

Walker Chandio & Co LLP

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Independent Auditor's Report

To,
The Trustees of Pratham Mumbai Education Initiative

Report on the Foreign Contribution Financial Statements

1. This Report is issued in accordance with the terms of our engagement letter dated 25 August 2021 with Pratham Mumbai Education Initiative (the 'Trust').
2. We have audited the accompanying special purpose financial statements of the Trust which comprise the Balance Sheet as at 31 March 2021, the Statement of Income and Expenditure, Statement of Receipts and Payment for the year ended 31 March 2021, and a summary of the significant accounting policies and notes to the financial statements (hereinafter together referred to as 'Foreign Contribution Financial Statements') with respect to foreign contribution in accordance with the basis of accounting as described in note 1 of Annexure E to the Foreign Contribution Financial Statements, prepared by the management of the Trust pursuant to the requirement of section 19 of the Foreign Contribution (Regulation) Act, 2010 ('Act') read with Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) ('Rules').

Management's Responsibility for the Foreign Contribution Financial Statements

3. The Management is responsible for preparation and presentation of the Foreign Contribution Financial Statements in accordance with the basis of accounting described in note 1 of Annexure E including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Foreign Contribution Financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Trust complies with the requirements of the Act read with relevant Rules and providing all required information to the Ministry of Home Affairs.

Auditor's Responsibility

5. Our responsibility is to express an opinion on these Foreign Contribution Financial Statements based on our audit.
6. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Foreign Contribution Financial Statements are free from material misstatement due to fraud or error.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Foreign Contribution Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Foreign Contribution Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Trust's preparation of the Foreign Contribution Financial Statements, in all material respects, in accordance with the basis of accounting described in note 1 of Annexure E to these Foreign Contribution 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 accounting policies used and the reasonableness of the accounting estimates made by the Management of the Trust, as well as evaluating the overall presentation of the Foreign Contribution Financial Statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Foreign Contribution Financial Statements.

Opinion

9. In our opinion, the accompanying Foreign Contribution Financial Statements for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 of Annexure E to these Foreign Contribution Financial Statements.

Report on Other Legal and Regulatory Requirements

10. As required under Rule 17(5) of the Rules and basis the Foreign Contribution Financial Statements for the year ended 31 March 2021, we report that:
 - (i) The brought forward foreign contribution at the beginning of the year ended 31 March 2021 was ₹ 27,870,645;
 - (ii) Foreign contribution of ₹ 59,975,612 was received by the Trust during the year ended 31 March 2021;
 - (iii) Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of ₹ 973,666 was received by the Trust during the year ended 31 March 2021;
 - (iv) The balance of unutilised foreign contribution with the Company as at 31 March 2021 is ₹ 32,985,080;
 - (v) The Trust has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Act read with Rule 17 of the Rules;
 - (vi) The information in the enclosed Balance Sheet and Statement of Receipts and Payments is correct as checked by us; and
 - (vii) The Trust has utilised the foreign contribution received for the purpose(s) it is registered/granted prior permission under the Act.

Basis of accounting and restriction on distribution or use

11. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of accompanying Foreign Contribution Financial Statements with the Ministry of Home Affairs. The Management has also prepared complete set of financial statements for Trust for the purpose of submission with Form 10B of the Income Tax Rules, 1962.



Walker Chandiok & Co LLP

12. Without modifying our opinion, we draw attention to note 1 of Annexure E to the Foreign Contribution Financial Statements, which describes the basis of accounting used by the management for the preparation of the said Foreign Contribution Financial Statements. These Foreign Contribution Financial Statements are prepared solely for the purpose of enabling the management to comply with the requirements of Rule 17(5) of the Rules, which requires them to submit the report with the accompanying Foreign Contribution Financial Statements to the Ministry of Home Affairs and therefore, these Foreign Contribution Financial Statements may not be suitable for another purpose. This report is issued solely for aforementioned purpose and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No. 099514



UDIN: 21099514AAAAGD9149

Place: Gurugram

Date: 27 September 2021

Name of the Public Trust: Pratham Mumbai Education Initiative
Receipt and Payment Account for the year ended 31 March 2021 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Receipts	For the year ended on 31 March 2021	For the year ended on 31 March 2021	Payments	For the year ended on 31 March 2021	For the year ended on 31 March 2021
<u>Opening balance as on 1 April 2020</u>			Expenditure on objects of the trust and other expenses		55,243,782
Savings Bank	14,619,838		Purchase of fixed assets		818,766
Fixed Deposit with bank	13,250,807	27,870,645			
Interest received		973,666			
Donation Received		59,975,612	<u>Closing balance as on 31 March 2021</u>		
Refund of Security Deposit / other advances		227,705	Savings Bank	8,858,623	
			Fixed Deposit with bank	24,126,457	32,985,080
Total (₹)		89,047,628	Total (₹)		89,047,628

Significant Accounting Policies

Annexure E

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Goel
Partner
Membership No.: 099514




Place: Gurugram
Date: 27 September 2021

For and on behalf of Board of Trustees of
Pratham Mumbai Education Initiative


Farida Lambay
Trustee
Executive Secretary




Madhav Chavan
Trustee

Place: Mumbai
Date: 27 September 2021

Place: Delhi
Date: 27 September 2021

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 ending 31 March 2021 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Expenditure	For the year ended on 31 March 2021	Income	For the year ended on 31 March 2021
To Expenditure In respect of properties :-		By Interest	
Rates, taxes, cesses	82,832	On Bank Accounts	857,981
Repairs and maintenance	536,128	Fixed deposit with banks	236,806
Depreciation (by way of provision or adjustment)	19,316,254	Bank accounts	
Other expenses	25,901		1,094,787
To Establishment expenses (Refer Annexure C)	5,020,829	By Donation in cash or kind	53,210,831
To Legal expenses	794,100	By Income from other sources	
To Written off expenses	370,129	Liabilities / provisions no longer required written back	1,063,832
To Audit fees			1,063,832
including goods and services tax	885,000		
To Depreciation	2,537,204		
To Expenditure on objects of the trust			
Educational (Refer Annexure D)	44,288,174		
To Deficit carried over to Balance Sheet	(18,487,101)		
Total (₹)	55,369,450	Total (₹)	55,369,450

Significant Accounting Policies

Annexure E

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



Place: Gurugram
Date: 27 September 2021

For and on behalf of Board of Trustees of
Pratham Mumbai Education Initiative

Farida Lambay
Farida Lambay
Trustee
Executive Secretary



Place: Mumbai
Date: 27 September 2021

Madhav Chavan
Madhav Chavan
Trustee

Place: Delhi
Date: 27 September 2021

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 2021 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Funds & Liabilities	For the year ended on 31 March 2021	Property and Assets	For the year ended on 31 March 2021
Trust Funds or Corpus		Immovable Properties	
Balance as per last Balance Sheet	2,760	Balance as per last Balance Sheet	207,627,817
	2,760	Depreciation for the year	19,316,254
			188,311,563
Liabilities :-		Furniture and Fixtures :	
For expenses	4,948,457	Balance as per last Balance Sheet	5,832,811
For sundry credit balances	9,072,927	Additions during the year	62,378
	14,021,384	Depreciation for the year	627,729
			5,267,460
Income and Expenditure Account		Other Fixed Assets (Refer Annexure A)	
Balance as per last Balance Sheet	274,815,275	Balance as per last Balance Sheet	10,765,906
Less: Deficit as per Income & Expenditure account	(18,487,101)	Additions during the year	756,388
Net balance	256,328,174	Depreciation for the year	1,909,475
			9,612,819
		Advances :-	
		To Employees	834,358
		To Contractors	113,629
		To Others	31,973,865
		Tax deducted at source	885,548
			33,807,400
		Income Outstanding	
		Interest	367,996
			367,996
		Cash and Bank Balances (Refer Annexure B)	
		(a) In Saving Account with banks	8,858,623
		(b) In Fixed Deposit Account with banks	24,126,457
			32,985,080
Total (₹)	270,352,318	Total (₹)	270,352,318

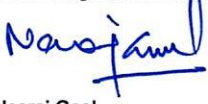
Significant Accounting Policies

Annexure E

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 Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

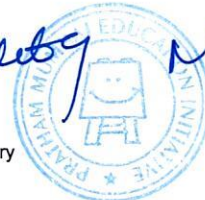
For and on behalf of Board of Trustees of
Pratham Mumbai Education Initiative


Neeraj Goel
Partner
Membership No.: 099514



Place: Gurugram
Date: 27 September 2021


Farida Lambay
Trustee
Executive Secretary



Place: Mumbai
Date: 27 September 2021


Madhav Chavan
Trustee

Place: Delhi
Date: 27 September 2021

Pratham Mumbai Education Initiative

Summary of significant accounting policies and notes to the accounts for the year ended 31 March 2021

(All amounts are in ₹, unless otherwise stated)

Annexure A - Other Fixed Assets (Foreign Contribution)

Particulars	Rate of Depreciation	Opening WDV as on 1 April 2020	Additions during the year	Total	Depreciation for the year	Closing WDV as on 31 March 2021
Computers	40%	551,993	728,384	1,280,377	366,482	913,895
Office equipment	15%	9,080,970	28,004	9,108,974	1,373,051	7,735,923
Vehicle	15%	1,132,943	-	1,132,943	169,942	963,001
Grand Total		10,765,906	756,388	11,522,294	1,909,475	9,612,819

Annexure B - Cash and bank balances (Foreign Contribution)

Particulars	As at 31 March 2021
A. In Saving Account with Banks	
Savings account balances with ICICI	8,319,614
Savings account balances with SBI	518,746
Savings account balances with PNB	20,264
Sub-Total (Savings Accounts)	8,858,623
B. In Fixed Deposits with Banks	
Fixed Deposit with ICICI	15,000,000
Fixed Deposit with SBI	9,126,457
Sub-Total (Fixed Deposits)	24,126,457
Total (₹)	32,985,080

Annexure C - Establishment expenses (administration expenses) (Foreign Contribution)

Particulars	As at 31 March 2021
Salaries and wages	801,600
Insurance expense	23,250
Communication expense	1,249
Travel and conveyance expense	46,361
Printing and stationery expense	98,096
Software and computer consumables	4,201
Repair and maintenance	3,827,561
Office expenses	218,511
Total (₹)	5,020,829

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

Particulars	As at 31 March 2021
Salary and wages (including gratuity)	33,713,229
Honorarium and consultancy fees	1,329,923
Insurance expense	219,305
Rent expense	1,711,683
Communication expense	124,477
Teaching and learning material	1,230,015
Training expense	104,705
Travel and conveyance expense	814,251
Printing and stationery expense	102,043
Software and computer consumables	14,829
Repair and maintenance	63,989
Office expenses	4,859,725
Total (₹)	44,288,174



Annexure E - Significant Accounting Policies

1. Basis of accounting

The Trust is a charitable organisation and is not engaged in any commercial, industrial or business activity. The financial statements of the Trust are prepared under the historical cost convention and are on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

3. 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 New Appendix 1 to the Income Tax Rules, 1962. Depreciation are 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.

4. 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.

5. Corpus fund

Corpus fund relates to funds contributed by the Donors and donation received with the direction to be included as a part of the Corpus.

6. 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

a). 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.

b). Provident fund and Employee State Insurance are 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.

7. Foreign currency transactions and 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 Foreign Inward Remittance Certificate (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.

8. 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

9. 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.

Interest income is recognised on a time proportion basis taking into account the outstanding amount and applicable rate.



Name of the Public Trust: Pratham Mumbai Education Initiative

Summary of significant accounting policy and notes to the financial statements for the year ended 31 March 2021

10. Cash and bank balances

Cash and bank balances for the purpose of balance sheet comprise cash at bank and on hand and investment in fixed deposits with the banks with a maturity period of three months or less from the date of acquisition.

11. Provisions and contingencies

A provision is recognised when the Trust has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

12. Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

Financial Lease

Leases under which the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as property, plant and equipment with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and interest component is charged to Income and Expenditure Account.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No.: 099514



Place: Gurugram

Date: 27 September 2021

For and on behalf of Board of Trustees of

Pratham Mumbai Education Initiative



Mrs. Farida Lambay

Trustee

Executive Secretary



Madhav Chavan

Trustee

Place: Mumbai

Date: 27 September 2021

Place: Delhi

Date: 27 September 2021