

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PRATHAM MUMBAI EDUCATION INITIATIVE

Report on the Financial Statements

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, 2017, 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, 2017, 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, 2017 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 obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Deloitte Haskins & Sells LLP

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 principle generally accepted in India:

- a) in the case of the Balance Sheet of the state of affairs of the Trust as at 31 March, 2017; and
- b) in the case of the Income and Expenditure Account, of the surplus of the Trust for the year ended on that date.

Other Matter

The financial statements include net assets aggregated to Rs. 4,157,009, net income aggregated to Rs 258,992 and net expenditure aggregated to Rs 4,174,802 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, 2017:

- 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, 2017. 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 2017 aggregated to Rs 295,408 and carrying values of fixed assets written off during the year aggregated to Rs. 1,904,246.

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- 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 1,457,463.
- 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 2016-17 in the form prescribed in Rule 16A of the Rules with the Charity Commissioner on February 20, 2016.
- 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, 2017.
- o) The Trust has held meetings regularly as provided in the Trust Deed during the year ended 31 March, 2017.
- p) The Trust has maintained minute books of the proceedings of meetings held by its Trustees during the year ended 31 March, 2017.
- 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)

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

Statement of income liable to contribution for the year ending 31 MARCH 2017

Name of Public Trust : PRATHAM - MUMBAI EDUCATION INITIATIVE

Registered No. E - 16454

- 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 19, 2017



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

Sharad Kale
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

Mohammed Bengali
Mohammed Bengali
PARTNER

Dated : September 19, 2017

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 31 March 2017

Registration No.E15454

FUNDS & LIABILITIES	As at March 31, 2017		PROPERTY AND ASSETS	As at March 31, 2017	
	Amt. in Rs.			Amt. in Rs.	
Trust Funds or Corpus Balance as per last balance sheet Less: Adjustment during the year	5,59,796	-	Immovable Properties Balance as per last Balance Sheet Additions during the year Less: Deletion during the year Depreciation upto the date	1354,21,915	270,11,055
	5,59,796	-		134,49,914	1489,83,056
Other Earmarked Funds (Created under the provisions of the trust deed or scheme or out of the Income) Depreciation Fund Sinking Fund Reserve Fund PACE Enterpreneurship Development Fund			Capital Works in Progress	414,78,158	
Balance as per last balance sheet Less: Utilised/provision made	40,00,000	10,21,553	Investments	-	
	29,78,447		Furniture and Fixtures Balance as per last Balance Sheet Additions during the year Less: Deletion during the year Depreciation upto the date (10%)	76,20,043	13,22,873
				4,39,693	8,66,754
Loans (Secured or Unsecured) From trustees From others	-	-		76,16,469	
	-	-	Other Fixed Assets (See Annexure A) Balance as per last Balance Sheet Additions during the year Less: Deletion during the year Depreciation upto the date	191,16,849	12,93,840
Liabilities For expenses For advances For rent and other deposits For sundry credit balances	137,26,887	-		14,94,299	32,91,556
	137,45,265			156,24,834	
	274,72,152		Loans (Secured or Unsecured)-Good/Doubtful Loans Scholarships Other Loans Less : Provisions	10,21,553	10,21,553
Income and Expenditure Account Balance as per last Balance Sheet Add: Received During the Years Add: Surplus income & expenditure Net Balance	2926,22,048	-		-	-
	130,97,290		Advances To Trustees To Employees To Branches To Contractors To Lawyers To Others To Tax deducted at source	23,63,886	-
	3057,19,338			-	-
				366,91,703	5,96,449
				396,52,038	
			Income Outstanding Rent Interest Other Income	-	-
				3,23,626	-
				3,23,626	
			Cash and Bank Balances (See Annexure B) (a) In Current Account with Banks (b) In Saving Account with Banks (c) Fixed Deposit (d) In Quantum Optima Deposits (e) With the trustee (f) With the managers	18,621	204,10,285
				626,22,646	-
				-	-
				-	-
				830,51,552	
Total Rs.	3367,29,733		Total Rs.	3367,29,733	

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 19, 2017




Mr. Sharad Kale
TRUSTEE

Place : Mumbai
Date: September 19, 2017



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


Mohammed Bengali
Partner

Place: Mumbai
Date: September 19, 2017

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

**Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE
Income and Expenditure Account for the year ending 31 March 2017**

Registration No.E15454

EXPENDITURE	For the year ended on March 31, 2017	INCOME	For the year ended on March 31, 2017
	Amt. in Rs.		Amt. in Rs.
To Expenditure in respect of properties :-		By Rent (accrued)	
Rates, Taxes, Cesses	-	(realised)	-
Repairs and Maintenance	-	By Interest (accrued)	
Salaries	-	(realised)	
Insurance	-	On Securities	-
Depreciation (by way of provision or adjustment)	-	On Loans	-
Other expenses	-	On Bank Accounts	
To Establishment Expenses (See Annexure D)	89,47,974	Fixed deposit with Banks	31,05,416
To Remuneration to Trustees (incl. Reim. Of Convy. Exp.)	-	Bank accounts	12,32,195
To Remuneration (in the case of a math) to the head of the math including his household expenditure, if any	-	Quantum optima deposits	1,28,690
To Legal Expenses (including Professional fees)	16,83,702		44,66,301
To Audit Fees	9,79,400	By Dividend	-
incl Service tax		By Donation in cash or kind (See Annexure C)	1730,01,434
To Contribution and fees		By Grants	-
To Amount written off :		By Income from other sources	
(a) Bad debts	-	On Income Tax Refund	1,44,262
(b) Loan scholarships	-	By Transfer from Reserve	-
(c) Irrecoverable rents	-		
(d) Other items - Fixed Assets Written off	19,04,238		
To Miscellaneous Expenses	-		
To Depreciation	176,28,223		
To Amount transferred to Reserve or Specific Funds	-		
To Expenditure on objects of the trust			
(a) Religious	-		
(b) Educational (See Annexure E)	1333,71,170		
(c) Medical Relief	-		
(d) Relief of poverty	-		
(e) Other Charitable Objects	-		
To Surplus carried over to Balance Sheet	130,97,290		
Total Rs.	1776,11,997	Total Rs.	1776,11,997

Significant Accounting Policies
Notes to the accounts

Annexure F
Annexure G

For and on Behalf of Board of Trustees


Mrs. Farida Lambay
TRUSTEE
(EXECUTIVE SECRETARY)

Place : Mumbai
Date: September 19, 2017


Mr. Sharad Kale
TRUSTEE

Place : Mumbai
Date: September 19, 2017

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





Mohammed Bengali
Partner
Place: Mumbai
Date: September 19, 2017



Pratham Mumbai Education Initiative
Annexure A - Other Fixed Assets

Particulars	Rate of Depreciation	Opening WDV as on April 1, 2016	Sale / Deletion during the year	Additions during the year		Total	Depreciation	Closing WDV as on March 31, 2017
				Before 30.09.2016	After 30.09.2016			
Computers	60%	9,32,543	1,09,507	58,300	3,67,100	12,48,436	6,40,307	6,08,129
Office equipment	15%	151,08,272	7,57,052	4,99,000	3,65,640	152,15,860	22,80,204	129,35,656
Vehicle	15%	30,76,034	6,27,740	-	3,800	24,52,094	3,71,045	20,81,049
Grand Total		191,16,849	14,94,299	5,57,300	7,36,540	189,16,390	32,91,556	156,24,834



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**Pratham Mumbai Education Initiative
Annexure B - Cash and Bank Balances**

Details	As at March 31, 2017	
	Amt. in Rs.	
Bank Balances		
A. In Current Account with Bank		
Bank of Maharashtra A/c No. 20036102311		18,621
Sub Total (A - Current Account)		18,621
B. In Saving Account with Banks		
ICICI Bank Ltd. 003201032992		6,96,244
ICICI Bank Ltd. A/c. 003201001905		14,15,055
ICICI Bank Ltd./A/c No.000401166584		3,29,380
ICICI Bank Ltd A/C No. 000401166655 CC		2,69,539
ICICI Bank Ltd. A/c No. 002401037463-Gujarat		(1,853)
ICICI Bank Ltd A/C No.003201001904		50,458
ICICI Bank Ltd A/C No. 642301050475 PACE		57
ICICI BANK PGuj.Child Edu. & Rehab Program A/C No.624601066238		656
ICICI BANK PMEI Childline Surat A/C No.624601067520		34,339
PMEI Childline Valsad A/C No.624601067720		61,690
SBI A/C 10974602527 UP		2,153
State Bank of India 31798508323		42,109
State Bank of India- NFC-30627545848		1,99,906
ICICI Bank Ltd. 003201033047		10,47,512
ICICI Bank Ltd. A/C 000401166654 CC		1,11,217
ICICI BANK Ltd. A/c. 003201000531		94,09,539
ICICI Bank Ltd A/C No. 623901264496 CAL		19,266
ICICI Bank Ltd A/c No. 642301050474 PACE		58
ICICI Bank Ltd. A/c. [NP] 000401166585		2,94,184
ICICI Bank Ltd.GSK Rajas A/C No.000401169459		49,778
ICICI Bank Ltd.GSK Up A/C No000401168441		31,557
ICICI Bank Ltd.INTERVITA A/C No. 000401167924		3,76,559
PNB Bank A/c 4757000400012720 UP		17,164
State Bank of India 30497957232		11,25,841
State Bank of India 31798510047		3,57,718
ICICI Bank Account 624001064849-Maharashtra		2,39,806
ICICI Bank Account 099401000269-MH-Alibaug		3,127
ICICI Bank A/c 005501030023 MP		21,033
Bank A/C ICICI 005501030022 MP		98,792
ICICI Bank Account 099401000268-Alibaug-MH		950
ICICI Bank A/c 000701007662 Delhi		82,877
ICICI Bank A/c 000801208123 AP		46,861
Remittances in transit		32,843
ICICI Bank Account # 625901116616		1,49,227
SBI,Patna Account # 30067319039		3,16,129
SBI,Sitamarhi Account # 11170973290		5,038
ICICI Bank Account # 625901130425		9,06,366
ICICI Bank Account # 625901134623		18,10,868
SBI,Patna Account # 30067058360		4,02,627
SBI,Sitamarhi Account # 11170973303		22,132
SBI,Munger Account # 30104358909		3,31,483
Sub Total (B - Saving)		204,10,285
C. In Fixed Deposits		
Fixed Deposit with ICICI		276,22,646
Fixed Deposit with SBI		350,00,000
Sub Total (C - Fixed Deposit)		626,22,646
D. In Quantum Optima Deposits		
Quantum Optima		-
Sub Total (D - Quantum Optima)		-
E. Cash Balances		
A. In Hand		-
B. With Trustees		-
C. With Managers		-
Sub Total (E - Cash Balance)		-
Grand Total (A to E)		830,51,552



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**Pratham Mumbai Education Initiative
Annexure C - Donation in Cash or Kind**

Particulars	For the year ended on March
	31, 2017 Amt. in Rs.
Pratham Education Foundation	960,00,000
Madura Fashion and Lifestyle Jan Kalyan	40,37,096
Deutsche Bank	49,778
GlaxoSmithKline Pharmaceuticals Ltd	2,74,545
Itx Trading Inditex	38,92,695
Fundacion Educacion Y Cooperacion	264,20,989
Jochnick Foundation	84,48,576
Give 2 Asia	2,88,456
Indostar Capital Finance Llimited	6,33,848
United Way of Mumbai	12,59,049
Larsen & Toubro Infotech Limited	3,01,946
Larsen & Toubro Hydrocarbon Engineering Limited	38,22,577
National Child Labour Project	2,59,000
CBM Chrisoffel-Blindenmission Christian Blind Mission e.V.	13,67,782
Pratham Sweden	79,650
Colgate-Palmolive India Pvt Ltd	10,04,000
The Walt Disney Company (India) Pvt. Ltd.	63,80,000
Western Union Services India Private Limited	8,43,500
The United Nations International Children's Emergency Fund	22,47,546
Cashpor Micro Credit	29,49,188
Childline India Foundation	26,92,808
Crompton Greaves Limited	6,64,250
Sai Tanners	85,635
Great Eastern CSR Foundation	42,85,700
ITC Limited	33,11,000
NDTV Campaign	6,31,918
Others Donation	7,69,902
Grand Total	1730,01,434



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Pratham Mumbai Education Initiative
Annexure D - Establishment Expenses (Administration Expenses)

Particulars	For the year ended on March 31, 2017
	Amt. in Rs.
Salary & Wages	16,06,018
Honorarium and Consultancy Fees	8,76,500
Insurance	1,66,590
Communication	43,298
Training	38,259
Travel & Conveyance	2,08,335
Printing & Stationery	50,893
Software & Computer Consumables	5,404
Repair & Maintenance	31,94,146
Miscellaneous	27,58,531
Grand Total	89,47,974

Annexure E - Expenditure on the objects of the Trust (Educational)

Particulars	For the year ended on March 31, 2017
	Amt. in Rs.
Donation Given	493,58,866
Salary & Wages	402,67,843
Honorarium and Consultancy Fee	65,11,206
Insurance	1,95,610
Rent	38,31,390
Communication	5,99,303
Teaching Learning Material	105,39,499
Training	17,91,090
Travel & Conveyance	139,60,502
Printing & Stationery	14,87,190
Software & Computer Consumables	67,867
Repairs & Maintenance	12,02,498
Miscellaeous	35,58,306
Grand Total	1333,71,170



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**PRATHAM MUMBAI EDUCATION INITIATIVE
FOR THE YEAR ENDED MARCH 31, 2017**

Annexure F

Significant Accounting Policies

1. Basis of accounting

The Trust is a charitable organisation and is not engaged in any commercial, industrial or business activity. Therefore the accounting standards issued by the Institute of Chartered Accountants of India are not applicable to it. The financial statements of the Trust are prepared under the historical cost convention and are on accrual basis.

2. Fixed assets and depreciation

Tangible fixed assets are stated at written down values i.e. cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets includes all direct expenses relating to acquisition and installation/erection of the assets. Depreciation is calculated using written down value method, at base rates specified in Appendix 1 to the Income Tax Rules, 1962. Depreciation are charged for the whole of the accounting year if the asset are put to use for a period of 180 days or more and at half the rates prescribed if the asset are put to use for a period less than 180 days. However, if in the assessment of the Trust an accelerated depreciation is justified, having regard to the nature of the assets and its estimated balance useful life, an appropriate higher rate is applied. No depreciation is charged in the year of deletion.

3. Donations and grants

Donations are recognised as income in the Income and Expenditure Account in the period in which the ultimate collections are reasonably be expected. Generally this does not happen prior to receipt of the amount. Earmarked donations and grants are initially credited to a liability account in the Balance Sheet and are transferred to Income and Expenditure Account in the year in which and to the extent to which the trust complies with the conditions attached to them.

4. Employee Benefits

Short Term Plan

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

Long Term Plan

Defined Benefit plan:

1. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Income and Expenditure in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

2. Provident fund is defined contribution schemes and the trust has no further obligation beyond the contributions made to the fund. Contributions are charged to income and expenditure account in the year in which it is due.

5. Foreign currency translations

Foreign currency receipts on account of donations and grants are translated at spot rates prevailing at the time of receipt into the designated accounts of the Trust. Foreign currency expenditure is recorded using the spot rates prevailing on the date of transaction (as per FIRC document).

Foreign currency monetary items of the Trust, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Trust are carried at historical cost.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Trust are recognised as income or expense in the Statement of Income and Expenditure.

6. Income Tax

The Trust is registered as a charitable trust under section 12AA of the Income Tax Act, 1961, which entitles it to full exemption from income tax provided certain conditions laid down in that Act are complied with. Provision for income tax would be made only in the year in which the Trust is uncertain of being able to fulfil these conditions

7. Other Receipts

Other receipts include the reimbursement of expenses incurred by the Trust on various programmes which are recognised on receipt on grounds of prudence.



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**PRATHAM MUMBAI EDUCATION INITIATIVE
FOR THE YEAR ENDED MARCH 31, 2017**

Annexure G

Notes to the accounts

1. Branch auditors

The financial statements of the Bihar branch is audited by P Puneet & Co (A firm of Chartered Accountants), who are not the principal auditors of the Trust.

2. Service procurements and retirement benefits

Services of teachers in the Trust are voluntary and in the absence of an employer-employee relationship between the trust and the teachers, the Trust is of the opinion that it does not have any obligation for payment of retirement benefits to the teachers. Therefore, no provisions for retirement benefit are made in its financial statements for them. However there are other assistants engaged in the programmes and back-office functions, who have been considered as employees of the trust. These employees are eligible for gratuity benefits. The Trust accounts for gratuity benefit liability based on an independent actuarial valuation using the projected unit credit method carried out annually as at the Balance Sheet date, which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight-line basis over the average period until the amended benefits become vested.

The amount charged to the Statement of Income and Expenditure is Rs 185,117 (Income) and the present value of the obligations as at year end is Rs. 1,963,517 against Rs. 1,983,626 which has been funded through contributions to a fund of the life Insurance Corporation of India. Net obligation as on March 31, 2017 amounting to Rs. 20,109 (asset).

The summary of actuarial assumptions for determining gratuity benefit liabilities is as follows on 31 March 2017:

I	Discount rate	7.09%
II	Salary escalation rate	5%
III	Attritions rate	For services below 4 years and below: 50% p.a. For services 5 years and above 2 % p.a
IV	Mortality in service	Indian Assured Lives Mortality (2006-08) Ultimate
V	Retirement age	58 years

3. Highest & Lowest paid staff during the year:

Highest paid staff	146,800
Lowest paid staff	2,240

4. Distribution of staff as at 31st March 2017

Slab of gross salary per month (in Rs) plus benefits paid to staff	Male	Female	Total
Less than or equal to INR 5,000	2	14	16
INR 5,001 to INR 10,000	84	95	179
INR 10,001 to INR 25,000	53	90	143
INR 25,001 to INR 50,000	5	14	19
More than INR 50,001	2	1	3
Total	146	214	360



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**PRATHAM MUMBAI EDUCATION INITIATIVE
FOR THE YEAR ENDED MARCH 31, 2017**

5. Cost of international travel

Summary of Cost of International travel incurred by the trust during the year.

Name of the Person	Designation	Purpose	Amount (Rs.)
Ms. Farida Lambay	Executive Secretary and Trustee	Meeting with government entities in Nepal for the prevention of child labour.	63,870
Ms. Sneha Shirgaonkar	Program Head		1,05,491
Mr. Smitin Brid	Program Head	Dubai Cares and UNICEF conference in Dubai	9,475
Total			1,78,836

For Pratham Mumbai Education Initiative

Place: Mumbai

Date: September 19, 2017


Mrs. Farida Lambay
Trustee
(Ex-Secretary)


Mr. Sharad Kale
Trustee

