

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, 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

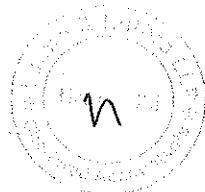
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Trust in accordance with the Accounting standards and accounting principles generally accepted in India. This responsibility includes design, 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, 2018
- b) In the case of Income and Expenditure account of the surplus 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 LLP
Chartered Accountants
Reg. No. 002081N/N500092


Niles Mehta

Partner

M. No. 093847

Place: New Delhi

Date: 1/09/18



**M/s WASTE MANAGEMENT SOCIETY
BALANCE SHEET AS ON 31.03.2018**

Particulars	Notes	As on March 31, 2018		As on March 31, 2017	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1 Reserves and surplus	3	<u>102,911,428</u>	<u>102,911,428</u>	<u>68,409,888</u>	<u>68,409,888</u>
2 Current Liabilities	4	<u>40,737,096</u>	<u>40,737,096</u>	<u>31,804,700</u>	<u>31,804,700</u>
			<u><u>143,648,524</u></u>	<u><u>100,214,588</u></u>	
II. APPLICATION OF FUNDS					
1 Non current Assets					
(a) Fixed assets					
(i) Tangible Assets	5	17,996,938		28,574,837	
(ii) Intangible Assets		-		-	
(b) Long Term Loans & Advances	7	<u>27,515,073</u>	<u>45,512,011</u>	<u>29,083,306</u>	<u>57,658,143</u>
2 Current assets					
(a) Cash and cash equivalents	6	91,789,626		35,953,735	
(b) Current Assets	8	5,879,149		6,350,612	
(c) Short Term Loans and Advances	9	<u>467,739</u>	<u>98,136,514</u>	<u>252,098</u>	<u>42,556,445</u>
			<u><u>143,648,524</u></u>	<u><u>100,214,588</u></u>	

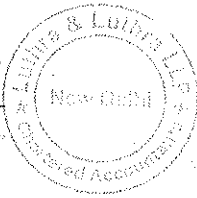
Summary of significant accounting policies and notes to financial statements 2

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

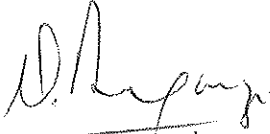
This is the Balance sheet referred to in our report of even date


For Luthra & Luthra LLP
Chartered Accountants
Reg. No. 002081N/N500092



Nileshe Mehta
Partner
M. No. 093847



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


Darryl Anthony Braganza
(President)


Merlyn D'Souza
(Vice President)


Clara
Radhakrishna
(Secretary)

Place: New Delhi

Date: 1/09/18

M/s WASTE MANAGEMENT SOCIETY
INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDING 31.03.2018

Particulars	Notes	For the period March 31, 2018	For the period March 31, 2017
		Rupees	Rupees
I. Grant & Donations	10	318,055,176	359,315,868
II. Other Income	11	4,754,698	7,813,359
III. Total revenue (I+II)		322,809,874	367,129,227
IV. Expenses:			
(1) Programme expenses	12	214,306,600	271,694,187
(2) Depreciation & Amortization Expenses	5	8,657,992	14,107,606
(3) Other expenses	13	65,343,742	102,437,978
Total expenses		288,308,334	388,239,771
V Excess of Income over expenditure		34,501,540	-21,110,543


Summary of significant accounting policies and notes to financial statements 2

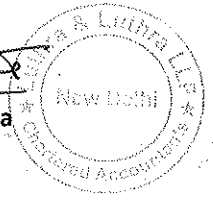
The notes referred to above form integral part of the financial statements


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

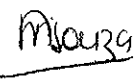
For Luthra & Luthra LLP
Chartered Accountants
Reg. No. 002081N/N500092


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


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Partner
M.No. 093847




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(Vice President)


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(Secretary)

Place: New Delhi
Date: 1/09/18

M/s WASTE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 7098 (Y) 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.

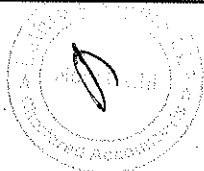
f) Depreciation / Amortisation

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 31.03.2018

ASSETS	Gross block as on 01.04.17	Additions		Total Addition during the year	Deletion		Total Deletion during the year	Gross block as on 31.03.2018	Rate	Accumulated Depreciation as on 1.04.2017	Depreciation	Deletions/ Adjustments	Accumulated Depreciation as on 31.03.2018	Net Block as at 31.03.2018
		More than 180 days	Less than 180 days		More than 180 days	Less than 180 days								
Furniture & Fixtures	480,248	39,000	28,969	67,969	14,913	-	14,913	533,304	10%	161,751	39,938	37,297	164,392	368,912
Office Equipment	8,750,974	295,568	47,600	343,168	1,144,001	7,874	1,151,875	7,942,268	15%	2,435,240	994,719	576,963	2,852,996	5,089,272
Computers & Software	12,098,328	-	139,757	139,757	1,025,422	-	1,025,422	11,212,663	40%	10,053,266	845,976	933,598	9,965,644	1,247,019
Vehicles	14,174,249	-	-	-	3,184,206	-	3,184,206	10,990,043	15%	4,866,147	1,323,297	1,357,757	4,831,688	6,158,356
Leasehold Improvement	22,165,494	-	-	-	-	-	-	22,165,494	-	11,703,926	5,454,062	-	17,157,988	5,007,506
Land and Building	174,825	-	-	-	-	-	-	174,825	0%	48,951	-	-	48,951	125,874
TOTAL	57,844,119	334,568	216,326	550,894	5,368,542	7,874	5,376,416	53,018,597		29,269,282	8,657,992	2,905,615	35,021,659	17,996,938

Note 5
(Amount in Rs.)



M/s WASTE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31.03.2018

Note 3 Reserves and surplus

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
General Reserve		
Balance brought forward from previous year	68,409,888	89,520,432
Surplus/(Deficit)	34,501,540	-21,110,543
Closing balance as at 31st March	102,911,428	68,409,888

Note 4 Current Liabilities

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
TDS Payable	2,296,101	2,023,018
Professional Tax Payable	19,254	20,665
PF Payable	623,658	652,874
Provision for Employee Benefits	8,882,405	8,139,743
Expenses Payable	4,766,609	2,852,761
Sundry Creditors	1,943	25,639
Grant & Donations in Advances	24,147,126	18,090,000
	40,737,096	31,804,700



Note 6 Cash and cash equivalents

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
- Cash at Hand	-	23,140
- Cash at Bank		
FCRA A/c	59,786,427	11,662,464
Local a/c	32,003,199	24,268,132
	91,789,626	35,953,735

Note 7 Long Term Loans & Advances

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
Security Deposit (Gross)	27,575,073	29,083,306
Less: Provision for Doubtful Debts	-60,000	-
Security Deposit (Net)	27,515,073	29,083,306
Loans and Advances (Asset)	-	-
	27,515,073	29,083,306

Note 8 Current Assets

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
Justice and Care India	5,072,870	5,572,870
Prepaid Expenses	429,473	400,936
Income tax paid	370,000	370,000
TDS Receivable	6,806	6,806
	5,879,149	6,350,612

Note 9 Short Term Loans & Advances

Particulars	As At March 31,2018 (Rs)	As At March 31,2017 (Rs)
Advance to Vendors (Gross)	1,138,350	2,093,261
Provision for Doubtful Debts	-1,058,875	-1,865,000
Advance to Vendors (Net)	79,475	228,261
Advances to Staff / Others	388,264	23,837
	467,739	252,098



Note 10 Direct Incomes

Particulars	Period ending March 31,2018 (Rs)	Period ending March 31,2017 (Rs)
Grant & Donations	318,055,176	359,315,868
	318,055,176	359,315,868

Note 11 Other Income

Particulars	Period ending March 31,2018 (Rs)	Period ending March 31,2017 (Rs)
Interest on Fixed Deposit	-	5,501,921
Interest on Saving Bank	3,024,984	2,053,050
Other Income	1,729,714	258,388
	4,754,698	7,813,359

Note 12 Programme Expenses

Particulars	Period ending March 31,2018 (Rs)	Period ending March 31,2017 (Rs)
Salaries and Professional fees	121,946,348	152,970,158
Welfare expenses-Project	1,509,958	1,603,446
Rent and Maintenance- Project	44,748,790	50,764,268
Electricity Expenses - Project	1,579,660	2,594,651
Rescue & Care Expenses		
Aftercare	12,253,362	16,182,736
Employment Creation / Skill Dev.	2,691,045	4,256,859
Development & Communication	721,712	299,204
Case Management, Monitoring & Evaluation	216,427	830,012
Community Relation	2,063,368	1,995,790
Intervention	1,957,560	1,343,292
Investigation	3,208,120	4,721,752
Legal & Legal Research & Policy	4,353,780	8,132,113
Partnership & Cordination	15,546,529	23,161,058
Research & Studies	1,342,521	1,247,862
Missing Persons Programme	-	64,896
M&S project	167,420	1,526,089
	214,306,600	271,694,187



Note 13 Other Expenses

Particulars	Period ending March 31,2018 (Rs)	Period ending March 31,2017 (Rs)
Salaries- Admn	36,002,248	42,779,346
Welfare expenses	347,416	523,558
Legal & Professional Fees	4,854,509	17,500,330
Rent and Maintenance- Admn	10,295,946	16,575,583
Travel	5,929,321	9,273,729
Audit Fees	914,500	891,250
General Office Expenses	2,225,014	2,574,093
Electricity Expenses -Admn	363,453	847,207
Telephone & Mobile Expenses	1,971,685	2,445,071
HR, Recruitment & Training	965,049	3,829,387
Miscellaneous Expenses	589,434	3,920,324
Insurance	381,603	502,643
Printing & Stationery	359,656	571,436
Postage & Courier	116,236	121,052
Interest on TDS	11,097	39,260
Bank Charges	16,576	43,707
Total	65,343,742	102,437,978

Auditor's Remuneration:

Particulars	Year Ended 31 March-2018	Year Ended 31 March-2017
Audit fees*	914,500	895,125
Tax Matters*	609,900	1,136,472
Other Services*	1,150,074	184,621
Total	2,674,474	2,216,218

*Includes Service Tax/GST

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, 2018	March 31, 2017
Employer's contribution to provident fund and other funds	3,375,707	3,848,177
Gratuity	1,351,076	1,206,634
Leave Encashment	1,736,052	6,479,999

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

Particulars	March 31, 2018	March 31, 2017
Discount Rate	7.71%	7.35%
Future Salary Increase	5.50%	5.50%
Expected Rate of Return on Plan assets	0	0
Expected average remaining working lives of employees	23.48 Years	24.92 Years

Note 16 The disclosure as per AS 18 – Related Party Disclosure :**(a) Details of Related Parties**

Related Party (Key Managerial Person)	Relationship
Roque Coutinho	President - Till 22nd January, 2018
Samir Baptist	Secretary -Till 22nd January, 2018
Darryl Anthony Braganza	President -Effective 23rd Jan, 2018
Merlyn D'Souza	Vice President -Effective 10th Feb 2017
Clara Radhakrishna	Secretary -Effective 23rd Jan, 2018
Edward D'souza	Treasurer
Joyita Ambett	Member

(b) Transactions during the year:

Remuneration paid to Key Managerial Persons - Rs. 1,25,49,311 (Previous Year Rs.74,90,852)

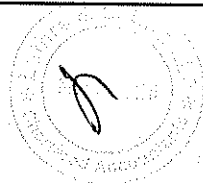
The above remuneration is considered for the relevant period during which such persons were Key Managerial Person

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.

b) As per Section 58 of the Bombay Public Trust Act, Trusts are required to deposit 2% of Gross Annual Income as contribution to Public Trusts Administration Fund every year. However no payout or provision for liability has been made by the Trust in view of the Supreme Court judgement in State of Maharashtra & Ors Vs. The Salvation Army, Western India Territory dated – 10th February 1975 (CITATION: 1975 AIR 846 1975 SCR (3) 475 1975 SCC (1) 509) and the interim order passed by Bombay High Court in PIL no. 40, 1780 and 1864 of 2007 dt. 25.09.2009 granting a stay on the payments made under section 58 to the Charity Commissioner.




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 LLP

Chartered Accountants
Reg. No. 002081N/N500092



Niles Mehta
Partner
M. No. 093847




Place: New Delhi

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