

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Socio Economic and Educational Development Trust.

Report on the Financial Statements

We have audited the accompanying financial statements of Socio Economic and Educational Development Trust ("the Trust"), which comprise 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 Principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). 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 Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 Trust 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.



Other Matters:

This report is furnished for use in preparing the income-tax report of the Trust under the Income-tax Act, 1961.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018




S Rajeshwari
Partner
Membership No.: 024105

Place: Chennai
Date: 03/10/2017

Socio Economic and Educational Development Trust

Balance Sheet as at March 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note Nos.	As at March 31, 2017	As at March 31, 2017
Trust Funds and Liabilities			
Trust Funds			
a. Corpus			
Initial Contribution		6,127	6,127
Corpus Fund	2	212,048,775	212,048,775
Interest on Corpus Fund	3	123,311,793	142,721,237
		335,366,695	354,776,139
b. Surplus in Income and Expenditure Account	4	29,566,730	28,809,544
c. Grants			
Capital Grants	5	116,641,210	91,783,837
Revenue Grants	6	38,165,202	10,141,583
		154,806,412	101,925,420
Total (a + b + c)	A	519,739,837	485,511,103
Non Current Liabilities			
a. Long term borrowings	7	20,000,000	95,000,000
b. Long term provisions	8	6,998,343	7,645,395
Total	B	26,998,343	102,645,395
Current Liabilities			
a. Sundry Creditors		8,653,946	3,316,874
b. Other current liabilities	9	1,489,761	2,360,587
c. Short term provisions	10	399,708	453,168
Total	C	10,543,415	6,130,629
Total (A + B + C)		557,281,595	594,287,127
Assets			
Non Current Assets			
a. Fixed Assets	11		
Tangible Assets		112,874,186	44,557,349
Intangible Assets		-	-
Capital Work-in-Progress (Building)		3,767,024	47,226,489
Total		116,641,210	91,783,838
b. Long term Bank Deposits	12	311,881,488	329,267,276
c. Long term Loans and Advances	13	55,883,064	124,025,588
Total (a + b + c)	A	484,405,762	545,076,702
Current Assets			
a. Cash and bank balances	14	47,864,062	7,611,858
b. Short term Loans & Advances	15	15,998,263	33,065,037
c. Other current assets	16	9,013,508	8,533,529
Total	B	72,875,833	49,210,424
Total (A + B)		557,281,595	594,287,126

Significant Accounting Policies

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Other Disclosures

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As per our report of even date

For PKF Sridhar & Santhanam LLP

Firm registration number: 003990S/S200018

Chartered Accountants

S. Rajeshwari

Partner

Membership No.024105

Place: Chennai

Date : 03/10/2017



For and on behalf of the Board of Trustees

Kalpana Sankar

Kalpana Sankar

Chairperson

Place: Chennai

Date : 03/10/2017



Socio Economic and Educational Development Trust
Statement of Income and Expenditure for the Year ended March 31, 2017
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note No	Year ended March 31, 2017	Year ended March 31, 2016
<u>INCOME</u>			
Grants	17	10,141,583	37,845,794
Interest Income	18	19,167,668	11,360,332
Income from Solid Waste Management		145,000	1,114,594
Other Income	19	1,592,168	1,185,378
TOTAL		31,046,419	51,506,098
<u>EXPENDITURE</u>			
Programme Expenses	20	25,543,077	38,586,728
Administrative and other expenses	21	3,564,741	6,458,162
Finance Cost	22	1,181,414	5,444,625
Depreciation / Amortisation	11	2,735,530	1,823,265
Less: Amortisation from Capital Grants-being depreciation/Amortisation	5	(2,735,530)	(1,823,265)
TOTAL		30,289,232	50,489,515
Excess of Income over Expenditure before tax		757,187	1,016,583
Provision for tax:			
Current tax			
Surplus carried forward to balance sheet		757,187	1,016,583

Significant Accounting Policies

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Other Disclosures

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As per our report of even date

For PKF Sridhar & Santhanam LLP

Firm registration number: 003990S/S200018

Chartered Accountants

S. Rajeshwari

Partner

Membership No.024105



Place: Chennai

Date : 03/10/2017

For and on behalf of the Board of Trustees

Kalpana Sankar

Kalpana Sankar

Chairperson



Place: Chennai

Date : 03/10/2017

Socio Economic and Educational Development Trust
Notes forming part of the financial statements
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
Note - 2 Corpus Funds		
As per last balance sheet	212,048,775	212,048,775
Add: Addition during the year	-	-
Balance, at end of the year	212,048,775	212,048,775
Note - 3 Interest on Corpus Funds		
As per last balance sheet	142,721,237	164,991,833
Current year Interest - transfer from Interest Income (Ref. Note-18)	8,395,759	23,370,901
Transfer to Capital Grants-being Kaliyanoor Building Construction and Other fixed assets added during the year (Ref Note 5)	(27,805,203)	(45,641,497)
Balance, at end of the year	123,311,793	142,721,237
Note - 4 Surplus in Income and Expenditure Statement		
Excess of Income over Expenditure as per last balance sheet	28,809,543	27,792,960
Add: Current year excess- transfer from Income & Expenditure Statement	757,187	1,016,583
Balance, at end of the year	29,566,730	28,809,543
Note - 5 Capital Grants		
As per last balance sheet	91,783,837	47,895,605
Add: Transfer from Interest on Corpus Fund for Academy Building and Other fixed assets (Ref. Note-3)	27,805,203	45,641,497
Add: Transfer from Revenue Grants for Purchase of Other fixed assets (Ref Note 17)	-	70,000
Less: Transfer to Income & Expenditure Statement-being depreciation /amortisation for the year	(2,735,530)	(1,823,265)
Less: Book value of assets discarded/disposed off	(212,300)	-
Balance, at end of the year	116,641,210	91,783,837



Particulars	As at March 31, 2017	As at March 31, 2016
Note - 6 Revenue Grants		
Balance Carried forward for future deployment as per Note-17	38,165,202	10,141,583
Note - 7 Long term Borrowings		
Loan from Pallavan Grama Bank {Secured by lien on earmarked Term deposits for Rs.2,10,00,000 Cr. (PY Rs. 10,50,00,000)}	20,000,000	95,000,000
	20,000,000	95,000,000
Note- 8 Long term Provisions		
Provision for Compensated absences	3,367,916	3,624,016
Provision for gratuity	3,630,427	4,021,379
	6,998,343	7,645,395
Note - 9 Other Current liabilities		
Statutory Liabilities	548,027	798,709
Salaries and wages Payable	91,185	79,785
Interestst accrued but not due on Term Loan	168,049	799,593
Other Liabilities	682,500	682,500
	1,489,761	2,360,587
Note - 10 Short term provisions		
Provision for Compensated absences	186,613	200,803
Provision for gratuity	213,095	252,365
	399,708	453,168
Note - 12 Long Term Bank Deposits		
Bank deposits - Corpus Funds	212,048,775	212,048,775
Bank Deposits - Interest on Corpus Funds {Includes deposits aggregating to Rs.2,10,00,000 (PY Rs. 10,50,00,000) Crore given as security for the Loan taken from Pallava Gramin Bank}	99,832,713	117,218,501
	311,881,488	329,267,276



Particulars	As at March 31, 2017	As at March 31, 2016
Note - 13 Long term Loans and Advances		
Revolving fund assistance to Mutual Benefit Trusts:		
Principal outstanding		
Revolving Fund for Sustainability	51,831,115	102,331,115
Revolving Fund for Assistance	-	18,150,000
Refund due from Income Tax Department	3,178,749	2,867,473
Long term Deposits	873,200	677,000
	55,883,064	124,025,588
Note - 14 Cash and bank balances		
Cash in hand	-	20,383
Balances with scheduled banks		
- in savings account	9,444,189	7,591,475
- in deposit account	38,419,873	-
	47,864,062	7,611,858
Note-15 Short term Loans & Advances		
Loans to Citizen Centres	3,036,759	3,073,478
Interest accrued and due on the above	-	-
Less: Provision as per norms	(3,036,759)	(3,073,478)
(Ref. Sch 20 B (12)-Provisioning norms)	-	-
Advance to Related Parties	4,605,138	22,084,113
Prepaid expenses	20,151	64,339
Advances recoverable in cash or kind or for value to be received	716,170	2,120,682
Other receivables	10,656,804	8,795,903
	15,998,263	33,065,037
Note-16 Other Current Assets		
Interest accrued but not due on deposit with Bank	8,999,617	8,508,491
Health medicine stock	13,891	25,038
	9,013,508	8,533,529



Socio Economic and Educational Development Trust**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
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Note-17 Grants

Revenue Grant at the beginning of the year	10,141,583	37,867,780
Add: Grants Received during the year	38,165,202	10,189,597
Less: Transfer to Capital Grants -being the cost of additions to fixed assets during the year (Refer Note 5)	-	(70,000)
Less: Grant Carried forward for future deployment (Refer Note 6)	(38,165,202)	(10,141,583)
Balance utilised during the year....	10,141,583	37,845,794

Note-18 Interest Income

Interest on Loans given to MBT/Citizen Centre	9,688,523	7,610,595
Interest on Bank deposits	24,343,280	31,524,813
Less: Interest on deposits given on lien for loan taken to fund RFS to MBT adjusted in Finance Cost (Ref. Note 22)	(6,468,376)	(4,404,175)
Less: Transfer to Interest on Corpus Fund	(8,395,759)	(23,370,901)
	19,167,668	11,360,332

Note-19 Other Income

Income from Programmes & fee based activities	974,485	953,354
Rental Income	258,116	42,500
Donations	22,103	49,554
Other receipts including write back of provisions	337,464	139,970
	1,592,168	1,185,378

Note-20 Programme Expenses

Salaries, wages and allowances	8,897,506	14,179,391
Contribution to Provident Fund	1,841,577	1,655,737
Gratuity expense	620,326	1,035,840
Compensated Absence	-	583,008
Staff Welfare	407,496	3,313,813
Honorarium	395,504	1,811,018
Bank Charges	1,192	1,147



Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Communication Expenses	1,175,337	579,298
Consultancy & Professional fee	1,549,779	112,200
Insurance	441	85,441
Meeting expenses	15,015	12,683
Electricity & fuel	598,156	53,886
Printing & Stationery	64,501	160,059
Project expenses	7,119,870	12,757,322
Rent	488,366	318,308
Repairs & Maintenance	1,021,694	641,095
Training expenses	109,912	164,949
Travelling & Conveyance	1,236,406	1,121,533
	25,543,077	38,586,728

Note-21 Administrative and other expenses

Salaries, wages and allowances	877,415	890,401
Contribution to Provident Fund	281,011	248,122
Gratuity expense	68,925	115,093
Compensated Absence	-	64,779
Staff Welfare	511,334	564,445
Honorarium	-	4,500
Communication Expenses	347,337	350,092
Consultancy & Professional fee	476,894	803,777
Bank Charges	33,223	12,634
Insurance	132,799	64,768
Rent	51,250	392,124
Repairs & Maintenance	129,001	179,914
Travelling & conveyance	66,267	607,542
Printing & Stationery	14,424	13,561
Auditors' remuneration	460,000	460,000
Electricity & fuel	66,391	435,920
Rates & Taxes	48,470	50,490
Provision for Doubtful prepaid income tax	-	1,200,000
	3,564,741	6,458,162

Note- 22 Finance Cost

Interest on Loan taken from Pallavan Grama Bank	7,649,790	9,848,800
Less: Interest income on deposits given on lien for the above loan - Transfer from Interest Income (Ref. Note 18)	(6,468,376)	(4,404,175)
	1,181,414	5,444,625



Socio Economic and Educational Development Trust
Notes to financial statements for the year ended March 31, 2017

Note - 11 Fixed Assets

Particulars	Tangible Assets								Intangible	Capital Work
	Land	Building	Plant & machinery	Electrical Fittings	Computers and related accessories	Office equipments	Furniture & fixtures	Vehicles	Total	
Cost										
As on 01-Apr-2015	20,845,791	31,297,895	331,666	463,023	3,744,604	1,794,840	2,116,666	688,102	61,282,587	900,000
Additions	-	-	-	-	37,700	32,300	-	-	70,000	-
Deletions	-	-	-	-	-	-	-	-	-	-
As on 31-Mar-2016	20,845,791	31,297,895	331,666	463,023	3,782,304	1,827,140	2,116,666	688,102	61,352,587	900,000
Additions	150,000	50,048,798	-	3,870,217	4,544,143	3,687,916	8,963,593	-	71,264,667	-
Deletions	-	366,442	-	-	-	-	-	-	366,442	-
As on 31-Mar-2017	20,995,791	80,980,251	331,666	4,333,240	8,326,447	5,515,056	11,080,259	688,102	132,250,812	900,000
Depreciation										
As on 01-Apr-2015	-	8,484,416	265,180	237,357	2,743,398	1,307,928	1,569,910	552,529	15,160,718	711,256
For the year	-	1,140,673	13,297	45,133	201,171	97,780	109,351	27,114	1,634,520	188,744
Deletions	-	-	-	-	-	-	-	-	-	-
As on 31-Mar-2016	-	9,625,089	278,477	282,490	2,944,569	1,405,708	1,679,261	579,643	16,795,238	900,000
For the year	-	1,816,334	10,638	212,122	237,265	154,739	282,740	21,692	2,735,530	-
Deletions	-	154,141	-	-	-	-	-	-	154,141	-
As on 31-Mar-2017	-	11,287,282	289,115	494,612	3,181,834	1,560,447	1,962,001	601,335	19,376,627	900,000
Written down value										
As on 31-Mar-2017	20,995,791	69,692,969	42,551	3,838,628	5,144,613	3,954,609	9,118,258	86,767	112,874,186	-
As on 31-Mar-2016	20,845,791	21,672,806	53,189	180,533	837,735	421,432	437,405	108,459	44,557,349	-
										3,767,024
										47,226,489



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

BACKGROUND AND NATURE OF OPERATIONS

Socio Economic and Educational Development Trust (also referred to as the "Trust") was registered as a Trust under the Indian Trust Act, 1972 on April 11, 1997, with registration number 34/97. The Trust targets personnel below the poverty line in its aim to create sustainable and replicable poverty reduction models.

The Trust is registered under the Foreign Contribution Regulation Act with Ministry of Home Affairs, Government of India, with registration number 076030252. Thereby, the trust is eligible to receive foreign contribution in cash and in kind for charitable purposes. The Trust undertakes the following activities;

Self Help Groups

The focus of Self Help Group Program is to reduce rural poverty and empower women, especially women from the most marginalized groups. The Trust provides business support and coaching in areas such as production, quality control, pricing, marketing, distribution and logistics. The Trust provides loans to promote entrepreneurship among below poverty line people out of the borrowings from banks and financial institutions.

Solid Waste Management

The trust observes the state of the local environment as a key to the development process. Through the solid waste management project, the Trust does the segregation, collection, transportation and processing of the household wastes and also involved in assisting in generation of energy from these waste. Inorganic waste is segregated and sold to industry, while the biodegradable waste is processed in vermin composts. The manure is marketed and sold to the farmers to promote organic farming.

Citizens' Centre Program

The focus of Citizens' Centre Program is to offer to suitable entrepreneurs microfinance loan that would enable them to buy computers, printers, peripherals, and furniture/ give loan in the form of computers, printers, peripherals for income generation. Further, necessary training and support are provided to these entrepreneurs to generate income.

Health and Hygiene

The focus of Health and Hygiene pillar is to organize regular medical camps to enable the poorest and most marginalized groups of society to have better access to health care. The Trust has appointed village level health mobilizers who conduct awareness programs, undertake daily visits of the beneficiary's homes and organize regular meetings of the village health volunteers.

1 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with accounting principles generally accepted in India and Accounting Standards prescribed by the Institute of Chartered Accountants of India to the extent applicable. The accounting policies have been consistently applied by the Trust and are consistent with those used in the previous year.



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Donations and Grants

Corpus Funds & Interest on Corpus Funds

Grants received towards the Corpus of the trust are treated as Corpus Funds. Interest income arising from investments of corpus funds are credited to Interest on Corpus funds after netting off any operating and capital expenses spent out of such interest.

Revenue Grants

Grants received specifically to meet operating expenditure of the Trusts are accounted as revenue grants. The grants received from foreign source are recognized by applying the exchange rate as per the Foreign Inward Remittance Certificate issued by the designated Banks.

Grants related to revenue are recognized on a systematic basis in the Income and Expenditure account over the periods necessary to match them with the related costs which they are intended to compensate.

Capital Grants for fixed assets

Grants received / transferred from revenue grants and interest on Corpus funds for acquisition of assets is accounted as capital grants.

Grants related to depreciable fixed assets is treated as deferred income which is recognized in the income and expenditure statement on a systematic and rational basis over the useful life of the asset, i.e., such grants are allocated to income over the periods and in the proportion in which depreciation on those assets is charged. Such grants are shown separately as amortization of capital grants, in the respective periods.

4. Interest on loans from Citizen Centre projects and Interest from Banks

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. In respect of loans that have become NPA, interest has been recognized only to the extent collected



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

5. Fixed assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation until the date of the balance sheet. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress includes advances paid to acquire fixed assets and cost of assets not ready for intended use before the balance sheet date.

6. Leases

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

7. Depreciation and Amortisation

Depreciation on assets is provided using the written down value method based on the rates specified below.

Asset category	Rate of Depreciation on Written Down Value Method
Building	5%
Other Tangible and Intangible Assets	20%

8. Retirement and other employee benefits

Provident Fund

Employees receive benefits from provident fund, which is a defined contribution plan. Both the employee and the Trust make monthly contributions to the Regional Provident Fund Organisation equal to a specified percentage of the covered employee's salary. The Trust has no further obligations under the plan beyond its monthly contributions.

Gratuity

The Trust provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to Income and Expenditure Account and are not deferred. As of now the plan is unfunded.

Compensated absences

All employees are eligible for the following leave facilities.

Casual leave: 12 days per annum and no carry forward is allowed and lapses at the end of the year.

Earned leave: 12 days per annum and can be accumulated upto a maximum of 36 days for future availment till separation.

Sick leave: 12 days per annum and can be accumulated upto a maximum of 24 days for future availment till separation.

No encashment of any leave is allowed.

Unavailed earned leave and sick leave balances are considered as long term compensated absence benefits and are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

9. Income and Deferred Taxes

The Trust is registered as a Charitable Trust under Section 12 AA of the Indian Income Tax Act 1961 and consequently the Income of the Trust is exempted from Income Tax to the extent applied for Charitable Purposes. Under the circumstances income and the deferred taxation is also not applicable.

10. Cash and Bank Balances

Cash and cash equivalents in the balance sheet comprise cash in hand and balances with banks in savings accounts and deposit accounts.

Bank Deposits earmarked for Corpus fund and the interest on corpus fund are disclosed under Investment

11. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 not discounted to its present value and are 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 current best estimates.



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

12. Provisioning for Loans

Asset Classification Norms

- 1 Standard Assets means an assets in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than the normal risk attached to the business
- 2 Non Performing Assets means an for which interest/ principal payments has remained overdue for a period of 90 days or more and includes the total principal outstanding in respect of individual borrowers for whom interest/ principal repayment has remained overdue for a period of 90 days or more.

The norms applied for making provision for loans advanced to members of Self Help Groups for Citizen Centres are as follows:

Higher of

- a) 1% of the outstanding loan portfolio or
- b) 50% of the aggregate loans amounts having overdue more than 90 days and less than 180 days and 100% of the aggregate loan amount having overdue for 180 days or more

13. Contingent Liability

A contingent liability is a possible obligation that arises due to 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 entity 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 institute does not recognize a contingent liability but discloses its existence in the financial statements

14. Accounting for Foreign Exchange transactions

Foreign exchange transactions are recorded using the exchange rates on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date if any are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions settled during the year and on restatement as at balance sheet date are recognized in the income and expenditure account of the year.



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

23 OTHER DISCLOSURES

1 Gratuity

The Trust has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded by the Trust.

The following tables summaries the components of net benefit expense recognised in the Income and Expenditure Account and amounts recognized in the balance sheet.

Reconciliation of opening and closing balances of the present value of defined benefit obligation:

Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
Obligations at the beginning of the period	4,273,744	3,239,428
Current service cost	680,922	698,793
Interest cost	289,693	248,127
Actuarial (gain) / losses	(281,364)	204,012
Benefits paid	(1,119,473)	(116,616)
Obligations at the end of the period	3,843,522	4,273,744
Change in plan assets		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain /(loss)	-	-
Contributions	1,119,473	116,616
Benefits paid	(1,119,473)	(116,616)
Plan assets at period end, at fair value	-	-
Reconciliation of present value of the obligation and the fair value of plan assets	-	-
Fair value of plan assets at the end of the year	-	-
Present value of defined benefit obligations at the end of the period	3,843,522	4,273,744
Asset/ (Liability) recognised in the balance sheet	3,843,522	4,273,744



Socio Economic and Educational Development Trust**Schedules to the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
Gratuity cost for the period		
Current service cost	680,922	698,793
Interest cost	289,693	248,127
Expected return on plan assets	-	-
Actuarial (gain) / losses	(281,364)	204,012
Net gratuity cost	689,251	1,150,932
Defined Benefit Obligation		
Plan Assets	3,843,522	4,273,744
Surplus / (deficit)	-	-
Experience adjustments on plan liabilities-(loss)/gain	(3,843,522)	4,273,744
Experience adjustments on plan assets-(loss)/gain	491,575	(204,012)
	-	-
Assumptions:		
Discount rate	7.80%	7.80%
Estimated return on plan assets	-	-
Weighted average increase in compensation	5%	5%
Attrition Rate	5%	5%
Retirement expectancy in years	58	58

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Type of Employee Benefit	Amount (in Rs.)
Current component of Present Value Obligation	213,095
Non-current component of Present Value Obligation	3,630,427
Total	3,843,522



Socio Economic and Educational Development Trust
Schedules to the financial statements
(All amounts are in Indian Rupees unless otherwise stated)

2 Disclosure related to Compensated Absences

Date of valuation	31.03.2017	31 03 2016	
Employee Profile			
Age of Retirement	58	58	
No. of employees	126	162	
Total monthly relevant salary for leave encashment	2,420,140	2,856,800	
Total monthly relevant salary for sick leave encashment	2,571,810	3,004,904	
Average Age	36.4	35.1	
Average past service	5.3	4.3	
No. of Leave days [EL]	3,624.0	3,988	
No. of Leave days [SL]	2,680.0	3,380	
Decrement adjusted estimated future service	12.4	12.9	
Assumptions:			
Discount rate as per para 78 of AS15R	7.20%	7.80%	
Expected rate of return computed by the Enterprise as per paras 107 - 109 of AS15R	0.00%	0.00%	
Salary escalation fixed by the Enterprise as per para 83-91 and 120[I] of AS15R	5.00%	5.00%	
Attrition rate fixed by Enterprise	5.00%	5.00%	
Proportion of Leave availment	90.00%	90.00%	
Proportion of encashment during service	0.00%	0.00%	
Proportion of encashment on separation	0.00%	0.00%	
In case Sick leave is not encashable proportion of leave that will lapse on separation	10.00%	10.00%	
Funding Mechanism	Unfunded	Unfunded	
Present value of obligation - Earned Leave	2,146,791	2,258,636	
Present value of obligation - Sick Leave	1,407,738	1,566,185	
Present value of obligation – Total	3,554,529	3,824,821	
Type of Employee Benefit	Earned Leave (in Rs.)	Sick Leave (in Rs.)	Total (in Rs.)
Current component of Present Value Obligation	112,707	73,906	186,613
Non-current component of Present Value Obligation	2,034,084	1,333,832	3,367,916
Total	2,146,791	1,407,738	3,554,529



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

3 Grants received from Foreign and Local Sources:

Name of Organization	Year ended 31 st March 2017	Year ended 31 st March 2016
Grants from Foreign Sources		
Hand in Hand Sweden	4,911,094	3,525,750
Percy Barnevik	-	6,663,847
Others	33,254,108	-
From Local Sources	-	-
Total	38,165,202	10,189,597

4 Related party transactions

1 List of Related Parties

Key Management Personnel

Dr.Kalpana Sankar

Enterprises in which Key Management personnel have significant influence :

S No	Particulars
1	Hand in Hand Inclusive Development & Services (formerly Helping Hand Micro Finance and Services)
2	Hand in Hand India

2 Transactions with Related Parties:

Description	Year ended March 31, 2017	Year ended March 31, 2016
Transactions with Enterprises in which Key Management personnel have significant influence		
Reimbursement of Expenses from:		
Hand in Hand Inclusive Development and Services	391,392	43,113
Hand in Hand India	31,979,032	20,855,736
Advances given to		
Hand in Hand India	---	20,000,000



Socio Economic and Educational Development Trust

Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

3 Balance outstanding at the end of the year

Receivable/(Payable) from/(to)		
HIHIDS	--	--
Hand in Hand India	(549,299)	2,20,51,912

4 Changes in Accounting Policy - NIL

5 Contingent Liabilities - Nil (PY - Nil)

6 Previous year comparatives:

Previous year's figures have been reclassified / regrouped wherever necessary to conform to the current year's presentation.

For PKF Sridhar & Santhanam LLP
Chartered Accountants

Firm registration No:003990S/S200018

CA S Rajeshwari

Partner

Membership No. 024105

Place: Chennai

Date : 03/10/2017



For and on behalf of the Board of
Trustees

Kalpore Sankar

Kalpana Sankar

Chairperson

Place: Chennai

Date : 03/10/2017

