

INDEPENDENT AUDITORS' CERTIFICATE

REF: MB/211

We have audited the account of **Pratham Mumbai Education Initiative** ("the Trust") (FC Reg No. 083780624) having its registered office: 4th Floor, Y.B.Chavan Centre, Gen. J Bhosale Marg, Nariman Point, Mumbai 400 021, Maharashtra, Trust Registration No. E15454 in the state of Maharashtra for the year ending March 31, 2017 and examined all relevant books and vouchers and certify that according to the audited account:

1. The brought forward foreign contribution (Bank Balances) at the beginning of the financial year April 1, 2016 was Rs. 37,513,335;
2. Foreign contribution of Rs. 137,863,315 was received by the Trust during the financial year 2016-17;
3. Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs. 1,617,899 (including sale of fixed assets amounting to Rs. 29,755) was received by the Trust during the financial year 2016-17;
4. The balance of unutilised foreign contribution (Bank Balances) with the Trust at the end of the financial year March 31, 2017 was Rs. 29,609,594
5. Certified that the Trust has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011;
6. The information in this certificate and in the enclosed financial statements comprising of the Balance sheet, Income and Expenditure Account and Statement of Receipts and Payments is correct as checked by us.
7. The Trust has utilized the foreign contribution received for the purpose it is registered under Foreign Contribution (Regulation) Act, 2010.

This certificate is to be read along with the notes in Appendix 1.

Mumbai
October 30, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn. No 117366W/ W-100018



Mohammed Bengali
Partner
Membership No. 105828

Appendix 1 to the notes to Auditor's Certificate on Foreign Contribution Regulation Act, 2010

1. This Certificate is issued in accordance with the terms of our engagement letter reference no.: MB/151 dated March 1, 2017.

Management's Responsibility

2. The Trust's Management is responsible for the compilation of the information referred in our certificate Ref - MB/211 dated October 30, 2017, maintenance of separate set of accounts and records, exclusively, for the foreign contributions received and utilized in terms of Foreign Contributions Regulation Act, 2010 (the "Act") and Rule 17 of the Foreign Contribution (Regulation) Amendment Rules, 2015 (the "Rules"), and preparation of these financial statements, based on the said set of accounts and records, are in accordance with the accounting principles generally accepted in India.
3. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. We have examined the books of account and other relevant records and documents maintained by the Trust in the normal course of its business for the purpose of providing reasonable assurance on the particulars mentioned in the certificate.
5. This certificate is based on our examination the financial statements attached to this certificate and other relevant records and information considered necessary for the purposes of issuing this certificate and the information and explanations given to us by the Trust.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

8. This certificate has been issued at the request of the Trust for submission to Secretary to the Government of India, Ministry of Home Affairs and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Mumbai
October 30, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn No 117366W/W-100018



Mohammed Bengali
Partner
Membership No. 105828

Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE
Balance Sheet as at March 31, 2017 (Foreign Contribution)

FUNDS & LIABILITIES	As at March 31, 2017	PROPERTY AND ASSETS	As at March 31, 2017
	Amount in INR		Amount in INR
Trust Funds or Corpus		Immovable Properties	
Balance as per last balance sheet	2,760	Balance as per last Balance Sheet	135,421,915
Less: Adjustment during the year	-	Additions during the year	27,011,055
	2,760	Less: Deletion during the year	-
Other Earmarked Funds		Depreciation upto the date	13,449,914
(Created under the provisions of the trust deed or scheme or out of the Income)			148,983,056
Depreciation Fund		Capital Works in Progress	41,478,158
Sinking Fund		Investments	-
Reserve Fund		Furniture and Fixtures	
PACE Enterpreneurship Development Fund		Balance as per last Balance Sheet	7,384,627
Balance as per last balance sheet	4,000,000	Additions during the year	1,305,303
Less: Utilised/provision made	1,021,553	Less: Deletion during the year	383,530
	2,978,447	Depreciation upto the date	851,259
Loans (Secured or Unsecured)			7,455,141
From trustees	-	Other Fixed Assets (See Annexure A)	
From others	-	Balance as per last Balance Sheet	18,154,883
Liabilities		Additions during the year	1,188,840
For expenses	12,178,547	Less: Deletion during the year	1,239,541
For advances	-	Depreciation upto the date	3,068,144
For rent and other deposits	-		15,036,038
For sundry credit balances	4,845,983	Loans (Secured or Unsecured)-Good/Doubtful	
	17,024,530	Loan Scholarship	-
Income and Expenditure Account		Other Loans	1,021,553
Balance as per last Balance Sheet	240,445,117	Less: provision	1,021,553
Add: Received During the Years	-	Advances	
Add: Surplus income & expenditure	20,147,139	To Trustees	-
Net Balance	260,592,256	To Employees	1,717,517
		To Branches	-
		To Contractors	-
		To Lawyers	-
		To Others	35,721,423
		To Tax deducted at source	584,661
			38,023,601
		Income Outstanding	
		Rent	-
		Interest	12,405
		Other Income	-
			12,405
		Cash and Bank Balances (See Annexure B)	
		(a) In Current Account with Banks	-
		(b) In Saving Account with Banks	13,659,594
		(c) Fixed Deposit	15,950,000
		(d) In Quantum Optima Deposits	-
		(e) With the trustee	-
		(f) With the managers	-
			29,609,594
Total Rs.	280,597,993	Total Rs.	280,597,993

Significant Accounting Policies
Notes to the accounts

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

Annexure F
Annexure G

In terms of our certificate ref MB/211 dated October 30, 2017 attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Farida Lambay
Mrs. Farida Lambay
TRUSTEE
(EXECUTIVE SECRETARY)

Place: Mumbai
Date : October 30, 2017

Mr. Sharad Kale
Mr. Sharad Kale
TRUSTEE

Place: Mumbai
Date : October 30, 2017



Mohammed Bengali
Mohammed Bengali
Partner

Place: Mumbai
Date : October 30, 2017



Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE
Income and Expenditure Account for the year end March 31, 2017 (Foreign Contribution)

EXPENDITURE	For the year ended March 31, 2017	INCOME	For the year ended March 31, 2017
	Amount in INR		Amount in INR
To Expenditure in respect of properties :-		By Rent (accrued) (realised)	-
Rates, Taxes, Cesses	-		-
Repairs and Maintenance	-	By Interest (accrued) (realised)	-
Salaries	-	On Securities	-
Insurance	-	On Loans	-
Depreciation (by way of provision or adjustment)	-	On Bank Accounts	-
Other expenses	-	Fixed deposit with Banks	888,726
To Establishment Expenses (See Annexure D)	8,856,728	Bank accounts	688,668
To Remuneration to Trustees (incl. Reim. Of Convy. Exp.)	-	Quantum optima deposits	5,989
To Remuneration (In the case of a math) to the head of the math including his household expenditure, if any	-		1,593,383
To Legal Expenses (including Professional fees)	1,683,702	By Dividend	-
To Audit Fees incl. Service Tax Rs.	948,631	By Donation in cash or kind (See Annexure C)	138,875,432
To Contribution and Fees	-	By Grants	-
To Amount written off :		By Income from other sources	-
(a) Bad debts	-	By Transfer from Reserve	-
(b) Loan scholarships	-		
(c) Irrecoverable rents	-		
(d) Other items - Fixed Assets Written off	1,593,317		
To Miscellaneous Expenses	-		
To Depreciation	17,369,317		
To Amount transferred to Reserve or Specific Funds	-		
To Expenditure on objects of the trust			
(a) Religious	-		
(b) Educational (See Annexure E)	89,869,781		
(c) Medical Relief	-		
(d) Relief of poverty	-		
(e) Other Charitable Objects	-		
To Surplus carried over to Balance Sheet	20,147,139		
Total Rs.	140,468,815	Total Rs.	140,468,815

Significant Accounting Policies
Notes to the accounts

Annexure F
Annexure G

In terms of our certificate ref MB/211
dated October 30, 2017 attached.

For and on Behalf of Board of Trustees

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mrs. Farida Lambay
TRUSTEE
(EXECUTIVE SECRETARY)

Mr. Sharad Kale
TRUSTEE

Mohammed Bengali
Partner

Place: Mumbai
Date : October 30, 2017

Place: Mumbai
Date : October 30, 2017

Place: Mumbai
Date : October 30, 2017



Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE

Receipt and Payment Account for the year ended March 31, 2017 (Foreign Contribution)

Receipts	For the year ended March 31, 2017	For the year ended March 31, 2017	Payments	For the year ended March 31, 2017	For the year ended March 31, 2017
	Amount in INR	Amount in INR		Amount in INR	Amount in INR
<u>Opening balance as on 1 April 2016</u>					
Savings Bank	8,453,733		Expenditure on objects of the trust and other expenses		104,163,296
Fixed Deposit with bank	92,805		Purchase of Assets		45,087,634
Quantum Deposits with bank	28,966,797	37,513,335			
Interest received		1,588,144			
Donation Received		137,863,315			
Refund received of Security Deposit		182,349			
Refund of advances		1,683,626			
Sale of Fixed Asset		29,755	<u>Closing balance as on 31 March 2017</u>		
			Savings Bank	13,659,594	29,609,594
			Fixed Deposit with bank	15,950,000	
Total Rs.		178,860,524	Total Rs.		178,860,524

Significant Accounting Policies
Notes to the accounts

Annexure F
Annexure G

For and on Behalf of Board of Trustees

In terms of our certificate ref MB/211 dated
October 30, 2017 attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Farida Lambay
Mrs. Farida Lambay
TRUSTEE
(EXECUTIVE SECRETARY)

Place: Mumbai
Date : October 30, 2017

Sharad Kale
Mr. Sharad Kale
TRUSTEE

Place: Mumbai
Date : October 30, 2017



Pratham Mumbai Education Initiative
Annexure A - Other Fixed Assets (Foreign Contribution)

Particulars	Rate of Depreciation	WDV as at April 1, 2016	Sale / Deletion during the year	Additions During the year		Total	Depreciation for the year	Net Block as at March 31, 2017
				Before 30.09.2016	After 30.09.2016			
Computers	60%	709,195	97,265	58,300	303,100	361,400	494,394	478,936
Office equipment	15%	14,545,255	688,472	499,000	324,640	823,640	2,202,955	12,477,468
Vehicle	15%	2,900,433	453,804	-	3,800	3,800	370,795	2,079,634
Grand Total		18,154,883	1,239,541	557,300	631,540	1,188,840	3,068,144	15,036,038



Pratham Mumbai Education Initiative
Annexure B - Cash and Bank Balances (Foreign Contribution)

Details	As at March 31, 2017
	Amt. in INR
Bank Balances	
A. In Current Account with Bank	-
Sub Total (A - Current Account)	-
B. In Saving Account with Banks	
ICICI Bank Ltd. 003201033047	1,047,512
ICICI Bank Ltd. A/C 000401166654 CC	111,217
ICICI BANK Ltd. A/c. 003201000531	9,409,539
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	294,184
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	376,559
PNB Bank A/c 4757000400012720 UP	17,164
State Bank of India 30497957232	1,125,841
State Bank of India 31798510047	357,718
ICICI Bank Account 624001064849-Maharashtra	239,806
ICICI Bank Account 099401000269-MH-Alibaug	3,127
Bank A/C ICICI 005501030022 MP	98,792
Remittances in transit	7,082
ICICI Bank Account # 625901116616	149,227
SBI,Patna Account # 30067319039	316,129
SBI,Sitamarhi Account # 11170973290	5,038
Sub Total (B - Saving)	13,659,594

Pratham Mumbai Education Initiative
Annexure B - Cash and Bank Balances (Foreign Contribution)

Details	As at March 31, 2017
	Amt. in INR
C. In Fixed Deposits	
Fixed Deposit with ICICI	4,750,000
Fixed Deposit with SBI	11,200,000
Sub Total (C - Fixed Deposit)	15,950,000
D. In Quantum Optima Deposits	
No account	-
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)	29,609,594



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Pratham Mumbai Education Initiative

Annexure C - Donation in Cash or Kind (Foreign Contribution)

Particulars	For the year ended March 31, 2017
	Amt. in INR
Pratham Education Foundation	96,000,000
Deutsche Bank	49,778
GlaxoSmithKline Pharmaceuticals Ltd	274,545
Itx Trading Inditex	3,892,695
Fundacion Educacion Y Cooperacion	26,420,989
Jochnick Foundation	8,448,576
GIVE 2 Asia	288,456
United Way of Mumbai	1,048,961
CBM Chrisoffel-Blindenmission Christian Blind Mission e.V.	1,367,782
Pratham Sweden	79,650
Colgate-Palmolive India Pvt Ltd	1,004,000
Grand Total	138,875,432



Pratham Mumbai Education Initiative**Annexure D - Establishment Expenses (Foreign Contribution)**

Particulars	For the year ended March 31, 2017
	Amt. in INR
Salary & Wages	1,606,018
Honorarium and Consultancy Fees	876,500
Insurance	141,482
Communication	43,298
Training	38,259
Travel & Conveyance	208,335
Printing & Stationery	50,893
Software & Computer Consumables	5,404
Repair & Maintenance	3,194,146
Miscellaneous	2,692,393
Grand Total	8,856,728

Annexure E - Expenditure on the objects of the Trust (Foreign Contribution)

Particulars	For the year ended March 31, 2017
	Amt. in INR
Donation Given	26,337,770
Salary & Wages	31,906,571
Honorarium and Consultancy Fee	3,899,727
Insurance	122,402
Rent	2,811,559
Communication	437,035
Teaching Learning Material	8,810,881
Training	1,172,000
Travel & Conveyance	9,235,772
Printing & Stationery	1,136,668
Software & Computer Consumables	60,902
Repairs & Maintenance	1,132,239
Miscellaneous	2,806,255
Grand Total	89,869,781



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 asset. Depreciation is calculated using written down value method, at base rates specified in Appendix 1 to the Income Tax Rules, 1962. Depreciation is charged for the whole of the accounting year if the asset is put to use for a period of 180 days or more and at half the rates prescribed if the asset is 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 recognized 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

Defined Benefit plan:

Short Term Plan

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized 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 amortized 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.

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 recognized as income or expense in the Statement of Profit and Loss.

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.

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.141,119 (Income) and the present value of the obligations as at year end is Rs.1,496,830 against Rs. 1,512,159 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.15,330 (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 & below: 50% p.a. & For services 5 yrs. and above 2 % p.a.
IV.	Mortality in service	: Indian Assured Lives Mortality (2006-08) Ultimate
V.	Retirement age	: 58 Years

3. 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		105,491
Mr. Smitin Brid	Program Head	Dubai Cares and UNICEF conference in Dubai	9,475
		Total	178,836

For Pratham Mumbai Education Initiative

Place: Mumbai

Date: October 30, 2017

Flambay
Mrs. Farida Lambay
Trustee
(Ex. Secretary)

Sharad
Mr. Sharad Kale
Trustee

