

**INDEPENDENT AUDITOR'S REPORT**

To the Managing Committee of Lords Education and Health Society

**Report on the Financial Statements**

We have audited the accompanying financial statements of Lords Education and Health Society ("LEHS" or "the Society"), a society registered under the Societies Registration Act, 1860, which comprise the Balance Sheet as at March 31, 2016, the Income and Expenditure Account; the Receipts and Payments Account for the year then ended; a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of LEHS in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2016;



# **S.R. BATLIBOI & ASSOCIATES LLP**

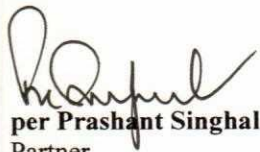
Chartered Accountants

- (b) in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date; and
- (c) in the case of the Receipts and Payments Account, of the excess of receipts over payments for the year ended on that date.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per **Prashant Singhal**  
Partner

Membership Number: 93283

Place: *New Delhi*

Date: *29/12/2016*



**LORDS EDUCATION AND HEALTH SOCIETY**

(All amounts are in Indian Rupees)

Balance Sheet as at March 31, 2016

PARTICULARS	Notes	As at March 31, 2016	As at March 31, 2015
<b>SOURCES OF FUNDS</b>			
<b>Members fund</b>			
Corpus fund	2	231,016	231,016
Income & expenditure account	3	3,846,975	8,231,805
<b>Current liabilities &amp; provisions</b>			
Current liabilities	4	21,307,085	5,295,827
Provisions	5	1,181,958	-
		<b>26,567,034</b>	<b>13,758,648</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Tangible assets	8	2,783,936	1,626,628
Intangible assets	8	97,442	154,674
<b>Current assets</b>			
Cash & cash equivalents	6	12,706,554	7,951,023
Loans and advances	7	10,979,102	4,026,323
		<b>26,567,034</b>	<b>13,758,648</b>

**Summary of significant accounting policies**

1.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W  
Chartered Accountants

per Prashant Singhal  
Partner  
Membership No.: 93283

Place: New Delhi  
Date: 29/12/2016



For and on behalf of the Managing Committee of  
Lords Education and Health Society

V S Gurumani  
Board Member - Treasurer

Place: New Delhi  
Date: 29/12/2016

Dr. Hemanth Paul  
Board Member - Executive

Place: New Delhi  
Date: 29/12/2016





**LORDS EDUCATION AND HEALTH SOCIETY**  
(All amounts are in Indian Rupees)

Income and Expenditure Account for the year ended March 31, 2016

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Foreign remittances		131,549,790	54,750,560
Other income		1,327,130	149,504
<b>Total Income (I)</b>		<b>132,876,920</b>	<b>54,900,064</b>
<b>Expenditure</b>			
Employee benefits expense	9	31,213,274	17,108,157
Administrative expenses	10	10,193,631	7,689,586
Program expenses	11	93,915,163	39,573,849
Depreciation and amortization expense	8	1,939,682	678,387
<b>Total expenditure (II)</b>		<b>137,261,750</b>	<b>65,049,979</b>
<b>Excess of expenditure over income (I-II) carried to Balance Sheet</b>		<b>(4,384,830)</b>	<b>(10,149,915)</b>

**Summary of Significant accounting policies**

1.1

The accompanying notes are an integral part of the financial statements

As per our report of even date


For S. R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W  
Chartered Accountants

  
per Prashant Singhal  
Partner  
Membership No.: 93283




Place: New Delhi  
Date: 29/12/2016

For and on behalf of the Managing Committee of  
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V S Gurumani  
Board Member - Treasurer

Place: New Delhi  
Date: 29/12/2016

  
Dr. Hemanth Paul  
Board Member - Executive

Place: New Delhi  
Date: 29/12/2016



**LORDS EDUCATION AND HEALTH SOCIETY**  
**Receipts & Payments Accounts for the year ended March 31, 2016**  
 (All amounts are in Indian Rupees)

Receipts		Amount	Payments	Amount
<b>Opening Balance</b>				862,195
Bank Accounts		7,941,227	Purchase of fixed assets	6,571,669
Cash-in-Hand		9,796	Advances given to suppliers	3,508,500
			Payment of security deposits	
<b>Amounts Received</b>				
Grants received		131,549,790	<b>Payment towards:</b>	
Interest received		1,327,130	Program expenses	78,959,957
			Employee benefits expense	29,500,801
			Rent	4,694,113
			Repairs and maintenance	380,325
			Legal and professional	1,445,390
			Communication expenses	423,784
			Printing and stationery	306,415
			Training, meeting & workshop	841,729
			Miscellaneous expenses	626,511
<b>Closing Balance</b>				
			Bank Accounts	12,106,311
			Fixed Deposits	600,000
			Cash-in-Hand	243
<b>Total</b>		<b>140,827,943</b>	<b>Total</b>	<b>140,827,943</b>

As per our report of even date

For S. R. Batliboi & Associates LLP  
 ICAI Firm registration number: 101049W  
 Chartered Accountants



*Prashant Singh*  
 per Prashant Singh  
 Partner  
 Membership No.: 93283

Place: New Delhi  
 Date: 29/12/2016

For and on behalf of the Managing Committee of  
 Lord Education and Health Society

*V S Gurumani*  
 V S Gurumani  
 Board Member - Treasurer



Place: New Delhi  
 Date: 29/12/2016

*Dr. Hemanth Paul*  
 Dr. Hemanth Paul  
 Board Member - Executive

Place: 29/12/2016  
 Date: New Delhi



**1. Basis of preparation**

The financial statement of Lords Education & Health Society ("LEHS" or "Society") has been prepared in accordance with generally accepted accounting practices in India (Indian GAAP). The financial statements have been prepared on an accrual basis and under the historical cost convention.

**1.1 Summary of significant accounting policies**

**a. Use of estimates**

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**b. Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of acquisition is net of grants, if any, received for acquiring the assets.

Gains or losses arising from de-recognition of an fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Income and Expenditure Account when the asset is derecognized.

**c. Depreciation**

Depreciation on fixed assets is provided on the written down value of the fixed assets as per the rates given in the Income tax Act, 1961 on a pro-rata basis, from the date of purchase or from the date when is first put to use, whichever is earlier.

Depreciation on asset sold is ascertained on pro-rata basis till the date of sale.

Leasehold improvements are depreciated on straight line basis over lower of the lease period or the assessed useful life, whichever is lower.

**d. Intangibles assets and their amortization**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Income and Expenditure Account in the year in which the expenditure is incurred.

Intangible assets are amortized on the written down value of the fixed assets as per the rates given in the Income tax Act, 1961 over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Income and Expenditure Account when the asset is derecognized.

**e. Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, fixed assets / intangibles assets are depreciated / amortized on the revised carrying amount over its remaining useful life.

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**f. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of twelve months or less.

**g. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to LEHS and the revenue can be reliably measured.

**h. Grants**

Grants received are recorded in the books on the date when the amount is actually credited in the bank account. Foreign grants are recorded in the books on the similar basis by applying the exchange rate as per AS-9 and AS-11. Grants received against specific fixed assets are presented in the Balance Sheet by disclosing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Where the grant related to a specific fixed asset equals the whole, or virtually the whole, of the cost of the asset, the asset is shown in the Balance Sheet at a nominal value. Depreciation in such a case is charged on asset value, net of grant.

Revenue grants, are recorded in the books on the date when the amount is actually credited in the bank account.

**i. Expenses**

Expenses are in the nature of employee related expenses; program expenses; administrative expenses; miscellaneous expenses are recorded on accrual basis.

**j. Foreign currency transactions and balances**

**i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Receipts in foreign currency are translated at the rates applicable on the date of the transactions. All transactions during the year have been converted at the actual rate applicable as certified by the principal bankers where FCRA account is being maintained. Rate of remittances to the said Offices is as under:

Location of office	Currency	Equivalent INR
Delhi	U.S Dollar	Rs.62.00

**iii) Exchange differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of LEHS at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of LEHS at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

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*Handwritten signature: Y. Mani*  
*29/12/2016*



**Lords Education and Health Society**  
**Schedules forming part of the Financial Statements for the year ended March 31, 2016**  
**(All amounts are in Indian Rupees)**

**k. Provisions**

Provisions are recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is not discounted to its present value and is determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

**l. Corpus fund**

Contributions received from members and non-members towards lifetime membership of the society, where the amount contributed is not refundable in the event of membership termination, are credited under the caption "Corpus Fund" in the Balance Sheet.

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*Paul*

*A. Mani*  
*29/12/2016*





**LORDS EDUCATION AND HEALTH SOCIETY**

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees)

**2. Corpus Fund**

As at March 31, 2016	As at March 31, 2015
231,016	231,016
<b>231,016</b>	<b>231,016</b>

**3. Balance in Income & expenditure account**

As at March 31, 2016	As at March 31, 2015
Opening balance	8,231,805
Surplus/ deficit for the period	18,381,720
	(4,384,830)
<b>3,846,975</b>	<b>8,231,805</b>

**4. Other Current liabilities**

As at March 31, 2016	As at March 31, 2015
Trade payables	19,995,517
Payable to employees	5,136,093
<b>Statutory dues payable</b>	90,765
Tax deducted at source payable	894,593
PF Contribution Payable	338,722
<b>21,307,085</b>	<b>5,295,827</b>

**5. Provisions**

As at March 31, 2016	As at March 31, 2015
Provision for gratuity	857,055
Provision for leave encashment	324,903
<b>1,181,958</b>	-

**6. Cash and bank balances**

As at March 31, 2016	As at March 31, 2015
Cash in hand	243
Balance with bank	9,796
- ICICI Bank	12,106,311
Fixed Deposits with more than 12 months maturity	7,941,227
<b>12,706,554</b>	<b>7,951,023</b>

**7. Loans & advances**

As at March 31, 2016	As at March 31, 2015
Capital advances	-
Security deposit	2,177,563
Advances recoverable in cash or kind	4,407,433
Other loans and advances	6,445,627
- Prepaid expenses	109,042
- Advances to employees	17,000
<b>10,979,102</b>	<b>4,026,323</b>

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**LORDS EDUCATION AND HEALTH SOCIETY**  
Notes to financial statements for the year ended 31 March 2016  
(All amounts are in Indian Rupees)

**8. Fixed assets**

Particulars	Tangibles			Intangibles	
	Computers	Furniture & Fixtures	Office Equipments	Leasehold Improvement	Software
<b>Gross Block</b>					
At 1 April 2014	-	333,666	627,158	-	18,016
Additions	578,346	457,129	124,770	-	374,046
Disposals	-	-	-	-	-
At 31 March 2015	578,346	790,795	751,928	-	392,062
Additions	176,520	24,270	49,576	2,734,717	54,675
Disposals	-	-	-	-	-
At 31 March 2016	754,866	815,065	801,504	2,734,717	446,737
<b>Accumulated Depreciation</b>					
At 1 April 2014	-	16,684	31,358	-	5,400
Charge for the year	270,260	77,411	98,728	-	231,988
Disposals	-	-	-	-	-
At 31 March 2015	270,260	94,095	130,086	-	237,388
Charge for the year	288,064	72,097	100,256	1,367,359	111,907
Disposals	-	-	-	-	-
At 31 March 2016	558,324	166,192	230,342	1,367,359	349,295
<b>Net Block</b>					
At 31 March 2015	308,086	696,700	621,842	-	154,674
At 31 March 2016	196,542	648,873	571,162	1,367,358	97,442

by *pranvi*  
29/12/2016

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# LORDS EDUCATION AND HEALTH SOCIETY

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees)

## 9. Employee benefits expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salary, wages and bonus	27,625,181	16,405,326
Contribution to provident and other funds	1,827,091	346,877
Gratuity expense	857,055	-
Staff recruitment expenses	461,006	306,468
Staff welfare expenses	442,941	49,486

**31,213,274** **17,108,157**

## 10. Administrative expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	4,737,102	3,239,861
Repairs and maintenance	857,381	1,269,294
Legal and professional	1,788,775	1,732,993
Communication expenses	515,483	447,640
Printing and Stationery	317,526	368,421
Audit Fees	500,000	10,000
Training, Meeting & Workshop	847,344	-
Miscellaneous expenses	630,020	621,377

**10,193,631** **7,689,586**

## 11. Program expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Training, Meeting & Workshop	5,844,138	7,767,965
Professional charges	17,358,088	9,584,888
Public Health Centre expenses	55,412,969	8,040,976
Testing equipments for health centers	10,822,305	10,654,499
Travelling & conveyance	3,992,324	3,170,940
Printing and Stationery	184,339	354,581
Donation	301,000	-

**Total**

**93,915,163** **39,573,849**

*Paul*

*Y. Praveen*  
29/12/2016



**Lords Education and Health Society**  
**Schedules forming part of the Financial Statements for the year ended March 31, 2016**  
**(All amounts are in Indian Rupees)**

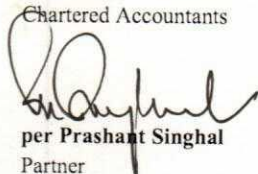
12. LEHS operates under a single (primary) segment viz. Education and Health care and currently operating in State of Rajasthan only. Further, there are no reportable geographical segments based on parameters given in Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountants of India. Accordingly, additional segment reporting disclosures are not required to be given.
13. The Society has obtained registration under section 12A & 80G of the Income tax Act, 1961 with effect from November 24, 2003. The society is exempt under section 11 of the Income Tax Act with respect to the income and the donors are also eligible to certain tax exemptions under the Income Tax Act. These registrations are valid as on date of financial statements.
14. On the basis of information available with LEHS, there are no transactions with any micro, small or medium enterprises as defined under the Micro, small and medium enterprises development Act, 2006.
15. There are no related party relationships and transactions as defined in Accounting Standard on Related party Disclosure (AS 18) issued by Institute of Chartered Accountants of India.
16. The Society is not in compliance with certain provisions of Grant Agreement entered dated November 21, 2014 with Sunil and Nita Wadhvani Trust (Principal Donor). Such contraventions have been subsequently condoned by Principal Donor.
17. The figures of previous year have been regrouped and reclassified wherever necessary, to conform to the current year's classification.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

  
per Prashant Singhal  
Partner


Membership Number: 93283

Place: New Delhi

Date: 29/12/2016




**For and on behalf of Lords Education & Health Society**

  
V S Gurumani  
Board Member -  
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Place: New Delhi

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Dr. Hemanth Paul  
Board Member - Executive

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