

LORDS EDUCATION & HEALTH SOCIETY

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2017, 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, 2017;
- (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure 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 Sumit Mehra
Partner

Membership Number: 096547

Place: Gurgaon

Date: 13.11.2017



LORDS EDUCATION AND HEALTH SOCIETY

Balance Sheet as at 31st March, 2017

(All amounts are in Indian Rupees)

PARTICULARS	Notes	As at March 31, 2017	As at March 31, 2016
SOURCES OF FUNDS			
Members fund			
Corpus fund	3	231,016	231,016
Income & expenditure account	4	42,971,714	3,846,975
Current liabilities & provisions			
Other current liabilities & provisions	5	15,835,428	21,307,085
Provisions	6	2,430,016	1,181,958
		61,468,174	26,567,034
APPLICATION OF FUNDS			
Fixed assets			
Tangible assets	15	2,404,883	2,783,936
Intangible assets	15	38,977	97,442
Current assets			
Cash & cash equivalents	7	31,813,786	12,706,554
Loans and advances	8	26,843,911	10,979,102
Other current assets	9	366,617	-
		61,468,174	26,567,034
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/E300004

Chartered Accountants


per Sumit Mehra
Partner

Membership No.: 096547



Place: Gurgaon

Date: 13.11.17

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


V.S. Gurumani
Board Member


Rajesh Ranjan Singh
Chief Operating Officer



LORDS EDUCATION AND HEALTH SOCIETY
Income and Expenditure Account for the year ended March 31, 2017
(All amounts are in Indian Rupees)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Grants income	10	261,981,877	131,549,790
Other income	11	2,287,158	1,327,130
Total Income		264,269,035	132,876,920
Expenditure			
Employee benefits expense	12	45,953,755	30,752,268
Administrative expenses	13	17,103,186	10,654,637
Program expenses	14	160,819,126	93,915,163
Depreciation and amortization expense	15	1,268,229	1,939,682
Total expenditure		225,144,296	137,261,750
Excess of Income over Expenditure (I-II) carried to balance sheet		39,124,739	(4,384,830)

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/E300004
Chartered Accountants

per Sumit Mehra
Partner
Membership No.: 096547
Place: Gurgaon
Date: 13.11.17.



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

V.S Gurumani
Board Member

Rajesh Ranjan Singh
Chief Operating Officer



LORDS EDUCATION AND HEALTH SOCIETY
Receipts & Payments Accounts for the year ended March 31, 2017
(All amounts are in Indian Rupees)

Receipts	Amount	Payments	Amount
Opening Balance			
Bank Accounts	12,106,311	Purchase of fixed assets	906,116
Fixed Deposits	600,000		
Cash-in-Hand	243		
Amount Received		Payment towards:	
Grants received	241,576,592	Program Expenses	83,911,934
Interest received	1,552,939	Employee benefits expense	103,826,370
Refund of deposits	3,500,000	Administrative expenses	39,163,378
Miscellaneous income	285,499		
		Closing Balance	
		Bank Accounts	25,712,374
		Fixed Deposits	6,100,000
		Cash-in-Hand	1,412
Total	259,621,584	Total	259,621,584

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Sumit Mehra
Partner
Membership No.: 096547
Place: Gurgaon
Date: 13.11.17.



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

V.S Guruman
Board Member



Rajesh Ranjan Singh
Chief Operating Officer

1. Nature of operations

Lords Education and Health Society ("LEHS" or "The Society") is a registered society incorporated under Societies Registration Act, 1860 with an objective to promote and conduct charitable activities in health and education sectors. The objects of the Society and activities carried out by the Society are exclusively for the purpose of the advancement and propagation of education and health sectors.

2. 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.

2.1 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.

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.

Grants

Grants, subsidies and advances from the government and other entities are recognized when there is reasonable assurances that grant/subsidy/advance will be received and all attaching conditions attached to the grant/subsidy/advance will be complied with.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Income and Expenditure Account.

h. Retirement and other employment benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The society has no obligation, other than the contribution payable to the provident fund. The society recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the income and expenditure account.



i. 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.

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.

j. 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.

k. 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.

l. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the society or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Society does not recognize a contingent liability but discloses its existence in the financial statements.

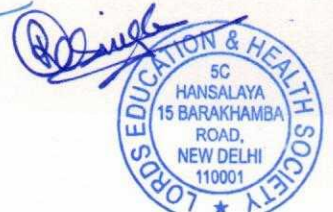


LORDS EDUCATION AND HEALTH SOCIETY

Notes to financial statements for the year ended March 31, 2017

(All amounts are in Indian Rupees)

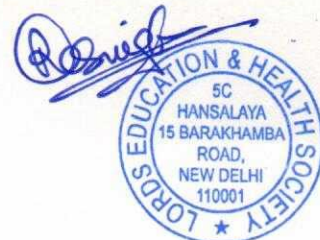
3. Corpus Fund	As at March 31, 2017	As at March 31, 2016
Corpus funds	231,016	231,016
	231,016	231,016
4. Balance in Income & expenditure account	As at March 31, 2017	As at March 31, 2016
Opening balance	3,846,975	8,231,805
Surplus/ (deficit) for the year	39,124,739	(4,384,830)
	42,971,714	3,846,975
5. Other Current liabilities & provisions	As at March 31, 2017	As at March 31, 2016
Trade payables	10,429,101	19,995,517
Employee benefits payable	1,971,248	78,253
Other Liabilities		
TDS payable	1,849,531	894,593
PF & ESI Payable	1,585,548	338,722
	15,835,428	21,307,085
6. Provisions	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity	1,227,623	857,055
Provision for Leave Encashment	1,202,393	324,903
	2,430,016	1,181,958
7. Cash and bank balances	As at March 31, 2017	As at March 31, 2016
Cash in hand	1,412	243
<u>Balances with Scheduled banks</u>		
- in bank accounts	25,712,374	12,106,311
- in fixed deposits account	6,100,000	600,000
	31,813,786	12,706,554
8. Loans & advances	As at March 31, 2017	As at March 31, 2016
Security deposit	1,461,395	4,407,433
Prepaid expenses	874,122	109,042
Advances recoverable in cash or kind	24,133,726	6,462,627
Advance income-tax	374,668	-
	26,843,911	10,979,102
9. Other current assets	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on fixed deposits	366,617	-
	366,617	-



LORDS EDUCATION AND HEALTH SOCIETY
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees)

10. Grants income	For the year ended March 31, 2017	For the year ended March 31, 2016
Grant Income	261,981,877	131,549,790
	261,981,877	131,549,790
11. Other income	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on		
Bank account	1,180,628	1,327,130
Bank deposits	821,031	-
Miscellaneous income	285,499	-
	2,287,158	1,327,130
12. Employee benefits expense	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary, wages and bonus	42,892,031	27,625,181
Contribution to provident and other funds	3,054,689	1,827,091
Staff welfare expenses	333,620	442,942
Gratuity Expenses	(326,585)	857,054
	45,953,755	30,752,268
13. Administrative expenses	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	5,686,705	4,737,102
Legal and professional	7,500,533	2,249,781
Repairs and maintenance	1,049,692	857,381
Communication costs	545,207	515,483
Printing and Stationery	388,031	317,526
Audit Fees (refer details below)	500,000	500,000
Training, Meeting & Workshop	733,115	847,344
Miscellaneous expenses	699,903	630,020
	17,103,186	10,654,637
Payment to Auditor		
As Auditor		
- Audit Fees	500,000	500,000
	500,000	500,000
14. Program Expenses	For the year ended March 31, 2017	For the year ended March 31, 2016
Public Health Centre expenses*	119,681,447	66,235,274
Legal and Professional fees	28,491,060	17,358,088
Travelling and conveyance	9,120,580	3,992,324
Training, Meeting & Workshop	1,945,908	5,844,138
Printing and Stationery	580,131	184,339
Donation	1,000,000	301,000
Total	160,819,126	93,915,163

* includes employee benefit expenses of INR 69,275,422 (PY Nil) pertaining to employees providing services at Primary Health Centres.



LORDS EDUCATION AND HEALTH SOCIETY
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees)

15. Fixed assets

Particulars	Tangibles				Total	Intangibles		Total
	Computers	Furniture & Fixtures	Office Equipments	Leasehold Improvement		Software		
Gross Block								
At 31 March 2015	578,346	790,795	751,928	-	2,121,069	392,062		392,062
Additions	176,520	24,270	49,576	2,734,717	2,985,083	54,675		54,675
Disposals	-	-	-	-	-	-		-
At 31 March 2016	754,866	815,065	801,504	2,734,717	5,106,152	446,737		446,737
Additions	444,594	233,225	152,892	-	830,711	-		-
Disposals	-	-	-	-	-	-		-
At 31 March 2017	1,199,460	1,048,290	954,396	2,734,717	5,936,863	446,737		446,737
Accumulated Depreciation								
At 31 March 2015	270,260	94,095	130,086	-	494,441	237,388		237,388
Charge for the year	288,064	72,097	100,256	1,367,358	1,827,775	111,907		111,907
Disposals	-	-	-	-	-	-		-
At 31 March 2016	558,324	166,192	230,342	1,367,358	2,322,216	349,295		349,295
Charge for the year	331,186	88,210	106,689	683,679	1,209,764	58,465		58,465
Disposals	-	-	-	-	-	-		-
At 31 March 2017	889,510	254,402	337,031	2,051,037	3,531,980	407,760		407,760
Net Block								
At 31 March 2016	196,542	648,873	571,162	1,367,358	2,783,936	97,442		97,442
At 31 March 2017	309,950	793,888	617,365	683,680	2,404,883	38,977		38,977



16. 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.
17. 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.
18. As at March 31, 2017 the Society has contingent liability of INR 5,500,000 against Bank Guarantees provided to government of Rajasthan.

19. Related Party Disclosure

Key Management Personnel ("KMP"):

Rajesh Ranjan Singh, Chief Operating Office (w.e.f March 01, 2017)
Amit Jain, Chief Executive Officer (w.e.f January 03, 2017)
Sumitro Ghosh, Chief Executive Officer from (till December 15, 2016)

Transactions during the year:	2016- 17	2015-16
Salary and contribution to PF		
Rajesh Ranjan Singh	323,653 #	NIL
Amit Jain	1,941,567 #	NIL
Sumitro Ghosh	5,053,706 #	7,310,262#

As the liability for leave encashment and gratuity are provided on actuarial basis for the Society as a whole, the amount pertaining to KMP is not included above.

20. The Society is not in compliance with certain provisions of Grant Agreement entered dated November 21, 2014 with Sunil and Nita Wadhwani Trust (Principal Donor). Such contraventions have been subsequently condoned by Principal Donor.
21. Previous year's figures have been regrouped/reclassified where necessary to confirm to current period's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004
Chartered Accountants



per Sumit Mehra
Partner


Membership Number: 096547

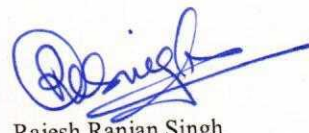
Place: Gurgaon

Date: 13.11.17.



For and on behalf of Managing Committee of Lords
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V.S. Guramani
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