

INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s Waste Management Society
Yavatmal

Report on Financial Statements

We have audited the accompanying financial statement of **Waste Management Society ("the Society")** which comprises the Balance Sheet as at March 31, 2017, and the Income and Expenditure Account for the year then ended, and 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, financial performance of the Trust in accordance with the Accounting standards and accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of adequate 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 have conducted our audit in accordance with 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 of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 Society's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Society has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, the state of affairs of the society as at 31st March, 2017
- b) In the case of Income and Expenditure account of the deficit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Society so far as it appears from our examination of such books;
- (c) the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Nilesh Mehta
Partner
M. No. 093847

Place : New Delhi
Date : 31.07.17



M/s WASTE MANAGEMENT SOCIETY
BALANCE SHEET AS ON 31.03.2017

Particulars	Notes	As on March 31, 2017		As on March 31, 2016	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1 Reserves and surplus	3	<u>68,409,888</u>	68,409,888	<u>89,520,432</u>	89,520,432
2 Current Liabilities	4	<u>31,804,700</u>	31,804,700	<u>6,922,842</u>	6,922,842
			<u>100,214,588</u>		<u>96,443,275</u>
II. APPLICATION OF FUNDS					
1 Non current Assets					
(a) Fixed assets					
(i) Tangible Assets	5	28,574,837		32,247,238	
(ii) Intangible Assets		-		-	
(b) Long Term Loans & Advances	7	<u>29,083,306</u>	57,658,143	<u>32,760,096</u>	65,007,334
2 Current assets					
(a) Cash and cash equivalents	6	35,953,735		21,497,186	
(b) Current Assets	8	6,350,612		6,212,653	
(c) Short Term Loans and Advances	9	<u>252,098</u>	42,556,445	<u>3,726,101</u>	31,435,940
			<u>100,214,588</u>		<u>96,443,275</u>
Summary of significant accounting policies and notes to financial statements	2				

The notes referred to above form integral part of the financial statements

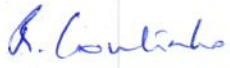
This is the Balance sheet referred to in our report of even date

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

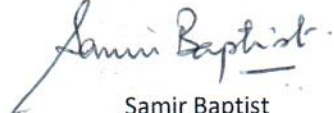
For and on behalf of the Board of Trustees of Waste Management Society


CA Nilesh Mehta
Partner
M. No. 093847




Roque Coutinho
(President)


Merlyn D'Souza
(Vice President)


Samir Baptist
(Secretary)

Place: New Delhi
Date: 31. 07.2017

M/s WASTE MANAGEMENT SOCIETY
INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDING 31.03.2017

Particulars	Notes	For the period	For the period
		March 31, 2017	March 31, 2016
		Rupees	Rupees
I. Grant Income	10	359,315,868	431,834,269
II. Other Income	11	7,813,359	1,075,356
III. Total revenue (I+II)		367,129,227	432,909,625
IV. Expenses:			
(1) Programme expenses	12	271,694,187	274,982,765
(2) Depreciation & Amortization Expenses	5	14,107,606	10,490,275
(3) Other expenses	13	102,437,978	105,142,558
Total expenses		388,239,771	390,615,597
V Excess of Income over expenditure		(21,110,543)	42,294,028

Summary of significant accounting policies and notes to financial statements

2

The notes referred to above form integral part of the financial statements


This is the Statement of profit and loss referred to in our report of even date

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

For and on behalf of the Board of Trustees of Waste Management Society



Nilesh Mehta
Partner
M.No. 093847




Roque Coutinho
(President)


Merlyn D'Souza
(Vice President)

Place: New Delhi
Date: 31. 07.2017


Samir Baptist
(Secretary)

M/s WASTE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 1 General Information

Waste Management Society was incorporated under the provisions of the Section 21 of the Society Registration Act, 1860 on 17th April'2002 as a society and registered as public trust as per the Bombay Public Trust Act, 1950 (NO. 29 of Act of 1950) as on 2nd December' 2002 at Serial No. F 709 (Th) having its registered office at 13 - Ruikarwadi, Civil Lines, Yavatmal, Tal & District Yavatmal. The Society was formed to carry out activities related to protecting lives of people from all forms of slavery, preventing, tackling and eliminating all forms of human rights violation and relieve the sufferings, advancement of education and raising of public awareness through research of the causes and effects of human rights abuses and dissemination of results thereof.

Note 2 Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, accrual basis of accounting, in accordance with the India's generally accepted accounting principles and applicable accounting standards issued by the Institute of Chartered Accountants of India.

b) Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and make assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingencies as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates include accounting for rates and taxes, and provisions etc. Contingencies are recorded when it is probable that a liability will be incurred, and amount can be reasonably estimated. Actual results could differ from those estimates.

c) Revenue Recognition

Revenue from Grants has been recognized when the right to receive is established and related conditions fulfilled only for the period to which the grant relates. Grant received for future periods is treated as advance and taken to liabilities. Interest is accounted for on time proportion basis.

d) Recognition of Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

e) Fixed Assets

Fixed assets are shown at historical cost less current/ accumulated depreciation. The society capitalizes all direct cost including borrowing cost up to the date of commercial use of such assets.

Mobile handsets used by staff upto Rs. 25,000 have not been capitalised as their useful life is not expected to be more than one year and their residual value is also not significant.

f) Depreciation / Amortisation

Depreciation on assets is provided on Written down Value method, in accordance with the rates prescribed as per Income tax Act,1961 . Items of Fixed Assets acquired during the year costing up to Rs.5,000/- are fully depreciated.

Leasehold improvements have been depreciated on straight line basis over the lease period.

g) Taxation

Waste Management Society is registered as a Charitable Society under section 12AA of the Income Tax Act,1961. Accordingly the society has been granted exemption from payment of Income tax under the provisions of Section 12A(1)(a) of the Act, w.e.f. the Assessment Year 2010-11. The stated provision confers the benefit of exemption in respect of any income of society existing wholly for Charitable purposes and not for profit. Since Waste Management Society is an independent entity, therefore no provision for taxes has been made in the accounts.

h) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if



- (i) the society has a present obligation as a result of a past event,
- (ii) a probable outflow of resources is expected to settle the obligation and
- (iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- (ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

i) **Employee Benefits**

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognized in the Statement of Income and Expenditure in the period in which the employee renders the related service.

Defined contribution plans

The Society's provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Income and Expenditure when they are due.

Defined benefit plans

The Society's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure.

Other long term employee benefits

Benefits under the Society's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure



M/s WASTE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31.03.2017

Note 3 Reserves and surplus

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
General Reserve		
Balance brought forward from previous year	89,520,432	47,226,404
Surplus/(Deficit)	(21,110,543)	42,294,028
Closing balance as at 31st March	68,409,888	89,520,432

Note 4 Current Liabilities

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
TDS Payable	2,023,018	204,531
Professional Tax Payable	20,665	58,631
PF Payable	652,874	757,719
Provision for Employee Benefits	8,139,743	2,549,470
Expenses Payable	2,852,761	3,344,069
Sundry Creditors	25,639	8,423
Grant & Donations in Advances	18,090,000	-
	31,804,700	6,922,842

Note 6 Cash and cash equivalents

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
- Cash at Hand	23,140	38,319
- Cash at Bank		
FCRA A/c	11,662,464	20,457,442
Local a/c	24,268,132	1,425
- Fixed Deposits (FCRA)	-	1,000,000
	35,953,735	21,497,186



M/s WASTE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31.03.2017

Note 5

(Amount in Rs.)

ASSETS	Gross block as on 01.04.16	Additions		Total Addition during the year	Deletion		Total Deletion during the year	Gross block as on 31.03.2017	Rate	Accumulated Depreciation as on 1.04.2016	Depreciation	Accumulated Depreciation as on 31.03.2017	Net Block as at 31.03.2017
		More than 180 days	Less than 180 days		More than 180 days	Less than 180 days							
Furniture & Fixtures	695,747	238,533	-	238,533	246,561	207,471	454,032	480,248	10%	108,092	112,830	161,752	318,496
Computers & Software	11,637,269	955,225	43,678	998,903	-	537,844	537,844	12,098,329	60%	7,346,050	3,186,633	10,053,267	2,045,062
Office Equipment	5,640,848	2,676,252	631,800	3,308,052	-	197,930	197,930	8,750,970	15%	1,426,965	1,083,302	2,435,238	6,315,732
Vehicles	14,174,249	-	-	-	-	-	-	14,174,249	15%	3,223,540	1,642,605	4,866,145	9,308,104
Airconditioner & Coolers	112,840	-	-	-	-	112,840	112,840	-	15%	16,926	7,194	-	-
Leasehold Improvement	15,659,819	4,160,626	2,394,000	6,554,626	-	-	-	22,214,446	-	3,677,836	8,075,042	11,752,878	10,461,568
Land and Building	125,875	-	-	-	-	-	-	125,875	0%	-	-	-	125,875
TOTAL	48,046,647	8,030,636	3,069,478	11,100,114	246,561	1,056,085	1,302,646	57,844,118		15,799,409	14,107,606	29,269,281	28,574,837



Note 7 Long Term Loans & Advances

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
Security Deposit	29,083,306	32,760,096
	<u>29,083,306</u>	<u>32,760,096</u>

Note 8 Current Assets

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
Justice and Care India	5,572,870	5,572,870
Prepaid Expenses	400,936	558,718
Income tax paid	370,000	-
TDS Receivable	6,806	81,065
	<u>6,350,612</u>	<u>6,212,653</u>

Note 9 Short Term Loans & Advances

Particulars	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
Advance to Vendors (Gross)	2,093,261	2,811,616
Provision for Doubtful Debts	(1,865,000)	-
Advance to Vendors (Net)	228,261	2,811,616
Advances to Staff / Others	23,837	914,485
	<u>252,098</u>	<u>3,726,101</u>

Note 10 Direct Incomes

Particulars	Period ending March 31,2017 (Rs)	Period ending March 31,2016 (Rs)
Grant Income	359,315,868	431,834,269
	<u>359,315,868</u>	<u>431,834,269</u>



Note 11 Other Income

Particulars	Period ending March 31,2017 (Rs)	Period ending March 31,2016 (Rs)
Interest on Fixed Deposit	5,501,921	405,321
Interest on Saving Bank	2,053,050	646,437
Other Income	258,388	23,598
	<u>7,813,359</u>	<u>1,075,356</u>

Note 12 Programme Expenses

Particulars	Period ending March 31,2017 (Rs)	Period ending March 31,2016 (Rs)
Salaries and Professional fees	152,970,158	125,817,917
Welfare expenses-Project	1,603,446	1,154,838
Rent and Maintenance- Project	50,764,268	33,156,852
Electricity Expenses - Project	2,594,651	1,935,120
Rescue & Care Expenses		
Aftercare	15,512,742	26,914,696
Employment Creation / Skill Development	4,256,859	6,174,671
Campaign and PR	63,369	444,261
Case Management & Communication	1,065,847	1,403,713
Community Relation	1,995,790	5,445,841
Intervention	1,343,292	1,433,118
Investigation	4,721,752	21,424,345
Legal	8,132,113	13,966,551
Medical Unit	669,994	1,480,250
Partnership/ Co-ordination	23,161,058	11,472,799
Research Studies	1,247,862	1,673,768
Ops smile II	-	20,515,738
Missing Persons Programme	64,896	568,288
M&S project	1,526,089	-
	<u>271,694,187</u>	<u>274,982,765</u>

Note 13 Other Expenses

Particulars	Period ending March 31,2017 (Rs)	Period ending March 31,2016 (Rs)
Salaries- Admn	42,779,346	17,489,282
Welfare expenses	523,558	350,818
Legal & Professional Fees	17,500,330	37,305,946
Rent and Maintenance- Admn	16,575,583	10,072,420



Travel	5,511,227	12,687,996
Conference Expenses	-	9,813,930
Accommodation	3,762,502	4,304,065
Audit Fees	891,250	887,375
General Office Expenses	2,574,093	2,602,430
Electricity Expenses -Admn	847,207	587,853
Telephone & Mobile Expenses	2,445,071	4,299,349
HR, Recruitment & Training	3,829,387	2,763,164
Miscellaneous Expenses	3,920,324	466,798
Insurance	502,643	442,038
Printing & Stationery	571,436	917,288
Postage & Courier	121,052	111,184
Interest on TDS	39,260	11,013
Bank Charges	43,707	29,609
Total	102,437,978	105,142,558

Auditor's Remuneration:

Particulars	Year Ended 31 March-2017	Year Ended 31 March-2016
Audit fees*	895,125	887,375
Tax Matters*	1,136,472	224,302
Other Services*	184,621	281,574
Total	2,216,218	1,393,251

*Includes Service Tax

Note 14 The expenses relating to Rent, Repairs & Maintenance and Electricity Charges incurred by the society is allocated proportionately between direct expenses and indirect expenses on the basis of average of Project related employees and Administrative Staff.

Note 15 Employee Benefits

(a) Expenses recognized in the Statement of Profit & Loss in respect of Employee Benefits is as under:

Particulars	March 31, 2017	March 31, 2016
Employer's contribution to provident fund and other funds	3,848,177	1,678,928
Gratuity	1,206,634	575,392
Leave Encashment	6,479,999	1,974,078

(b) Principal actuarial assumptions used for actuarial valuation of defined benefit obligation for Gratuity is as follows:

Particulars	March 31, 2017	March 31, 2016
Discount Rate	7.35%	8.00%
Future Salary Increase	5.50%	5.50%
Expected Rate of Return on Plan assets	0.00%	0.00%
Expected average remaining working lives of employees	24.92 Years	26.51 years



Note 16 The disclosure as per AS 18 – Related Party Disclosure :

(a) Details of Related Parties

Related Party (Key Managerial Person)	Relationship
Ivan Raskino	President - Till 9th Feb 2017
Nitin Bimrao Sardar	Vice President -Till 9th Feb 2017
Abhijit Parage	Secretary -Till 9th Feb 2017
Roque Coutinho	President -Effective 10th Feb 2017
Merlyn D'Souza	Vice President -Effective 10th Feb 2017
Samir Baptist	Secretary -Effective 10th Feb 2017
Edward D'souza	Treasurer
Joyita Ambett	Member

(b) Transactions during the year:

Remuneration paid to Key Managerial Persons - Rs. 7,490,852/- (Previous Year Rs. 5,909,100)

The above remuneration is considered for the relevant period during which such persons were Key Managerial Person

Note 17 i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ` Nil.

ii) Contingent liabilities -

a) Additions to taxable income amounting to Rs. 6,468,170 were made by the Income-tax authorities in the course of assessments for the A.Y 2014-15 with tax demand of Rs. 2,461,830. The society has challenged these additions and paid 15% of the demand amount . While the ultimate outcome of the above mentioned additions cannot be ascertained at this time, based on the current knowledge of the applicable law and advice received, management believes that they have fair chance of succeeding in the same and hence no provision for the same has been made in the accounts.

Note 18 Third Party balances are subject to confirmation.

Note 19 Previous years figures have been regrouped / recast wherever necessary to confirm to current year classification.

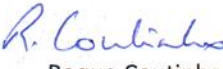
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



CA Niles Mehta
Partner
M. No. 093847


Place: New Delhi
Date: 31. 07.2017



For and on behalf of the Board of Trustees of Waste Management Society


Roque Coutinho
(President)


Merlyn D'Souza
(Vice President)


Samir Baptist
(Secretary)