

**INDEPENDENT AUDITORS' CERTIFICATE**

**REF: MB/269**

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, 2018 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, 2017 was Rs. 2,96,09,594;
2. Foreign contribution of Rs.11,86,01,841 was received by the Trust during the financial year 2017-18;
3. Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs.8,56,571 was received by the Trust during the financial year 2017-18;
4. The balance of unutilised foreign contribution (Bank Balances) with the Trust at the end of the financial year March 31, 2018 was Rs.1,75,59,585
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, 2018

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Regn. No 117366W/W-100015



Mohammed Bengali  
Partner  
Membership No. 105820

**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/247 dated March 9, 2018.

**Management's Responsibility**

2. The Trust's Management is responsible for the compilation of the information referred in our certificate Ref - MB/269 dated October 30, 2018, 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, 2018

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Regn. No 117368W/W-100018



Mohammed Bengali  
Partner  
Membership No. 105628

**Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE**  
**Balance Sheet as at March 31, 2018 (Foreign Contribution)**

FUNDS & LIABILITIES	As at	PROPERTY AND ASSETS	As at
	March 31, 2018 Amount in INR		March 31, 2018 Amount in INR
<b>Trust Funds or Corpus</b>		<b>Immovable Properties</b>	
Balance as per last balance sheet	2,760	Balance as per last Balance Sheet	14,89,83,056
Less: Adjustment during the year	-	Additions during the year	6,30,54,991
	<b>2,760</b>	Less: Deletion during the year	-
<b>Other Earmarked Funds</b>		Depreciation upto the date	1,65,74,084
(Created under the provisions of the trust deed or scheme or out of the Income)			<b>19,54,63,963</b>
Depreciation Fund		<b>Capital Works in Progress</b>	<b>1,90,64,242</b>
Sinking Fund		<b>Investments</b>	-
Reserve Fund		<b>Furniture and Fixtures</b>	
<b>PACE Enterpreneurship Development Fund</b>		Balance as per last Balance Sheet	74,55,141
Balance as per last balance sheet	40,00,000	Additions during the year	12,500
Less: Utilised/provision made	10,21,553	Less: Deletion during the year	-
	<b>29,78,447</b>	Depreciation upto the date (10%)	7,58,019
<b>Loans (Secured or Unsecured)</b>			<b>67,09,622</b>
From trustees	-	<b>Other Fixed Assets (See Annexure A)</b>	
From others	-	Balance as per last Balance Sheet	1,50,36,038
<b>Liabilities</b>		Additions during the year	19,11,850
For expenses	1,08,86,853	Less: Deletion during the year	-
For advances	-	Depreciation upto the date	26,76,582
For rent and other deposits	-		<b>1,42,71,306</b>
For sundry credit balances	38,37,714	<b>Loans (Secured or Unsecured)-Good/Doubtful</b>	
	<b>1,47,24,567</b>	Loan Scholarship	10,21,553
<b>Income and Expenditure Account</b>		Other Loans	10,21,553
Balance as per last Balance Sheet	26,05,92,256	Less: provision for doubtful loans	10,21,553
Add: Received During the Years	-	<b>Advances</b>	
Add: Surplus income & expenditure	1,75,01,612	To Trustees	-
Net Balance	<b>27,80,93,868</b>	To Employees	19,85,315
		To Branches	-
		To Contractors	-
		To Lawyers	-
		To Others	3,98,09,360
		To Tax deducted at source	6,61,760
			<b>4,24,56,435</b>
		<b>Income Outstanding</b>	
		Rent	-
		Interest	2,74,489
		Other Income	-
			<b>2,74,489</b>
		<b>Cash and Bank Balances (See Annexure B)</b>	
		(a) In Current Account with Banks	-
		(b) In Saving Account with Banks	20,59,585
		(c) Fixed Deposit	1,55,00,000
		(d) In Quantum Optima Deposits	-
		(e) With the trustee	-
		(f) With the managers	-
			<b>1,75,59,585</b>
<b>Total Rs.</b>	<b>29,57,99,642</b>	<b>Total Rs.</b>	<b>29,57,99,642</b>

Significant Accounting Policies

Annexure F

In terms of our certificate ref  
MB/269 dated October 30, 2018  
attached.

Notes to the accounts

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

In terms of our report attached,  
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, 2018

Place: Mumbai  
Date: October 30, 2018

Place: Mumbai  
Date: October 30, 2018

Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE  
Income and Expenditure Account for the year end March 31, 2018 (Foreign Contribution)

EXPENDITURE	For the year ended March 31, 2018	INCOME	For the year ended March 31, 2018
	Amount in INR		Amount in INR
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)	88,62,178	Fixed deposit with Banks	7,75,698
To Remuneration to Trustees (incl. Reim. Of Convy. Exp.)	-	Bank accounts	3,42,957
	-	Quantum optima deposits	-
To Remuneration (in the case of a math) to the head of the math including his household expenditure, if any	-		11,18,655
To Legal Expenses (including Professional fees)	5,63,770	By Dividend	-
To Audit Fees incl. Service Tax Rs.	9,44,000	By Donation in cash or kind (See Annexure C)	11,97,91,513
To Contribution and Fees	-	By Grants	-
To Amount written off : (a) Bad debts (b) Loan scholarships (c) Irrecoverable rents (d) Other items - Fixed Assets Written off	-	By Income from other sources Interest on Income tax refund Sundry receipts	-
To Miscellaneous Expenses	-	By Transfer from Reserve	-
To Depreciation	2,00,08,685		-
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	7,30,29,923		-
To Surplus carried over to Balance Sheet	1,75,01,612		-
<b>Total Rs.</b>	<b>12,09,10,168</b>	<b>Total Rs.</b>	<b>12,09,10,168</b>

Significant Accounting Policies

Annexure F

In terms of our certificate ref MB/269 dated October 30, 2018 attached.

Notes to the accounts

Annexure G

For and on Behalf of Board of Trustees

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

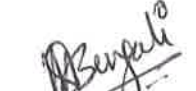
  
Mrs. Farida Lambay  
TRUSTEE  
(EXECUTIVE SECRETARY)



  
Mr. Sharad Kale  
TRUSTEE

Place : Mumbai  
Date : October 30, 2018



  
Mohammed Bengali  
Partner  
Place: Mumbai  
Date : October 30, 2018

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**Name of the Public Trust: PRATHAM MUMBAI EDUCATION INITIATIVE**

**Receipt and Payment Account for the year ended March 31, 2018 (Foreign Contribution)**

Receipts	For the year ended March 31, 2018	For the year ended March 31, 2018	Payments	For the year ended March 31, 2018	For the year ended March 31, 2018
	Amount in INR	Amount in INR		Amount in INR	Amount in INR
<u>Opening balance as on 1 April 2017</u>			Expenditure on objects of the trust and other expenses		8,45,10,162
Savings Bank	1,36,59,594		Purchase of Assets including CWIP		4,25,65,425
Fixed Deposit with bank	1,59,50,000	2,96,09,594	Advances to employees and others		44,32,834
Interest received		8,56,571			
Donation Received		11,86,01,841			
			<u>Closing balance as on 31 March 2018</u>		
			Cash		
			Savings Bank	20,59,585	
			Fixed Deposit with bank	1,55,00,000	1,75,59,585
<b>Total Rs.</b>		<b>14,90,68,006</b>	<b>Total Rs.</b>		<b>14,90,68,006</b>

Significant Accounting Policies  
Notes to the accounts

Annexure F  
Annexure G

In terms of our certificate ref MB/269  
dated October 30, 2018 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*

Mohammed Bengali  
Partner  
Place: Mumbai  
Date : October 30, 2018

Place : Mumbai  
Date : October 30, 2018

Place : Mumbai  
Date : October 30, 2018

18.

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

Particulars	WDV as at April 1, 2017	Rate of Depreciation	Sale / Deletion	Additions During the year			Total	Depreciation for the year	Net Block as at March 31, 2018
				Before 30.09.2017	After 30.09.2017	Total			
Computers	4,78,936	40%	-	1,17,600	2,64,200	3,81,800	8,60,736	2,91,457	5,69,279
Office equipment	1,24,77,468	15%	-	13,52,592	1,77,458	15,30,050	1,40,07,518	20,73,180	1,19,34,338
Vehicle	20,79,634	15%	-	-	-	-	20,79,634	3,11,945	17,67,689
	1,50,36,038		-	14,70,192	4,41,658	19,11,850	1,69,47,888	26,76,582	1,42,71,306



Pratham Mumbai Education Initiative

Annexure B - Cash and Bank Balances (Foreign Contribution)

Details	As at
	March 31, 2018
	Amt. in FC
<b>Bank Balances</b>	
<b>A.2 In Current Account with Bank</b>	
No account	-
<b>Sub Total (A - Current Account)</b>	-
<b>B. In Saving Account with Banks</b>	
ICICI Bank Ltd. 003201033047	6,26,443
ICICI BANK Ltd. A/c. 003201000531	3,51,059
ICICI Bank Ltd. A/c. [NP] 000401166585	2,45,375
ICICI Bank Ltd.GSK Rajas A/C No.000401169459	2,50,401
ICICI Bank Ltd.GSK Up A/C No000401168441	26,234
PNB Bank A/c 4757000400012720 UP	17,164
State Bank of India 30497957232	37,348
State Bank of India 31798510047	16,282
ICICI Bank Account # 625901116616	1,56,149
SBI,Patna Account # 30067319039	3,27,904
SBI,Sitamarhi Account # 11170973290	5,226
<b>Sub Total (B - Saving)</b>	<b>20,59,585</b>
<b>C. In Fixed Deposits</b>	
Fixed Deposit with ICICI	38,00,000
Fixed Deposit with SBI	1,17,00,000
<b>Sub Total (C - Fixed Deposit)</b>	<b>1,55,00,000</b>
<b>D. In Quantum Optima Deposits</b>	
No account	-
<b>Sub Total (D - Quantum Optima)</b>	-
<b>E. Cash Balances</b>	
A. In Hand	-
B. With Trustees	-
C. With Managers	-
<b>Sub Total (E - Cash Balance)</b>	-
<b>Grand Total (A to E)</b>	<b>1,75,59,585</b>



**Pratham Mumbai Education Initiative**

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

Particulars	For the year ended March 31, 2018
	Amt. in FC
Pratham Education Foundation	7,83,00,000
Itx Trading Inditex	18,82,787
Fundacion Educacion Y Cooperacion	2,65,63,420
GlaxoSmithKline Pharmaceuticals Ltd	2,21,923
Jochnick Foundation	71,36,623
United Way of Mumbai	7,02,839
Christian Blind Mission e.V. Swizerland	18,84,444
Christian Blind Mission e.V. Germany	20,47,327
Colgate-Palmolive India Pvt Ltd	10,00,000
Others Donation	52,150
	<b>11,97,91,513</b>





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

Particulars	For the year ended March 31, 2018
	Amt. in FC
Salary & Wages	14,77,965
Honorarium and Consultancy Fees	8,27,700
Insurance	1,32,259
Communication	29,905
Travel & Conveyance	1,96,541
Printing & Stationery	56,083
Software & Computer Consumables	9,075
Repair & Maintenance	49,33,717
Miscellaneous expenses	11,98,933
	<b>88,62,178</b>

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

Particulars	For the year ended March 31, 2018
	Amt. in FC
Donation Given	68,52,000
Salary & Wages	3,74,17,314
Honorarium and Consultancy Fee	26,12,990
Insurance	1,52,792
Rent	25,39,263
Communication	3,09,021
Teaching Learning Material	53,58,186
Training	18,18,963
Travel & Conveyance	1,16,66,436
Printing & Stationery	9,61,013
Software & Computer Consumables	43,702
Repairs & Maintenance	1,68,203
Miscellaneous expenses	31,30,041
<b>Grand Total</b>	<b>7,30,29,923</b>



## **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 collections are actually received. 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. If a grant related requires the fulfilment of certain obligations, the grant is credited to income over the same period over which the cost of meeting such obligations is charged to income.

#### **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 (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 recognized 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.

### 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.5,57,031 and the present value of the obligations as at year end is Rs.16,91,537 against Rs.11,92,733 which has been funded through contributions to a fund of the Life Insurance Corporation of India. Net obligation as on March 31, 2018 amounting to Rs.4,98,804.



The summary of actuarial assumptions for determining gratuity benefit liabilities is as follows on 31 March 2018:

I.	Discount rate	: 7.82%
II.	Salary escalation rate	: 5%
III.	Attritions rate	: For services below 4 years & below: 25% 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

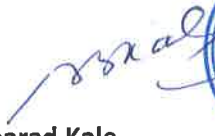
No Cost of International travel incurred by the trust during the year.

**For Pratham Mumbai Education Initiative**

Place: Mumbai

Date: October 30, 2018

  
**Mrs. Farida Lambay**  
Trustee  
(Ex. Secretary)

  
**Mr. Sharad Kale**  
Trustee

