, 28<sup>th</sup> September 2017, 7<sup>th</sup> December 2017 and 26<sup>th</sup> March 2018 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 31/03/2017 was held on 28<sup>th</sup> September 2017 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.





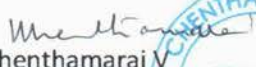
**CHENTHAMARAI V**  
**PRACTISING COMPANY SECRETARY**

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. The request for transfer of shares received which were duly executed have been approved by the Board of Directors.
13. The Company being a company registered under section 25 of the Act 1956 (corresponding to Section 8 of the Companies Act 2013 ) 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. The changes in the constitution of the Board have been duly recorded and reported to the Registrar of Companies , Karnataka.
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 and other interests 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.
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.



**CHENTHAMARAI V**  
**PRACTISING COMPANY SECRETARY**

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: 20<sup>th</sup> June 2018 at Bangalore

**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.

**CHENTHAMARAI V**  
**PRACTISING COMPANY SECRETARY**

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 31.03.2017	G58586082 dated 27/10/2017
2	MGT - 7	Filing of Annual Return 31.03.2017	G59288738 dated 30/10/2017
3	DIR -12	Resignation of Director (Nathan Andrews)	G50018563 dated 08/08/017
4	DIR - 12	Appointment of Director ( Mousumi Kapoor)	G58719014 and G58722323 dated 27/10/2017

Place: Bangalore  
Dated: 20<sup>th</sup> June 2018

  
Chenthamarai V  
CSP 2822

