



V.NAGARAJAN & CO.,

Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Institute of Livelihood Research and Training

Report on the financial statements

We have audited the accompanying financial statements of 'Institute of Livelihood Research and Training (Formerly The Livelihood School)' (hereinafter referred as "the Society") 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 and financial performance of the Society in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give a true and a fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of the affairs of the above Society as at 31st March 2017 and;
- In the case of the Income and Expenditure statement, excess of income over expenditure for the year ended on that date.





V. NAGARAJAN & CO.,

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Report on other legal and regulatory requirements

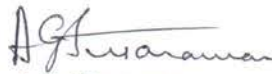
On the basis of our audit, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by the law have been kept by the Society, so far as appears from our examination of the books maintained at the Head office and all the regional Centres of the Society;
- c) The Balance Sheet and the Income and Expenditure account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and the Income and Expenditure account comply with the accounting standards issued by the Institute of Chartered Accountants of India;

Place: Hyderabad
Date: May 16, 2017



for **V. Nagarajan & Co.,**
Chartered Accountants
ICAI Firm Regd. No.: 04879N



A.G. Sitaraman
Partner
M. No.: 017799

Institute of Livelihood Research and Training

Registration No. 580/2007, dated 10-0-2007

Address: 3rd Floor, Surabhi Arcade, Bank street, Koti, Hyderabad - 500 001

www.iltindia.org; info@iltindia.org

(All amounts in Rs. except otherwise stated)

BALANCE SHEET AS AT		31-Mar-17	31-Mar-16
	Sch		
SOURCES OF FUNDS			
Committed project based grant			
Livelihood education and research	1	9,604,296	31,016,892
Reserves and surplus			
General reserve	2 (A)	11,168,895	11,053,741
Assets acquisition fund	2 (B)	3,393,692	3,245,559
	Total	24,166,883	45,316,192
APPLICATION OF FUNDS			
Fixed assets (at cost)	3	3,393,692	3,245,559
Current assets, loans and advances			
Cash and bank balances	4	10,761,139	34,351,276
Advances and other recoverables	5	15,096,122	10,087,552
		25,857,261	44,438,828
Less: Current liabilities and provisions	6	5,084,070	2,368,195
Net current assets		20,773,191	42,070,633
	Total	24,166,883	45,316,192
Consolidated receipts and payments account	12		
Notes on accounts and accounting policies	13		


As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants

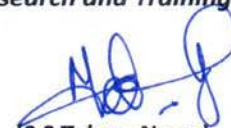

A.G. Sitaraman
Partner

ICAI Firm Reg. No.: 04879N | M. No.: 017799



for **Institute of Livelihood Research and Training**


(Dilip Kumar)
Chairman


(S S Tabrez Nasar)
Dean

Place: Hyderabad

Date: May 16, 2017

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Registration No. 580/2007, dated 10-0-2007

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON		31-Mar-17	31-Mar-16
Sch			
INCOME			
Grants, program service support and fees for livelihood education and research	7	14,834,673	31,182,665
Fees from seminars and conferences on livelihood education	8	123,178	101,164
Interest income from bank		23,611	270,081
Interest on refund of tax		30,315	186,574
Total		15,011,777	31,740,484
EXPENDITURE			
Personnel cost	9	8,520,151	10,960,421
Professional charges		522,592	4,460,419
Travelling expenses	10	1,885,171	4,107,087
Program support charges		1,975,620	5,123,617
Other administrative expenses	11	1,993,088	3,316,793
Total		14,896,622	27,968,337
Surplus/(deficit) for the year		115,155	3,772,147
Less: Transferred to assets acquisition fund		-	414,074
Transferred to Reserve and Surplus		115,155	3,358,073
Consolidated receipts and payments account	12		
Notes on accounts and accounting policies	13		


As per our report of even date
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Chartered Accountants


A.G. Sitaraman
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(All amounts in Rs. except otherwise stated)

CASH FLOW STATEMENT	31-Mar-17	31-Mar-16
CASH FLOW FROM OPERATING ACTIVITIES:		
Before taxation and after exceptional items	115,155	3,772,147
Adjustment for Non- cash (income) / expenditure:		
Transferred to reserves and surplus	-	-
Funds transferred to committed Grants	-	-
Operating profit before changes in operating assets	115,155	3,772,147
Adjustments for:		
(Increase)/ decrease in trade receivables	(5,328,810)	(5,959,063)
(Increase)/ decrease in long term loans and advances	-	(390,000)
(Increase)/ decrease in other current assets	320,240	1,985,654
(Decrease)/increase in committed grant	(21,412,596)	17,186,017
(Decrease)/increase in current liabilities	2,715,874	(4,563,395)
Net cash generated from operating activities before tax	(23,590,137)	12,031,360
Less: Income tax paid	-	-
Net cash generated from operating activities after tax	(A) (23,590,137)	12,031,360
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(414,074)
Sale of fixed assets	-	-
Net cash flow from investing activities	(B) -	(414,074)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	-	-
Repayment to long term borrowings	-	-
Net cash generated from financing activities	(C) -	-
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	(23,590,137)	11,617,286
Cash and cash equivalents at the beginning of the year	34,351,276	22,733,990
Cash and cash equivalents at the end of the year	10,761,139	34,351,276

As per our report of even date
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(All amounts in Rs . except otherwise stated)

SCHEDULES TO BALANCE SHEET AS AT	31-Mar-17	31-Mar-16
Schedule 1: Committed Project Based Grant		
<i>Livelihood education/research programs:</i>		
Opening balance	31,016,892	13,830,876
<i>Add: Receipts during the year (Refer Schedule:12)</i>		
(i) Grant and Donations	4,146,550	37,352,724
(ii) Interest	1,437,562	1,564,114
(iii) Reversal of Previous year provision	-	361,369
Total receipts during the year	5,584,112	39,278,207
Sub-Total (A)	36,601,004	53,109,083
<i>Less: Utilisation during the year (Refer Schedule:12)</i>		
(i) Grants utilization	26,848,575	21,510,462
(ii) Transfer to assets acquisition fund (purchase of fixed assets)	148,133	581,728
Sub-Total (B)	26,996,708	22,092,190
TOTAL C= (A-B)	9,604,296	31,016,892
Schedule 2: Reserve And Surplus		
A: General Reserve (Uncommitted fund)		
Opening balance	11,053,740	7,695,668
Transferred from Income and Expenditure Account	115,155	3,772,147
Less: Transfer to assets acquisition fund (purchase of fixed assets)	-	414,074
Sub-Total (A)	11,168,895	11,053,741
B: Assets Acquisition Fund (Uncommitted)		
Opening balance	3,245,559	2,280,757
<i>Transferred from:</i>		
Less - Disposal of assets during the year	-	31,000
Add- Purchase under project fund (committed)	148,133	581,728
General reserve (uncommitted)	-	414,074
Sub-Total (B)	3,393,692	3,245,559
TOTAL C=(A+B)	14,562,587	14,299,300



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Institute of Livelihood Research and Training

Schedule 3: Fixed Assets

<i>(All amounts in Rs. except otherwise stated)</i>				
GROSS BLOCK (AT COST)				
Assets	As on April 01, 2016	Additions during the year	Deletions	As on March 31, 2017
Furniture And Fixtures	540,841	-	-	540,841
Professional Equipment -60%	1,871,120	14,298	-	1,885,418
Professional Equipment -15%	139,743	14,289	-	154,032
Office Equipment	693,855	119,546	-	813,401
TOTAL	3,245,559	148,133	-	3,393,692
Previous year	2,280,757	995,802	31,000	3,245,559

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Place: Hyderabad

Date: May 16, 2017



for **Institute of Livelihood Research and Training**


(Dilip Kumar)
Chairman


(S S Tabrez Nasar)
Dean

Institute of Livelihood Research and Training

(All amounts in Rs . except otherwise stated)

SCHEDULES TO BALANCE SHEET AS AT	31-Mar-17	31-Mar-16
Schedule 4: Cash And Bank Balances		
Balance with scheduled banks		
- in Savings accounts	2,143,033	2,367,908
- in Current account	36,363	43,705
- in Term deposits [unencumbered]	8,573,625	31,937,067
Cash in Hand	8,118	2,596
TOTAL	10,761,139	34,351,276
Schedule 5: Advances And other recoverable		
Sundry debtors		
- Less than six months	734,461	4,540,774
- More than six months	2,697,116	158,204
TDS recoverable	438,794	760,856
Deposits	516,000	516,000
Prepaid expenses	79,150	82,726
Accrued interest	176,334	227,039
Unbilled services	10,281,136	3,684,925
Other recoverable	173,131	117,028
TOTAL	15,096,122	10,087,552
Schedule 6: Current liabilities And provisions		
Salary payable	1,582,229	1,003,239
Expenses payable	1,731,416	904,537
Bank overdraft against term deposit	1,441,999	-
Statutory dues	278,426	460,419
Program service support received in advance	50,000	-
TOTAL	5,084,070	2,368,195

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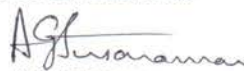
Place: Hyderabad
Date: May 16, 2017

Institute of Livelihood Research and Training

(All amounts in Rs. except otherwise stated)

SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON	31-Mar-17	31-Mar-16
Schedule 7: Grants, Program Service Support and Fees for Livelihood Education And Research		
Course fees- livelihood promotion for practitioners	5,132,969	9,575,848
Capacity building for Micro Entrepreneurs	2,375,100	16,127,692
Surveys, action research and process documentation	662,783	1,794,200
Donation	1,500	-
Unbilled Services for Capacity building for Micro Entrepreneurs	6,662,321	3,684,925
TOTAL	14,834,673	31,182,665
Schedule 8: Fees from Seminars and conference on Livelihood Education		
Seminar and conferences	75,178	84,164
Contribution of resource material	40,000	4,000
Membership contribution	8,000	13,000
TOTAL	123,178	101,164
Schedule 9: Personnel Cost		
Salary and other benefits	7,870,448	10,203,780
Contribution to provident fund & ESIC	649,703	756,641
TOTAL	8,520,151	10,960,421
Schedule 10: Travelling, conveyance and other incidental expenses		
Directors	279,634	390,641
Faculty and project staff - field visits	1,105,805	1,297,280
Others (extended faculty group, consultants and trainees)	281,044	1,464,618
Vehicle hire charges (including for exposure visits for trainees)	218,688	954,548
TOTAL	1,885,171	4,107,087
SCHEDULE 11: Other Administrative/Program Overheads		
Office rent	817,196	1,081,448
Meeting expenses	60,447	198,549
Printing & stationery	116,997	424,304
Postage and telephone	219,621	242,225
Miscellaneous expenses	324,105	554,082
Audit fee/expenses	75,773	101,000
Office maintenance	304,941	554,565
Repairs and maintenance	70,450	128,432
Rates & taxes	3,558	32,188
TOTAL	1,993,088	3,316,793

As per our report of even date
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A.G. Sitaraman
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ICAI Firm Reg. No.: 04879N/ M. No.: 017799



for Institute of Livelihood Research and Training


(Dilip Kumar)
Chairman


(S S Tabrez Nasar)
Dean

Place: Hyderabad
Date: May 16, 2017

Institute of Livelihood Research and Training

SCHEDULE 12: CONSOLIDATED PROJECT BASED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Foreign Funds			Indian Funds			Total grant based fund	Total fee based fund	Grand Total
	Ford Foundation	Rockefeller Philanthropy Advisors	FC - General	Tata Trust	Tata Trust	Tata Trust			
	Action Research Labs	Assistance for Innovation Circuit event		Human resource capacity building for livelihood promotion	Livelihood promotion for Small Fish Producers in West Bengal and Northern Bihar	Developing Digital Games for Learning about Livelihoods for the Poor			
a	b	c	d	e	f	g=(a to f)	h	i=(g+h)	
Project starting date	1-Feb-13	1-Dec-16		1-Oct-13	1-May-15	1-Mar-16			
Project ending date	31-Jan-17	31-Mar-17		31-Mar-17	30-Aug-18	28-Feb-18			
Project Value of Execution	20,606,021	256,550		23,410,000	27,555,000	29,100,000	100,927,571		100,927,571
Funds received till March 31, 2016									
Grant Support	20,606,021			19,520,000	17,514,000	14,028,000	71,668,021		71,668,021
Interest /other income	1,100,098		361,369	667,139	941,450	34,752	3,104,808		3,104,808
Sub Total	21,706,119		361,369	20,187,139	18,455,450	14,062,752	74,772,829		74,772,829
Less: Utilization till March 31, 2016	18,946,170			18,704,146	5,974,324	131,298	43,755,938		43,755,938
Opening Balance	2,759,949		361,369	1,482,993	12,481,126	13,931,454	31,016,892	11,053,740	42,070,632
Receipts									
Contribution From Foreign/Indian Agency		256,550		3,890,000			4,146,550		4,146,550
Interest on Fixed Deposit/Bank Interest	128,325			96,355	415,284	797,598	1,437,562	23,611	1,461,173
Membership fee								8,000	8,000
Donation (for Chiguru project)								1,500	1,500
Program Service Revenue								14,833,173	14,833,173
Contribution of Resource Material								40,000	40,000
Total Receipt	128,325	256,550	-	3,986,355	415,284	797,598	5,584,112	15,011,777	20,595,889
Cumulative total	2,888,274	256,550	361,369	5,469,348	12,896,410	14,729,052	36,601,004	26,065,517	62,666,521
Expenditure									
Salaries and Staff Benefits	1,679,426	155,122	-	2,820,282	2,444,037	4,229,188	11,328,055	8,520,151	19,848,206
Travel and Conveyance	475,812	101,246	-	561,317	761,603	113,348	2,013,326	1,885,171	3,898,497
Auditors' Remuneration & Expenses	-	-	-	11,500	38,450	38,450	88,400	75,773	164,173
Professional Services	354,753	-	-	562,000	1,665,585	1,710,950	4,293,288	522,592	4,815,880
Rent	190,818	-	-	103,856	58,456	437,944	791,074	817,196	1,608,270
Other Administrative Expenses	86,329	182	-	284,374	198,382	422,148	991,415	1,100,119	2,091,534
Program support charges	101,136	-	-	668,700	6,572,077	1,104	7,343,017	1,975,620	9,318,637
Fixed assets	-	-	-	-	119,546	28,587	148,133	-	148,133
Total Expenditure	2,888,274	256,550	-	5,012,029	11,858,136	6,981,719	26,996,708	14,896,622	41,893,330
Closing Balance	-	-	361,369	457,320	1,038,274	7,747,333	9,604,296	11,168,895	20,773,191

As per our report of even date
for V. NAGARAJAN & CO.,
Chartered Accountants

A.G. Sitaraman
A.G. Sitaraman
Partner

ICAI Firm Reg. No.: 04879N | M. No.: 017799



for Institute of Livelihood Research and Training

Dilip Kumar
(Dilip Kumar)
Chairman

(S S Tabrez Nasar)
(S S Tabrez Nasar)
Dean

Place: Hyderabad
Date: May 16, 2017

Institute of Livelihood Research and Training

SCHEDULE 13: ACCOUNTING POLICIES & NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

A) ACCOUNTING POLICIES:

1) BASIS OF ACCOUNTING:

The Financial statements are drawn up based on historical costs and mercantile basis of accounting has been followed, except grant and contribution, which are accounted for on cash basis.

2) REVENUE RECOGNITION:

- i) In respect of course/programme fee, the income is recognized on the "Proportionate Completion of Course/programme" or completion of deliverable as may have been specified in the course/programme structure.
- ii) In respect of program service revenue, the income is recognized on the "Proportionate Completion of work" or completion of deliverable as may have been specified in the agreement.

3) ACCOUNTING POLICY AND METHOD OF ACCOUNTING:

- i) **COMMITTED PROJECT BASED GRANT:** In respect of grants received from funding institutions/agencies towards specific project is accounted under '**COMMITTED PROJECT BASED GRANT**' in Balance Sheet. All expenditure (recurring and non recurring) incurred from grant is accounted under same in head Balance Sheet.
- ii) **UNCOMMITTED FUND:** In respect of program service revenue and associated expenses are accounted in income and expenditure account. The resultant surplus/deficit is transferred to uncommitted fund in the Balance Sheet.
- iii) **ASSETS ACQUISITION FUND:** The assets purchased (net of sale proceeds) are shown in the Balance Sheet at cost under the head "Fixed Assets", the corresponding amount is accounted under assets acquisition fund to reflect the assets being utilized by the Society.

4) FIXED ASSETS AND DEPRECIATION:

- i) Fixed Assets is stated in the books at the historical cost inclusive of all incidental expenses incurred for acquisition of such assets.
- ii) Individual assets acquired for Rs. 5,000/- or less are completely written off in the year of acquisitions. To maintain control on fixed assets, which were written off, has been retained/captured in the register on their nominal value for each individual asset.
- iii) The rate assumed for calculating the notional depreciation is as follows, except the assets, which have been completely written off during the year:

<i>Class of fixed assets</i>	<i>*Rate of Depreciation</i>
Furniture & Fixtures	10%
Office Equipment	15%
Professional Equipment (Others)	15%
Professional Equipment (Computers)	60%
Vehicles	15%

*Under written down value method

5) INVESTMENTS:

All current and long-term investments are valued at lower of cost or market value.

6) RETIREMENT BENEFITS:

The Society has schemes of retirement benefits of provident fund in respect of which the society's contribution to the funds are charged to committed fund and/or from income and expenditure account. The gratuity benefits of the society are administered by the trust formed for this purpose through the schemes of Life Insurance Corporation of India. Gratuity is being paid by the Society as per statutory norms.



Institute of Livelihood Research and Training

B) NOTES TO ACCOUNTS:

1) NOTE ON THE SOCIETY ACTIVITY:

The Livelihood School' is a Society, registered on April 10, 2007 under the Andhra Pradesh Society Registration Act, 2001 and the name has been changed to "Institute of Livelihood Research and Training" w.e.f. April 01, 2014. The Society is mainly engaged in following activities for the livelihood of the poor.

(a) Research for Knowledge Building:

Building of knowledge on issues related with livelihoods promotion through research, studies, documentation of good practices and action research. The knowledge is packaged into training modules; appropriate curriculum developed and disseminated to the livelihood practitioners through standardized courses.

(b) Research for Dissemination of Knowledge:

Institute of Livelihood Research and Training undertakes knowledge dissemination to enhance capacities of the people, whose work affect the livelihoods of the poor, such as staff of Government departments/ projects working for livelihood promotion, Development Organizations involved in livelihood promotion across the country. The programs in livelihood promotion are offered by the Society through standard modules designed and developed by it or through customized programs tailor made to the requirement of the livelihood promoting organization.

2) NOTIONAL DEPRECIATION:

The value of fixed assets Rs. 33,95,295/- (cumulative as on March 31, 2017) shown in Balance sheet is at actual cost of acquisition. The notional depreciation as per the rates specified in note 4(iii) is Rs. 21,47,877/- as at March 31, 2017 (previous year Rs.16,73,767/-) which is not accounted in the books.

3) RECOGNITION SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION (SIRO)

Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology has accorded recognition to Society as Scientific and Industrial Research Organisation (SIRO).

4) GOVERNANCE EXPENSES:

Governance expenses have been accounted and break up of which is given below.

Particulars	March 31, 2017	March 31, 2016
Traveling and other incidental Expenses reimbursed	2,61,000	384,707
Total	2,61,000	384,707

5) REMUNERATION TO DEAN:

The Society has honorary Dean.

6) DETAILS OF AUDITOR'S REMUNERATION:

Particulars	March 31, 2017	March 31, 2016
Audit Fees	1,35,550	146,000
Service tax on fee	20,950	20,963
Traveling expenses reimbursed	7,723	43,942
Total	1,64,223	210,905

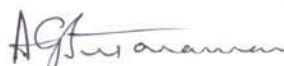
7) MISCELLANEOUS:

- The Society has kept all the unutilized balance of fund in the form of bank balances and term deposits with scheduled banks, which are in conformity with section 11(5) of the Income Tax Act, 1961.
- In view of its tax exemption status u/s 12A of the Income Tax Act, 1961, and based on past assessment no tax liability is anticipated.
- Previous year's figures have been regrouped, wherever necessary.

As per our report of even date

for V. Nagarajan & Co.,

Chartered Accountants



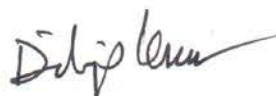
A.G. Sitaraman

Partner

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for Institute of Livelihood Research and Training



(Dilip Kumar)

Chairman



(S S Tabrez Nasar)

Dean

Place: Hyderabad