

## 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, 2018, 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, 2018, 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, 2018 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.

**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, 2018; 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.38,68,169/-, net income aggregated to Rs.3,26,454/- and net expenditure aggregated to Rs.44,95,362/- 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, in so far 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 other 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, 2018:

- 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. The changes made in such registers have been communicated from time to time by the Trust to the regional office for the year ended 31 March, 2018. 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 2018 aggregated to Rs.11,08,572/- and amount written off during the year is Nil.

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**Deloitte  
Haskins & Sells LLP**

- 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.6,00,067/-.
- 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 2017-18 in the form prescribed in Rule 16A of the Rules with the Charity Commissioner on February 20, 2017.
- 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, 2018.
- o) The Trust has held meetings regularly as provided in the Trust Deed during the year ended 31 March, 2018.
- p) The Trust has maintained minute books of the proceedings of meetings held by its Trustees during the year ended 31 March, 2018.
- q) According to the representation received from the Managing Trustee, none of the trustees has any interest in the investments of the Trust.
- r) None of the Trustees has been a debtor or creditor of the Trust as at the year end.
- s) We have not come across any other special matter which we think is fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner.

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



Mohammed Bengali  
Partner  
(Membership No. 105828)

Mumbai,  
September 26, 2018

Statement of income liable to contribution for the year ending 31 MARCH 2018

Name of Public Trust : PRATHAM - MUMBAI EDUCATION INITIATIVE

Registered No. E - 15454

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

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

Trust Address :

4th Floor, Y.B. Chavan Centre  
Gen. J. Bhosale Marg,  
Nariman Point,  
Mumbai - 400 021.

Dated : September 26, 2018



*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 26, 2018

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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 2018

Registration No.E15454

FUNDS & LIABILITIES	As at	PROPERTY AND ASSETS	As at
	March 31, 2018		March 31, 2018
	Amt. in Rs.		Amt. in Rs.
<b>Trust Funds or Corpus</b>		<b>Immovable Properties</b>	
Balance as per last balance sheet	559,796	Balance as per last Balance Sheet	148,983,056
Less: Adjustment during the year	-	Additions during the year	63,054,991
	559,796	Less: Deletion during the year	-
		Depreciation upto the date	16,574,084
<b>Other Earmarked Funds</b>			<b>195,463,963</b>
(Created under the provisions of the trust deed or scheme or out of the Income)		<b>Capital Works in Progress</b>	<b>19,064,242</b>
Depreciation Fund		<b>Investments</b>	-
Sinking Fund		<b>Furniture and Fixtures</b>	
Reserve Fund		Balance as per last Balance Sheet	7,616,469
<b>PACE Enterpreneurship Development Fund</b>		Additions during the year	41,300
Balance as per last balance sheet	4,000,000	Less: Deletion during the year	-
Less: Utilised/provision made	1,021,553	Depreciation upto the date (10%)	781,724
	2,978,447		<b>6,876,045</b>
<b>Loans (Secured or Unsecured)</b>		<b>Other Fixed Assets (See Annexure A)</b>	
From trustees	-	Balance as per last Balance Sheet	15,624,834
From others	-	Additions during the year	2,327,550
	-	Less: Deletion during the year	-
<b>Liabilities</b>		Depreciation upto the date	2,939,539
For expenses	14,598,157		<b>15,012,845</b>
For advances	-	<b>Loans (Secured or Unsecured)-Good/Doubtful</b>	
For rent and other deposits	-	Loans Scholarships	-
For sundry credit balances	5,075,913	Other Loans	1,021,553
	19,674,070	Less : Provisions	1,021,553
<b>Income and Expenditure Account</b>			-
Balance as per last Balance Sheet	305,719,338	<b>Advances</b>	
Add:Received During the Years	-	To Trustees	-
Add: Surplus income & expenditure	8,928,888	To Employees	2,323,177
Net Balance	314,648,226	To Branches	-
		To Contractors	-
		To Lawyers	-
		To Others	41,879,921
		To Tax deducted at source	666,151
			<b>44,869,249</b>
		<b>Income Outstanding</b>	
		Rent	-
		Interest	763,088
		Other income	-
			<b>763,088</b>
		<b>Cash and Bank Balances (See Annexure B)</b>	
		(a) In Current Account with Banks	-
		(b) In Saving Account with Banks	6,232,956
		(c) Fixed Deposit	49,578,151
		(d) In Quantum Optima Deposits	-
		(e) With the trustee	-
		(f) With the managers	-
			<b>55,811,107</b>
<b>Total Rs.</b>	<b>337,860,539</b>	<b>Total Rs.</b>	<b>337,860,539</b>

Significant Accounting Policies  
Notes to the accounts

Annexure F  
Annexure G

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

For and on Behalf of Board of Trustees

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



*Sharad*  
Mr. Sharad Kale  
TRUSTEE

Place : Mumbai  
Date: September 26, 2018



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

*Bengali*

Mohammed Bengali  
Partner  
Place: Mumbai  
Date: September 26, 2018

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 2018

Registration No.E15454

EXPENDITURE	For the year ended on March 31, 2018	INCOME	For the year ended on March 31, 2018
	Amt. in Rs.		Amt. in Rs.
<b>To Expenditure In respect of properties :-</b>		<b>By Rent</b> (accrued)	-
Rates, Taxes, Cesses	-	(realised)	-
Repairs and Maintenance	-	<b>By Interest (accrued)</b>	
Salaries	-	(realised)	
Insurance	-	On Securities	-
Depreciation (by way of provision or adjustment)	-	On Loans	-
Other expenses	-	On Bank Accounts	
<b>To Establishment Expenses (See Annexure D)</b>	8,862,178	Fixed deposit with Banks	2,808,937
<b>To Remuneration to Trustees (incl. Reim. Of Convy. Exp.)</b>	-	Bank accounts	682,393
<b>To Remuneration (in the case of a math) to the head of the math including his household expenditure, if any</b>	-	Quantum optima deposits	-
<b>To Legal Expenses (including Professional fees)</b>	594,339	<b>By Dividend</b>	-
<b>To Audit Fees</b>	944,000	<b>By Donation in cash or kind (See Annexure C)</b>	167,354,518
incl Service tax		<b>By Grants</b>	-
<b>To Contribution and fees</b>		<b>By Income from other sources</b>	
<b>To Amount written off :</b>		On Income Tax Refund	17,300
(a) Bad debts	-	Sundry receipts	370
(b) Loan scholarships	-	<b>By Transfer from Reserve</b>	-
(c) Irrecoverable rents	-		
(d) Other items - Fixed Assets Written off	-		
<b>To Miscellaneous Expenses</b>	-		
<b>To Depreciation</b>	20,295,347		
<b>To Amount transferred to Reserve or Specific Funds</b>	-		
<b>To Expenditure on objects of the trust</b>			
(a) Religious	-		
(b) Educational (See Annexure E)	131,238,766		
(c) Medical Relief	-		
(d) Relief of poverty	-		
(e) Other Charitable Objects	-		
<b>To Surplus carried over to Balance Sheet</b>	8,928,888		
<b>Total Rs.</b>	<b>170,863,518</b>	<b>Total Rs.</b>	<b>170,863,518</b>

Significant Accounting Policies  
Notes to the accounts

Annexure F  
Annexure G

For and on Behalf of Board of Trustees

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



*Sharad Kale*  
Mr. Sharad Kale  
TRUSTEE

Place : Mumbai  
Date: September 26, 2018



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

*Mohammed Bengali*  
Mohammed Bengali  
Partner  
Place: Mumbai  
Date: September 26, 2018

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Pratham Mumbai Education Initiative  
Annexure A - Other Fixed Assets

Particulars	Rate of Depreciation	Opening WDV as on April 1, 2017	Sale / Delation during the year	Additions during the year		Total	Depreciation	Closing WDV as on March 31, 2018
				Before 30.09.2017	After 30.09.2017			
Computers	40%	608,129	-	431,400	337,600	1,377,129	483,335	893,794
Office equipment	15%	12,935,656	-	1,370,092	188,458	14,494,206	2,144,047	12,350,159
Vehicle	15%	2,081,049	-	-	-	2,081,049	312,157	1,768,892
<b>Grand Total</b>		<b>15,624,834</b>	<b>-</b>	<b>1,801,492</b>	<b>526,058</b>	<b>17,952,384</b>	<b>2,939,539</b>	<b>15,012,845</b>



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

Details	As at March 31, 2018	
	Amt. in Rs.	
<b>Bank Balances</b>		
<b>A. In Current Account with Bank</b>		-
<b>Sub Total (A - Current Account)</b>		-
<b>B. In Saving Account with Banks</b>		
ICICI Bank Ltd. 003201032992		484,082
ICICI Bank Ltd. A/c. 003201001905		460,562
ICICI BANK PMEI Childline Surat A/C No.624601067520		85,315
PMEI Childline Valsad A/C No.624601067720		9,142
SBI A/C 10974602527 UP		2,153
State Bank of India 31798508323		4,115
State Bank of India- NFC-30627545848		164,517
ICICI Bank Ltd. 003201033047		626,443
ICICI BANK Ltd. A/c. 003201000531		351,059
ICICI Bank Ltd. A/c. [NP] 000401166585		245,375
ICICI Bank Ltd.GSK Rajas A/C No.000401169459		250,401
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 A/c 000701007662 Delhi		85,972
ICICI Bank Account # 625901116616		156,149
SBI,Patna Account # 30067319039		327,904
SBI,Sitamarhi Account # 11170973290		5,226
ICICI Bank Account # 625901130425		68,729
ICICI Bank Account # 625901134623		1,743,490
SBI,Patna Account # 30067058360		417,624
SBI,Sitamarhi Account # 11170973303		22,956
SBI,Munger Account # 30104358909		624,714
<b>Sub Total (B - Saving)</b>		<b>6,232,956</b>
<b>C. In Fixed Deposits</b>		
Fixed Deposit with ICICI		13,978,151
Fixed Deposit with SBI		35,600,000
<b>Sub Total (C - Fixed Deposit)</b>		<b>49,578,151</b>
<b>D. In Quantum Optima Deposits</b>		
Quantum Optima		-
<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>55,811,107</b>





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

Particulars	For the year ended on March 31, 2018
	Amt. in Rs.
Pratham Education Foundation	78,300,000
Madura Fashion and Lifestyle Jan Kalyan	996,100
Itx Trading Inditex	1,882,787
Fundacion Educacion Y Cooperacion	26,563,420
GlaxoSmithKline Pharmaceuticals Ltd	221,923
Ethinext Pharma	275,222
Genx Entertainment Ltd	1,000,000
Jochnick Foundation	7,136,623
United Way of India	85,000
United Way of Mumbai	1,095,987
Larsen & Toubro Ltd	5,760,422
Larsen & Toubro Infotech Ltd	1,432,951
L & T Hydrocarbon Engineering Ltd	3,948,825
National Child Labour Project	1,474,314
Christian Blind Mission e.V. Swizerland	1,884,444
Christian Blind Mission e.V. Germany	2,047,327
Vision Spring	307,170
Colgate-Palmolive India Pvt Ltd	1,000,000
Schindler India Pvt Ltd	300,000
Sofotel Infra Pvt. Ltd.	1,000,000
The United Nations International Children's Emergency Fund (UNICEF)	2,707,997
Cashpor Micro Credit	993,854
Childline India Foundation	5,834,105
Crompton Greaves Ltd	1,036,427
Indostar Capital Finance Ltd	10,047,492
Creative Garments Pvt Ltd	83,608
Great Eastern CSR Foundation	4,658,490
ITC Ltd	3,530,000
NDTV Campaign	263,000
THYSSENKRUPP Elevator India Private Ltd	504,000
Western Union Services India Pvt. Ltd.	326,700
Others Donation	415,330
Sarva Shiksha Abhiyan	241,000
<b>Grand Total</b>	<b>167,354,518</b>

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

Particulars	For the year ended on March 31, 2018
	Amt. in Rs.
Repair & Maintenance	4,933,717
Salary & Wages	1,477,965
Honorarium and Consultancy Fees	827,700
Travel & Conveyance	196,541
Insurance	132,259
Printing & Stationery	56,083
Communication	29,905
Software & Computer Consumables	9,075
Miscellaneous expenses	1,198,933
<b>Grand Total</b>	<b>8,862,178</b>

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

Particulars	For the year ended on March 31, 2018
	Amt. in Rs.
Salary & Wages	58,107,083
Donation Given	24,629,358
Travel & Conveyance	19,895,612
Teaching Learning Material	8,806,711
Honorarium and Consultancy Fee	4,943,336
Rent	4,347,035
Training	2,595,381
Printing & Stationery	1,575,960
Communication	544,705
Repairs & Maintenance	379,431
Insurance	306,991
Software & Computer Consumables	83,078
Miscellaneous expenses	5,024,085
<b>Grand Total</b>	<b>131,238,766</b>

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**PRATHAM MUMBAI EDUCATION INITIATIVE  
FOR THE YEAR ENDED MARCH 31, 2018**

**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.

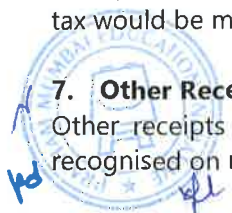
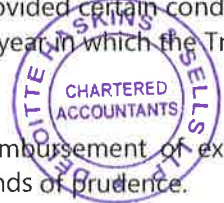
Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Trust are recognised as income or expense in the Statement of Income and Expenditure.

**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.



**PRATHAM MUMBAI EDUCATION INITIATIVE  
FOR THE YEAR ENDED MARCH 31, 2018**

**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. 853,912 and the present value of the obligations as at year end is Rs. 2,593,076 against Rs. 1,828,424 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. 764,652.

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 4 years and below: 25% 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	155,150
Lowest paid staff	1,500

**4. Distribution of staff as at 31<sup>st</sup> March 2018**

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	18	20
INR 5,001 to INR 10,000	57	103	160
INR 10,001 to INR 25,000	48	100	148
INR 25,001 to INR 50,000	5	14	19
More than INR 50,001	2	1	3
<b>Total</b>	<b>114</b>	<b>236</b>	<b>350</b>



**PRATHAM MUMBAI EDUCATION INITIATIVE  
FOR THE YEAR ENDED MARCH 31, 2018**

**5. Cost of international travel**

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

**For Pratham Mumbai Education Initiative**

*Flambay*

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



*Sharad*

**Mr. Sharad Kale**  
Trustee

Place: Mumbai

Date: September 26, 2018

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