

**PKF Sridhar & Santhanam LLP**  
Chartered Accountants

**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, 2018, 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 but not for the purpose of expressing an opinion on whether the Trust has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2018;
- (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: 29-08-2018



**Socio Economic and Educational Development Trust**  
**Balance Sheet as at 31st March, 2018**  
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>Trust Funds and Liabilities</b>			
<b>Trust Funds</b>			
<b>a. Corpus</b>			
Initial Contribution		6,127	6,127
Corpus Fund	2	212,048,775	212,048,775
Interest on Corpus Fund	3	110,858,896	123,311,793
		<b>322,913,798</b>	<b>335,366,695</b>
<b>b. Surplus in Income and Expenditure Account</b>			
	4	31,713,233	29,566,730
<b>c. Grants</b>			
Capital Grants	5	122,193,801	116,641,210
Revenue Grants	6	44,192,349	38,165,202
		<b>166,386,150</b>	<b>154,806,412</b>
Total (a + b + c)	A	<b>521,013,181</b>	<b>519,739,837</b>
<b>Non Current Liabilities</b>			
a. Long term borrowings	7	-	20,000,000
b. Long term provisions	8	4,679,075	6,998,343
Total	B	<b>4,679,075</b>	<b>26,998,343</b>
<b>Current Liabilities</b>			
a. Sundry Creditors		3,936,391	8,653,946
b. Other current liabilities	9	1,275,541	1,489,761
c. Short term provisions	10	471,340	399,708
Total	C	<b>5,683,272</b>	<b>10,543,415</b>
<b>Total (A + B + C)</b>		<b>531,375,528</b>	<b>557,281,595</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>a. Fixed Assets</b>			
	11		
Tangible Assets		117,236,537	112,874,186
Intangible Assets		-	-
Capital Work-in-Progress (Building)		4,957,264	3,767,024
Total		<b>122,193,801</b>	<b>116,641,210</b>
<b>b. Long term Investments</b>			
	12	258,867,418	311,881,488
<b>c. Long term Loans and Advances</b>			
	13	57,385,523	55,883,064
Total (a + b + c)	A	<b>438,446,742</b>	<b>484,405,762</b>
<b>Current Assets</b>			
a. Cash and bank balances	14	54,644,832	47,864,062
b. Short term Loans & Advances	15	29,538,761	15,998,263
c. Other current assets	16	8,745,193	9,013,508
Total	B	<b>92,928,786</b>	<b>72,875,833</b>
<b>Total (A + B)</b>		<b>531,375,528</b>	<b>557,281,595</b>

Significant Accounting Policies  
Other Disclosures

1  
23

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 : 29/8/18



For and on behalf of the Board of Trustees

Kalpna Sankar  
Chairperson

Place : Chennai  
Date : 29/8/18



**Socio Economic and Educational Development Trust**  
**Statement of Income and Expenditure for the Year ended 31st March, 2018**  
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME</b>			
Grants	17	9,818,150	10,141,583
Interest Income	18	27,436,529	19,167,668
Income from Solid Waste Management		-	145,000
Other Income	19	3,508,981	1,592,168
<b>TOTAL</b>		<b>40,763,660</b>	<b>31,046,419</b>
<b>EXPENDITURE</b>			
Programme Expenses	20	33,399,830	25,543,077
Administrative and other expenses	21	5,091,208	3,564,741
Finance Cost	22	126,119	1,181,414
Depreciation / Amortisation	11	8,284,306	2,735,529
Less: Amortisation from Capital Grants-being depreciation/Amortisation		(8,284,306)	(2,735,529)
<b>TOTAL</b>		<b>38,617,157</b>	<b>30,289,232</b>
<b>Excess of Income over Expenditure carried forward to balance sheet</b>		<b>2,146,503</b>	<b>757,187</b>

Significant Accounting Policies  
Other Disclosures

1  
23

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 : 29/8/18



**For and on behalf of the Board of Trustees**

*Kalpana Sankar*

**Kalpana Sankar**  
Chairperson

Place : Chennai

Date : 29/8/18



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

Particulars	March 31, 2018	March 31, 2017
<b>Note - 2 Corpus Fund</b>		
Fund Balance	212,048,775	212,048,775
<b>Note - 3 Interest on Corpus Fund</b>		
As per last balance sheet	123,311,793	142,721,237
Current year Interest - transfer from Interest Income (Ref. Note-18)		8,395,759
Transfer to Capital Grants-being Kaliyanoor Building Construction and Fixed assets added during the year (Ref Note 5)	(12,452,897)	(27,805,203)
Balance, at end of the year	110,858,896	123,311,793
<b>Note - 4 Surplus in Income and Expenditure Statement</b>		
Excess of Income over Expenditure as per last balance sheet	29,566,730	28,809,542
Add: Current year excess- transfer from Income & Expenditure Statement	2,146,503	757,187
Balance, at end of the year	31,713,233	29,566,730
<b>Note - 5 Capital Grants</b>		
As per last balance sheet	116,641,210	91,783,837
Add: Transfer from Interest on Corpus Fund for Kaliyanoor Building Construction and Fixed assets (Ref. Note-3)	12,452,897	27,805,203
Add: Transfer from Revenue Grants for Purchase of other assets (Ref Note 17)	1,384,000	-
Less: Transfer to Income & Expenditure Statement-being depreciation /amortisation for the year	(8,284,306)	(2,735,530)
Less: Book value of assets disposed off	-	(212,300)
Balance, at end of the year	122,193,801	116,641,210
<b>Note - 6 Revenue Grants</b>		
Balance Carried forward for future deployment as per Note-17	44,192,349	38,165,202
<b>Note - 7 Long term Borrowings</b>		
Loan from Pallavan Grama Bank (Secured by lien on earmarked Term deposits in previous year for Rs.2.10 Cr.)	-	20,000,000
	-	20,000,000
<b>Note- 8 Long term Provisions</b>		
Provision for Compensated absences	546,805	3,367,916
Provision for gratuity	4,132,270	3,630,427
	4,679,075	6,998,343





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

Particulars	March 31, 2018	March 31, 2017
<b>Note - 9 Other Current liabilities</b>		
Statutory Liabilities	448,100	548,027
Salaries and wages Payable	92,941	91,185
Interest accrued but not due on Term Loan	-	168,049
Other Liabilities	734,500	682,500
	<b>1,275,541</b>	<b>1,489,761</b>
<b>Note - 10 Short term provisions</b>		
Provision for Compensated absences	40,450	186,613
Provision for gratuity	430,890	213,095
	<b>471,340</b>	<b>399,708</b>
<b>Note - 12 Long Term Investments</b>		
Bank deposits - Corpus Funds	212,048,775	212,048,775
Bank Deposits - Interest on Corpus Funds	46,818,643	99,832,713
(Previous year Includes deposits aggregating to Rs.2.10 Crore given as security for the Loan taken from Pallava Gramin Bank)		
	<b>258,867,418</b>	<b>311,881,488</b>
<b>Note - 13 Long term Loans and Advances</b>		
Revolving Fund for Sustainability to Mutual Benefit Trust	51,831,115	51,831,115
Refund due from Income Tax Department	4,531,208	3,178,749
Long term Deposits	1,023,200	873,200
	<b>57,385,523</b>	<b>55,883,064</b>
<b>Note - 14 Cash and bank balances</b>		
Cash in hand	-	-
Balances with scheduled banks		
- in savings account	14,436,334	9,444,189
- in deposit account	40,208,498	38,419,873
	<b>54,644,832</b>	<b>47,864,062</b>
<b>Note-15 Short term Loans &amp; Advances</b>		
Loans to Citizen Centres	3,036,759	3,036,759
Interest accrued and due on the above	-	-
Less: Provision for bad and doubtful loans	(3,036,759)	(3,036,759)
	-	-
Advance to Related Parties	9,451,290	4,605,138
Prepaid expenses	-	20,151
Advances recoverable in cash or kind or for value to be received	5,706,937	716,170
Other receivables	14,380,534	10,656,804
	<b>29,538,761</b>	<b>15,998,263</b>
<b>Note-16 Other Current Assets</b>		
a. Interest accrued on deposits with Banks	8,723,102	8,999,617
b. Health medicine stock	22,091	13,891
	<b>8,745,193</b>	<b>9,013,508</b>



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

Particulars	March 31, 2018	March 31, 2017
<b>Note-17 Grants</b>		
Revenue Grants at the beginning of the year	38,165,202	10,141,583
Add: Grants received during the year (Ref Note:23(3))	17,229,297	38,165,202
Less: Amount transferred to capital Grant being the cost of additions to Fixed Assets during the year (Refer Note 5)	(1,384,000)	-
Less: Grants Carried forward for Future deployment (Refer Note 6)	(44,192,349)	(38,165,202)
Balance utilised during the year	<b>9,818,150</b>	<b>10,141,583</b>
<b>Note-18 Interest Income</b>		
Interest on Loans given to MBT/Citizen Centre	5,183,112	9,688,523
Interest on Bank deposits	22,253,417	24,343,280
Less: Differential Corpus Interest on PGB adjusted in Finance Cost (Refer Note 22)	-	(6,468,376)
Less: Transfer to Interest on Corpus Fund (Refer Note 3)	-	(8,395,759)
	<b>27,436,529</b>	<b>19,167,668</b>
<b>Note-19 Other Income</b>		
Income from Programmes & fee based activities	-	974,485
Rental Income	-	258,116
Donations	541,707	22,103
Write back of provisions for compensated absences no longer required	2,967,274	337,464
	<b>3,508,981</b>	<b>1,592,168</b>
<b>Note-20 Programme Expenses</b>		
Salaries, wages and allowances	10,656,210	8,897,506
Contribution to Provident Fund	1,861,946	1,841,577
Gratuity expense	807,752	620,326
Staff Welfare	505,721	407,496
Honorarium	315,618	395,504
Bank Charges	1,069	1,192
Communication Expenses	1,472,843	1,175,337
Consultancy & Professional fee	2,866,479	1,549,779
Donation - To related Party	7,613,093	-
- To Others	10,000	-
Insurance	8,823	441
Meeting expenses	-	15,015
Electricity & fuel	246,456	598,156
Printing & Stationery	6,970	64,501
Project expenses	4,227,292	7,119,870
Rent	263,096	488,366
Repairs & Maintenance	2,011,218	1,021,694
Training expenses	-	109,912
Travelling & Conveyance	525,244	1,236,406
	<b>33,399,830</b>	<b>25,543,077</b>
<b>Note-21 Administrative and other expenses</b>		
Salaries, wages and allowances	1,369,983	877,415
Contribution to Provident Fund	152,584	281,011
Gratuity expense	89,750	68,925
Staff Welfare	932,364	511,334
Communication Expenses	194,978	347,337
Consultancy & Professional fee	318,498	476,894
Bank Charges	45,973	33,223
Insurance	79,411	132,799
Rent	95,700	51,250
Repairs & Maintenance	152,667	129,001
Travelling & conveyance	968,636	66,267
Printing & Stationery	159,654	14,424
Auditors' remuneration	460,000	460,000
Electricity & fuel	27,381	66,391
Rates & Taxes	43,630	48,470
	<b>5,091,208</b>	<b>3,564,741</b>
<b>Note- 22 Finance Cost</b>		
Interest on Loan taken from Pallavan Grama Bank	126,119	7,649,790
Less: Interest income on deposits given on lien for the above Loan transfer from Interest income (Ref.Note 18)	-	(6,468,376)
	<b>126,119</b>	<b>1,181,414</b>





**Socio Economic and Educational Development Trust**  
**Notes forming part of the Financial Statements**

**Note - 11 Fixed Assets**

Particulars	Tangible Assets									Intangible Assets (software)	Capital Work in Progress
	Land	Building	Plant & Machinery	Electrical Fittings	Computers and related Accessories	Office Equipments	Furniture & Fixtures	Vehicles	Total		
Cost											
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	47,226,489
Additions	150,000	50,048,798	-	3,870,217	4,544,143	3,687,916	8,963,593	-	71,264,667	-	3,767,024
Deletions	-	366,442	-	-	-	-	-	-	366,442	-	47,226,489
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	3,767,024
Additions	-	11,090,417	-	31,500	64,000	140,740	-	1,320,000	12,646,657	-	4,957,264
Deletions	-	-	-	-	-	-	-	-	-	-	3,767,024
As on 31-Mar-2018	20,995,791	92,070,668	331,666	4,364,740	8,390,447	5,655,796	11,080,259	2,008,102	144,897,469	900,000	4,957,264
Depreciation											
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	2,735,529	-	-
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	-
For the year	-	3,667,873	8,510	768,899	1,037,269	796,624	1,823,652	181,479	8,284,306	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-
As on 31-Mar-2018	-	14,955,155	297,625	1,263,511	4,219,103	2,357,072	3,785,653	782,814	27,660,933	900,000	-
Written down value											
As on 31-Mar-2018	20,995,791	77,115,513	34,041	3,101,229	4,171,344	3,298,724	7,294,606	1,225,288	117,236,537	(0)	4,957,264
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	(0)	3,767,024





## **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 people 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 Group Program**

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 considers 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 Pillar**

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 is 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 / the exchange rate applied by the bank for giving credit to designated accounts.

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 are 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





(All amounts are in Indian Rupees unless otherwise stated)



## **Socio Economic and Educational Development Trust**

### **Schedules to the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis 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 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 Long Term Investment.

#### **11. Provisions**

A provision is recognized 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 asset 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 asset 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 provisioning for loans advanced to members of Self Help Groups are as follows:

##### **Higher of**

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

#### **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 recognized 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 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>Obligations at the beginning of the period</b>	<b>3,843,522</b>	<b>4,273,744</b>
Current service cost	615,630	680,922
Interest cost	270,330	289,693
Actuarial (gain) / losses	11,542	(281,364)
Benefits paid	(177,864)	(1,119,473)
<b>Obligations at the end of the period</b>	<b>4,563,160</b>	<b>3,843,522</b>
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain /(loss)	-	-
Contributions	177,864	1,119,473
Benefits paid	(177,864)	(1,119,473)
<b>Plan assets at period end, at fair value</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>	<b>-</b>	<b>-</b>
Fair value of plan assets at the end of the year	-	-
Present value of defined benefit obligations at the end of the period	4,563,160	3,843,522
<b>Asset/ ( Liability) recognised in the balance sheet</b>	<b>4,563,160</b>	<b>3,843,522</b>
<b>Gratuity cost for the period</b>		





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

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Current service cost	615,630	680,922
Interest cost	270,330	289,693
Expected return on plan assets	-	-
Actuarial (gain) / losses	11,542	(281,364)
<b>Net gratuity cost</b>	<b>897,502</b>	<b>689,251</b>
Defined Benefit Obligation	4,563,160	3,843,522
Plan Assets	-	-
Surplus / (deficit)	(4,563,160)	(3,843,522)
Experience adjustments on plan liabilities-(loss)/gain	(224,915)	491,575
Experience adjustments on plan assets-(loss)/gain	-	-
<b>Assumptions:</b>		
Discount rate	7.70%	7.20%
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	430,890
Non-current component of Present Value Obligation	4,132,270
<b>Total</b>	<b>4,563,160</b>



**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	31.03.2018	31 03 2017
<b>Assumptions:</b>		
Discount rate as per para 78 of AS15R	7.70%	7.20%
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[l] of AS15R	5.00%	5.00%
Attrition rate fixed by Enterprise	5.00%	5.00%
Proportion of Leave availment	12.00%	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	83.00%	10.00%
Funding Mechanism	Unfunded	Unfunded
Present value of obligation - Earned Leave	303,267	2,146,791
Present value of obligation - Sick Leave	283,988	1,407,738
Present value of obligation – Total	<b>587,255</b>	<b>3,554,529</b>

Type of Employee Benefit	Earned Leave (in Rs.)	Sick Leave (in Rs.)	Total (in Rs.)
Current component of Present Value Obligation	20,869	19,581	40,450
Non-current component of Present Value Obligation	282,398	264,407	546,805
<b>Total</b>	<b>303,267</b>	<b>283,988</b>	<b>587,255</b>

**3. Grants received from Foreign and Local Sources:**

Name of Organization	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Grants from Foreign Sources</b>		
Hand in Hand Sweden	16,766,288	4,911,094
Others	463,009	33,254,108
<b>From Local Sources</b>	-	-
<b>Total</b>	<b>17,229,297</b>	<b>38,165,202</b>





## Socio Economic and Educational Development Trust

### Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

#### 4 Related party transactions

##### 1 List of Related Parties

###### Key Management Personnel

Dr.Kalpana Sankar

###### Enterprises in which Key Management personnel has 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, 2018	Year ended March 31, 2017
<b>Transactions with Enterprises in which Key Management personnel have significant influence</b>		
<b>Reimbursement of Expenses received from:</b>		
Hand in Hand Inclusive Development and Services	-	391,392
Hand in Hand India	24,657,520	31,979,032
<b>Donation Paid to:</b>		
Hand in Hand India	7,613,093	

##### 3 Balance outstanding at the end of the year

<b>Receivable/(Payable) from/(to)</b>		
Hand in Hand Inclusive Development and Services	--	--
Hand in Hand India (Net)	9,451,291	(549,299)



## Socio Economic and Educational Development Trust

### Schedules to the financial statements

(All amounts are in Indian Rupees unless otherwise stated)

5	Changes in Accounting Policy	-	NIL
6	Contingent Liabilities	-	Nil (PY - Nil)
7	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**

Firm registration number:003990S/S200018

**Chartered Accountants**

**For and on behalf of the Board of Trustees**



**S Rajeshwari**

Partner

Membership No.

Place: Chennai

Date : 29/8/18



**Kalpana Sankar**

Chairperson

Place: Chennai

Date : 29/8/18

