

## INDEPENDENT AUDITORS' REPORT

### TO THE TRUSTEES OF PRATHAM MUMBAI EDUCATION INITIATIVE

#### Report on the Financial Statements

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We have audited the books of account and other records maintained by the Trust and examined the report of other auditor on the returns as at and for the year ended 31 March, 2016, received from the Trust's branch (listed in Note no 1 in Annexure G to the financial statements) which were collectively used in preparing the accompanying financial statements of Pratham Mumbai Education Initiative (the "Trust") which comprise of the Balance Sheet (Schedule VIII) as at 31 March, 2016, the Income and Expenditure Account (Schedule IX) for the year ended on that date together with a summary of significant accounting policies and other explanatory information, prepared under Bombay Public Trust Act, 1950 (the "Act").

#### Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the maintenance of the books of account and other records of the Trust in accordance with the provisions of the Act, along with the Rules made there under, for the purpose of preparing the financial statements of the Trust that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the maintenance of the books of account and other records and 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.

#### Auditors' Responsibility

Our responsibility is to audit books of account and other records maintained by the Trust and examine the report of other auditor on the return as at and for the year ended 31 March, 2016, received from the Trust's branch (listed in Note no 1 in Annexure G to the financial statements) which has been used in preparing these financial statements, in terms of Section 34 of the Act. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"). 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 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 control relevant to the Trust's maintenance of the books of account and other records and the 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 Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on the return received from branch referred to below in the Other Matter paragraph, the Trust has maintained books of account and other records necessary for preparation of the aforesaid financial statements that give the information required by the Act, in the manner so required and 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 31 March, 2016; and
- b) in the case of the Income and Expenditure Account, of the excess of income over expenditure of the Trust for the year ended on that date.

### **Other Matter**

The financial statements include net assets aggregated to Rs. 4,619,808, net income aggregated to Rs. 4,723,335 and net expenditure aggregated to Rs 8,425,334 relating to one branch not visited by us and identified in Note No. 1 in Annexure G to the financial statements. These have been included in the financial statements on the basis of financial information audited by other auditor, whose report have been furnished to us by the Trustees and our opinion, insofar as it relates to amounts and other financial information included in respect of these branch and our comments on matters specified in Rule 19(1) and 19(3) referred to in the section entitled "Report on Other Legal and Regulatory Requirements" below, in respect of this branch, are solely based on the report of the auditor.

### **Report on Other Legal and Regulatory Requirements**

As required by Rules 19(1) and 19(3) of the Bombay Public Trusts Rules, 1951 (the "Rules"), having regard to the provisions of the Trust Deed, and based on the consideration of report of the other auditors of the branch referred in "Other Matter" paragraph above, we report that to the best of our knowledge and belief and according to the information and explanations given to us, for the year ended 31 March, 2016:

- a) The accounts of the Trust are maintained regularly and in accordance with the provisions of the Act and the Rules made thereunder.
- b) The receipts and disbursements are properly and correctly shown in the accounts of the Trust.
- c) The cash balance and vouchers in the custody of the Trustee on the date of audit have been found to be in agreement with the accounts.
- d) All books, deeds, accounts, vouchers or other documents or records required by us were produced before us.
- e) Registers of movable and immovable properties have been properly maintained by the Trust. However, the changes made in such registers are in the process of being communicated by the Trust to the regional office for the year ended 31 March 2016. The Trust has carried out physical verification of fixed assets during the year and adjustments corresponding to discrepancies identified on physical verification have been made in the registers.
- f) The persons required to appear before us did so and furnished the necessary information required by us.
- g) We are not aware of any property or funds of the Trust having been applied for any object or purpose other than the objects or purposes of the Trust or incidental thereto.
- h) The amounts of receivable outstanding for more than one year as at the year ended 31 March 2016 aggregated to Rs. 455,166 and Carrying values of fixed assets written off during the year aggregated to Rs. 161,031.
- i) On the basis of test checks carried out by us tenders have been invited for repairs or construction involving expenditure exceeding Rs. 5,000, however no tenders invited for additional/ongoing construction work allotted to vendors post bidding process. Total cost of such additional projects for which the tenders were not called for aggregated to Rs. 5,104,170.

- j) Nothing has come to our attention that causes us to believe that any money of the Trust has been invested contrary to the provisions of Section 35 of the Act.
- k) We have not come across any alienation, of immovable property, contrary to the provisions of Section 36 of the Act.
- l) We have not come across any case of irregular, illegal or improper expenditure, or failure or omission to recover monies or other properties belonging to the Trust other than those reported in paragraph (h) above or of any loss or waste of money or other property of the Trust, during the course of our audit. To the best of our knowledge and according to the information and explanations given to us there were no losses, expenditure and omission or failure, caused as a result of breach of trust or misapplication or any other misconduct on the part of the trustee or any person who was in management of the trust.
- m) The Trust has filed a budget for the year 2015-16 in the form prescribed in Rule 16A of the Rules with the Charity Commissioner on 21 February, 2015.
- n) The maximum and minimum number of the trustees prescribed by the Trust Deed has been maintained by the Trust during the year ended 31 March, 2016.
- o) The Trust has held meetings regularly as provided in the Trust Deed during the year ended 31 March, 2016.
- p) The Trust has maintained minute books of the proceedings of meetings held by its Trustees during the year ended 31 March, 2016.
- q) According to the representation received from the Managing Trustee, none of the trustees has any interest in the investments of the Trust.
- r) None of the Trustees has been a debtor or creditor of the Trust as at the year end.
- s) We have not come across any other special matter, which we think is fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Registration No. 117366W/W-100018)



Mohammed Bengali  
Partner  
(Membership No. 105828)

Mumbai,  
September 23, 2016



**THE BOMBAY PUBLIC TRUSTS ACT, 1950**  
**SCHEDULE VIII [Vide Rule 17 (1)]**

**Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE**  
**Balance Sheet as at March 31, 2016**

Registration No.E15454

FUNDS & LIABILITIES	As at March 31, 2016	PROPERTY AND ASSETS	As at March 31, 2016
	Amt. in Rs.		Amt. in Rs.
<b>Trust Funds or Corpus</b>		<b>Immovable Properties</b>	
Balance as per last balance sheet	5,59,796	Balance as per last Balance Sheet	13,03,41,424
Less: Adjustment during the year	-	Additions during the year	1,75,45,371
	<b>5,59,796</b>	Less: Deletion during the year	-
		Depreciation upto the date	1,24,64,880
			<b>13,54,21,915</b>
<b>Other Earmarked Funds</b>		<b>Capital Works in Progress</b>	2,58,95,722
(Created under the provisions of the trust deed or scheme or out of the Income)		<b>Investments</b>	-
Depreciation Fund		<b>Furniture and Fixtures</b>	
Sinking Fund		Balance as per last Balance Sheet	76,94,666
Reserve Fund		Additions during the year	19,89,989
<b>PACE Enterpreneurship Development Fund</b>		Less: Deletion during the year	38,072
Balance as per last balance sheet	40,00,000	Depreciation upto the date	20,26,540
Less: Utilised/provision made	10,21,553		<b>76,20,043</b>
	<b>29,78,447</b>	<b>Other Fixed Assets (See Annexure A)</b>	
<b>Loans (Secured or Unsecured)</b>		Balance as per last Balance Sheet	1,67,15,111
From trustees	-	Additions during the year	67,05,552
From others	-	Less: Deletion during the year	1,34,880
<b>Liabilities</b>		Depreciation upto the date	41,68,934
For expenses	1,80,98,361		<b>1,91,16,849</b>
For advances	-	<b>Loans (Secured or Unsecured)-Good/Doubtful</b>	
For rent and other deposits	-	Loans Scholarships	10,21,553
For sundry credit balances	66,75,108	Other Loans	10,21,553
	<b>2,47,73,469</b>	Less : Provisions	-
<b>Income and Expenditure Account</b>		<b>Advances</b>	
Balance as per last Balance Sheet	24,73,47,043	To Trustees	-
Add: Received During the Years	-	To Employees	17,86,034
Add: Surplus income & expenditure	4,52,75,005	To Branches	-
Net Balance	<b>29,26,22,048</b>	To Contractors	-
		To Lawyers	-
		To Others	3,92,58,045
		To Tax deducted at source	14,06,188
			<b>4,24,50,267</b>
		<b>Income Outstanding</b>	
		Rent	-
		Interest	6,61,413
		Other Income	33,599
			<b>6,95,012</b>
		<b>Cash and Bank Balances (See Annexure B)</b>	
		(a) In Current Account with Banks	18,736
		(b) In Saving Account with Banks	2,00,86,992
		(c) Fixed Deposit	6,57,99,773
		(d) In Quantum Optima Deposits	38,28,451
		(e) With the trustee	-
		(f) With the managers	-
			<b>8,97,33,952</b>
<b>Total Rs.</b>	<b>32,09,33,760</b>	<b>Total Rs.</b>	<b>32,09,33,760</b>

Significant Accounting Policies  
Notes to the accounts

Annexure F  
Annexure G

The above balance sheet to the best of our belief, contains a true account of the funds and liabilities and of the Property and Assets of the Trust.

For and on Behalf of Board of Trustees

Mrs. Farida Lambay  
TRUSTEE  
(EXECUTIVE SECRETARY)

Place : Mumbai  
Date : September 23, 2016



Mr. Sharad Kale  
TRUSTEE

Place : Mumbai  
Date : September 23, 2016



In terms of our report attached,  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Mohammed Bengali  
Partner  
Place: Mumbai  
Date: September 23, 2016

**THE BOMBAY PUBLIC TRUSTS ACT, 1950**  
**SCHEDULE IX [Vide Rule 17 (1)]**

**Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE**  
**Income and Expenditure Account for the year ended 31 March 2016**

EXPENDITURE	For the year ended March 31, 2016	INCOME	For the year ended March 31, 2016
	Amt. in Rs.		Amt. in Rs.
To Expenditure In respect of properties :- Rates, Taxes, Cesses Repairs and Maintenance Salaries Insurance Depreciation (by way of provision or adjustment) Other expenses	-	By Rent (accrued) (realised)	-
	-	By Interest (accrued) (realised) On Securities On Loans On Bank Accounts	-
To Establishment Expenses (See Annexure D)	77,83,905	Fixed deposit with Banks Bank accounts Quantum optima deposits	30,92,836 13,15,756 6,13,965
To Remuneration to Trustees (incl. Reim. Of Convy. Exp.)	-		50,22,557
To Remuneration (In the case of a math) to the head of the math including his household expenditure, if any	-	By Dividend	-
To Legal Expenses (including Professional fees)	28,21,376	By Donation in cash or kind (See Annexure C)	18,96,42,776
To Audit Fees incl. Service Tax Rs.	9,73,250	By Grants	-
To Contribution and Fees	-	By Income from other sources Sundry receipts On Income Tax Refund	-
To Amount written off : (a) Bad debts (b) Loan scholarships (c) Irrecoverable rents (d) Other items - Fixed Assets Written off	1,61,031	By Transfer from Reserve	-
To Miscellaneous Expenses	-		
To Depreciation	1,86,60,354		
To Amount transferred to Reserve or Specific Funds	-		
To Expenditure on objects of the trust (a) Religious (b) Educational (See Annexure E) (c) Medical Relief (d) Relief of poverty (e) Other Charitable Objects	11,89,90,412		
To Surplus carried over to Balance Sheet	4,52,75,005		
<b>Total Rs.</b>	<b>19,46,65,333</b>	<b>Total Rs.</b>	<b>19,46,65,333</b>

Significant Accounting Policies  
Notes to the accounts

Annexure F  
Annexure G

For and on Behalf of Board of Trustees

*Farida Lambay*  
Mrs. Farida Lambay  
TRUSTEE  
(EXECUTIVE SECRETARY)



Place : Mumbai  
Date : September 23, 2016

*Sharad Kale*  
Mr. Sharad Kale  
TRUSTEE

Place : Mumbai  
Date : September 23, 2016



In terms of our report attached,  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Mohammed Bengali*

Mohammed Bengali  
Partner  
Place : Mumbai  
Date : September 23, 2016

The Bombay Public Trusts Act, 1950  
 SCHEDULE - IX C  
 (Vide Rule 32)

Statement of income liable to contribution for the year ending 31 MARCH 2016

Name of Public Trust : PRATHAM - MUMBAI EDUCATION INITIATIVE

Registered No. E - 15454

- I. Income as shown in the Income and Expenditure Account (Schedule IX)
- II. Items not chargeable to Contribution under Section 58 and Rules 32 :
- (i) Donations received from other Public Trusts and Dharmadas
  - (ii) Grants received from Government and Local authorities
  - (iii) Interest on Sinking or Depreciation Fund
  - (iv) Amount spent for the purpose of secular education
  - (v) Amount spent for the purpose of medical relief
  - (vi) Amount spent for the purpose of veterinary treatment of animals
  - (vii) Expenditure incurred from donations for relief of distress caused by scarcity, drought, flood, fire or other natural calamity
  - (viii) Deductions out of income from lands used for agricultural purposes:-
    - (a) Land Revenue and Local Fund Cess
    - (b) Rent payable to superior landlord
    - (c) Cost of Production, if lands are cultivated by trust
  - (ix) Deductions out of income from lands used for non-agricultural Purposes :-
    - (a) Assessment, cesses and other Government or Municipal Taxes
    - (b) Ground rent payable to the superior landlord
    - (c) Insurance premia
    - (d) Repairs at 10 percent of gross rent of building
    - (e) Cost of collection at 4 per cent of gross rent of buildings let out
  - (x) Cost of collection of income or receipts from securities, stocks, etc. at 1 per cent of such income
  - (xi) Deductions on account of repairs in respect of buildings not rented and yielding no income, at 10 per cent of the estimated gross annual rent
- Gross Annual Income chargeable to contribution Rs.

Rs.	P.	Rs.	P.
		The Trust is primarily towards achieving a goal of universalisation of good formal education for all children upto the age of 14 years.	
		Exempted from contribution under Rule 32(1) of The Bombay Public Trusts Rules, 1951	

Trust Address :  
 Ground Floor, Y.B. Chavan Centre  
 Gen. J. Bhosale Marg,  
 Nariman Point,  
 Mumbai - 400 021.

Dated : September 23, 2016



*Farida*  
 Mrs. Farida Lambay  
 TRUSTEE  
 (EX. SECRETARY)

*Sharad*  
 Mr. Sharad Kale  
 TRUSTEE

Certified that while claiming deductions admissible under the above Schedule, the Trust has not claimed any amount twice, either wholly or partly, against any of the items mentioned in the Schedule which have the effect of double-deduction.



FOR DELOITTE HASKINS & SELLS LLP  
 CHARTERED ACCOUNTANTS

*Bengali*

Mohammed Bengali  
 PARTNER

Dated : September 23, 2016



Pratham Mumbai Education Initiative  
Annexure A - Other Fixed Assets

Particulars	WDV as at March 31, 2015	Sale / Deletion during the year	Additions During the year			Total	Total	Depreciation for the year	Net Block as at March 31, 2016
			Before 30.09.2015	After 30.09.2015	Total				
Computers	11,09,358	9,229	83,650	6,59,920	7,43,570	18,43,699	9,11,156	9,32,543	
Office equipment	1,19,86,888	1,25,651	33,48,129	26,13,853	59,61,982	1,78,23,219	27,14,947	1,51,08,272	
Vehicle	36,18,865	-	-	-	-	36,18,865	5,42,831	30,76,034	
	1,67,15,111	1,34,880	34,31,779	32,73,773	67,05,552	2,32,85,783	41,68,934	1,91,16,849	



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