Financial Statements and Auditors' Report
(Foreign Contribution)

Pratham Mumbai Education Initiative

31 March 2024

Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Trustees of Pratham Mumbai Education Initiative

Report on the Audit of Foreign Contribution Financial Statements

Opinion

1. We have audited the accompanying special purpose financial statements of Pratham Mumbai Education Initiative ('the Trust'), which comprise the Balance Sheet as at 31 March 2024, the of Income and Expenditure Account, the Receipts and Payments Account for the year then ended, and notes to the accompanying financial statements including a summary of significant accounting policies and other explanatory information (together hereinafter referred to as 'Foreign Contribution Financial Statements'), which have been prepared by the Trust's management in accordance with the basis of accounting specified in Note 1 of Annexure F to the Foreign Contribution Financial Statements, pursuant to the requirement of section 19 of the Foreign Contribution (Regulation) Act, 2010 (as amended) ('Act') read with Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) ('Rules').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Foreign Contribution Financial Statements are prepared, in all material respects, in accordance with the basis of accounting as described in Note 1 of Annexure F to these Foreign Contribution Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Foreign Contribution Financial Statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Basis of accounting and Restriction on distribution or use

4. Without modifying our opinion, we draw attention to note 1 of Annexure F to these Foreign Contribution Financial Statements, which describes the basis of accounting used by the Trust's management for the preparation these financial statements. The accompanying Foreign Contribution Financial Statements has been prepared by the management 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 this 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 any other purpose. This report is issued solely for the 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 for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

5. 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 and for the purpose of compliance with applicable provisions of The Maharashtra Public Trust Act, 1950 and The Maharashtra Public Trusts Rules, 1951. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Foreign Contribution Financial Statements

6. The Trust's Management is responsible for the preparation of these Foreign Contribution Financial Statements in accordance with the basis of accounting specified in note 1 of Annexure F to the Foreign Contribution Financial Statements. This responsibility also includes design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the Foreign Contribution Financial Statements that are, in all material respects, in accordance with the basis of accounting specified in aforementioned note 1 of Annexure F and are free from material misstatement, whether due to fraud or error.

7. In preparing the Foreign Contribution Financial Statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Foreign Contribution Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Foreign Contribution Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Foreign Contribution Financial Statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Trust has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management; and

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report to the members of Pratham Mumbai Education Initiative on the foreign contribution financial statements for the year ended 31 March 2024 (cont'd)

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. As required under Rule 17(5) of the Rules and basis the Foreign Contribution Financial Statements for the year ended 31 March 2024, we report that:

    (i) The brought forward foreign contribution at the beginning of the year ended 31 March 2024 was Rs. 7,35,04,121;

    (ii) Foreign contribution of Rs. 6,09,66,226 were received by the Trust during the year ended 31 March 2024;

    (iii) Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of Rs. 22,63,736 was received by the Trust during the year ended 31 March 2024;

    (iv) The balance of unutilised foreign contribution with the Trust as at 31st March 2024 is Rs. 5,95,29,801;

    (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, Statement of Income and Expenditure and Statement of Receipts and Payments is correct as checked by us; and

    (vii) The Trust has utilised the foreign contribution received for the purposes it is registered/granted prior permission under the Act.

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

Kartik Gogia
Partner
Membership No.: 512371

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 24512371BKFEXE6131

Place: Gurugram
Date: 21 September 2024

Name of the Public Trust: Pratham Mumbai Education Initiative
Receipt and Payment Account for the year ended 31 March 2024 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Receipts	For the year ended 31 March 2024	For the year ended 31 March 2023	Payments	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance as on 1 April 2023			Expenditure on objects of the trust and other expenses	7,42,56,947	7,31,87,825
Savings bank	28,21,568	53,03,374			
Fixed deposit with bank	7,06,82,553	3,82,19,171	Purchase of assets (additions)	30,15,345	7,16,435
	7,35,04,121	**4,35,22,545**			
			Security deposit	-	1,26,460
Interest received	22,63,736	18,18,101			
			Closing balance as on 31 March 2024		
Donation received	6,09,66,226	10,21,94,195			
			Savings bank account	94,92,421	28,21,568
Security deposit	68,010	-	Fixed deposit with bank	5,00,37,380	7,06,82,553
				5,95,29,801	**7,35,04,121**
Total (₹)	**13,68,02,093**	**14,75,34,841**	**Total (₹)**	**13,68,02,093**	**14,75,34,841**

Significant Accounting Policies — **Annexure E**
Notes to the accounts — **Annexure F**

This is the Receipt and Payment Account referred to in our report of even date.

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

Kartik Gogia
Partner
Membership No.: 512371

Place: Gurugram
Date: 21 September 2024

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

Mrs. Farida Lambay
Trustee
Executive Secretary

Place : Mumbai
Date: 21 September 2024

Dr. Madhav Chavan
Trustee

Place : Mumbai
Date: 21 September 2024

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 2024 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Funds & Liabilities	As at 31 March 2024	As at 31 March 2023
Trust Funds or Corpus		
Balance as per last Balance Sheet	2,760	2,760
	2,760	**2,760**
Liabilities :-		
For expenses	27,09,234	27,42,710
For sundry credit balances	42,46,713	91,33,169
	69,55,947	**1,18,75,879**
Income and Expenditure Account		
Balance as per last Balance Sheet	26,32,21,238	25,10,45,366
(Deficit)/surplus as per Income & Expenditure account	(2,12,36,767)	1,21,75,872
Net balance	**24,19,84,471**	**26,32,21,238**
Total (₹)	**24,89,43,178**	**27,50,99,877**

Property and Assets	As at 31 March 2024	As at 31 March 2023
Immovable Properties		
Balance as per last Balance Sheet	15,32,10,925	17,09,26,936
Depreciation for the year	(1,40,81,549)	(1,77,16,011)
	13,91,29,376	**15,32,10,925**
Furniture and Fixtures :		
Balance as per last Balance Sheet	44,00,200	47,33,564
Additions during the year	24,04,773	2,19,837
Sales/deletion during the year	(8,62,279)	(76,255)
Depreciation for the year	(5,02,475)	(4,76,946)
	54,40,219	**44,00,200**
Other Fixed Assets (Refer Annexure A)		
Balance as per last Balance Sheet	79,64,633	95,00,441
Additions during the year	6,10,572	4,96,598
Sales/deletion during the year	-	(5,367)
Depreciation for the year	(16,71,318)	(20,27,039)
	69,03,887	**79,64,633**
Advances :-		
To Employees	2,20,040	3,33,597
To Others	3,45,86,455	3,42,44,741
Tax deducted at source	14,71,048	11,26,400
	3,62,77,543	**3,57,04,738**
Income Outstanding		
Interest accrued on fixed deposits	16,62,352	3,15,260
	16,62,352	**3,15,260**
Cash and Bank Balances (Refer Annexure B)		
(a) In Saving account with banks	94,92,421	28,21,568
(b) In Fixed deposit account with banks	5,00,37,380	7,06,82,553
	5,95,29,801	**7,35,04,121**
Total (₹)	**24,89,43,178**	**27,50,99,877**

Significant Accounting Policies
Notes to the accounts

This is the Balance Sheet referred to in our report of even date.

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

Kartik Gogia
Partner
Membership No.: 512371

Place: Gurugram
Date: 21 September 2024

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

PRATHAM MUMBAI EDUCATION INITIATIVE

Lambay

Mrs. Farida Lambay
Trustee
Executive Secretary

Place : Mumbai
Date: 21 September 2024

Madhav Chavan

Dr. Madhav Chavan
Trustee

Place : Mumbai
Date: 21 September 2024

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 2024 (Foreign Contribution)

(All amounts are in ₹, unless otherwise stated)

Registration No.E15454

Expenditure	For the year ended 31 March 2024	For the year ended 31 March 2023	Income	For the year ended 31 March 2024	For the year ended 31 March 2023
To Expenditure In respect of properties :-			By Interest		
Rates, taxes, cesses	4,43,118	4,64,730	On Bank Accounts		
Repairs and maintenance	15,32,559	11,86,902	Fixed deposit with banks	33,91,733	12,95,440
Depreciation	1,40,81,549	1,77,16,011	Bank accounts	2,06,415	2,55,410
Other expenses	23,600	1,24,492	On Security Deposit	-	-
	1,60,80,826	**1,94,92,135**		**35,98,148**	**15,50,850**
To Establishment expenses (Refer Annexure C)	1,26,16,634	93,22,245	**By Donation in cash or kind**	6,62,59,082	10,33,67,203
To Legal and Professional expenses	14,60,260	7,89,700	**By Income from other sources**		
To Amount written off	8,62,279	81,622	Sundry receipts	12,680	-
			Liabilities / provisions no longer required written back	8,806	-
To Audit fees (including goods and services tax)	14,94,838	13,45,200		**21,486**	-
To Depreciation	21,73,793	25,03,985	**By (Surplus)/Deficit carried over to Balance Sheet**	2,12,36,767	(1,21,75,872)
To Expenditure on objects of the trust					
Educational (Refer Annexure D)	5,64,26,853	5,92,07,294			
Total (₹)	**9,11,15,483**	**9,27,42,181**	**Total (₹)**	**9,11,15,483**	**9,27,42,181**

Significant Accounting Policies
Notes to the accounts

This is the Income and Expenditure Account referred to in our report of even date.

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

Kartik Gogia
Partner
Membership No.: 512371

Place: Gurugram
Date: 21 September 2024

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

Mrs. Farids Lambay
Trustee
Executive Secretary

Place : Mumbai
Date: 21 September 2024

Dr. Madhav Chavan
Trustee

Place : Mumbai
Date: 21 September 2024

Pratham Mumbai Education Initiative
Summary of significant accounting policies and notes to the accounts for the year ended 31 March 2024 (Foreign Contribution)
(All amounts are in ₹, unless otherwise stated)

Annexure A - Other fixed assets (Foreign Contribution)

Particulars	Rate of depreciation	Opening WDV as on 1 April 2023	Sales/deletion during the year	Additions during the year	Total	Depreciation for the year	Closing WDV as on 31 March 2024
Computers	40%	14,35,458	-	3,82,940	18,18,398	6,60,673	11,57,725
Office equipments	15%	58,36,166	-	2,27,632	60,63,798	9,06,693	51,57,105
Vehicles	15%	6,93,009	-	-	6,93,009	1,03,952	5,89,057
Grand Total		79,64,633	-	6,10,572	85,75,205	16,71,318	69,03,887

Particulars	Rate of depreciation	Opening WDV as on 1 April 2022	Sales/deletion during the year	Additions during the year	Total	Depreciation for the year	Closing WDV as on 31 March 2023
Computers	40%	19,12,191	1,606	4,01,782	23,12,367	8,76,909	14,35,458
Office equipments	15%	67,72,945	3,761	94,816	68,64,000	10,27,834	58,36,166
Vehicles	15%	8,15,305	-	-	8,15,305	1,22,296	6,93,009
Grand Total		95,00,441	5,367	4,96,598	99,91,672	20,27,039	79,64,633

***WDV - Written Down Value**

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

PRATHAM MUMBAI EDUCATION INITIATIVE

Pratham Mumbai Education Initiative
Summary of significant accounting policies and notes to the accounts for the year ended 31 March 2024 (Foreign Contributio
(All amounts are in ₹, unless otherwise stated)

Annexure B - Cash and bank balances (Foreign Contribution)

Particulars	As at 31 March 2024	As at 31 March 2023
A. In Saving account with banks	94,92,421	28,21,568
B. In Fixed deposits with banks	5,00,37,380	7,06,82,553
Total (₹) (A+B)	5,95,29,801	7,35,04,121

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	44,26,859	26,40,866
Insurance expense	2,96,931	2,15,745
Communication expense	2,23,729	1,58,139
Training expense	13,849	57,676
Travel and conveyance expense	69,921	85,879
Printing and stationery expense	2,41,976	34,215
Software and computer consumables	33,234	9,267
Repair and maintenance	63,22,043	45,75,266
Office expenses	9,88,092	15,45,192
Total (₹)	1,26,16,634	93,22,245

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary and wages	3,79,92,693	3,38,87,156
Honorarium and consultancy fees	7,80,000	22,85,637
Insurance expense	21,27,860	6,14,251
Rent expense	21,92,598	18,20,956
Communication expense	1,07,217	2,06,353
Teaching and learning material	11,36,190	24,65,062
Training expense	20,39,334	8,57,509
Travel and conveyance expense	23,59,854	28,29,008
Printing and stationery expense	4,93,020	4,13,758
Software and computer consumables	67,104	1,72,416
Repair and maintenance	1,44,025	2,84,713
Office expenses	44,68,963	1,04,04,546
School/Tuition Fees	25,17,995	29,65,929
Total (₹)	5,64,26,853	5,92,07,294

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

PRATHAM MUMBAI EDUCATION INITIATIVE *

Pratham Mumbai Education Initiative

Summary of significant accounting policy and notes to the financial statements for the year ended 31 March 2024 (Foreign Contribution)

Annexure E - Background of Trust

Pratham Mumbai Education Initiative ('the Trust') started its operation on 15 April 1994 and got its registration as a trust under Bombay Trust Act, 1950 on 11 January 1995 vide file number E-15454. The Trust has been granted an exemption under Section 12A of the Income Tax Act, 1961, vide application no. TR/32368. The exemption has been granted with effect from 15.04.1994, Consequently, the aforesaid certificate was renewed w.e.f. 23 September 2021 vide application No. 246649220060821 dated 06.08.2021. The Trust has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of educational nature with registration no. 083780624 vide letter no. II/21022/68(15)/98. – FCRA, III. Consequently, the aforesaid certificate was renewed w.e.f. 01 November 2016 vide letter No 0300062652016 for a period of 5 years. It was further renewed w.e.f 1 April 2022 vide letter No. 0300020572021 dated 16 March 2022 in accordance with Section 16 of The Foreign Contribution (Regulation) Act 2010 for the period of another 5 years.

The main object of the Trust is to work towards the universalization of good education primarily in the slums of Mumbai and adjacent areas for all children at least upto the age of fourteen.

Annexure F - Significant Accounting Policies

1. Basis of accounting

The accompanying Foreign Contribution Financial Statements has been prepared by the management 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 this 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 any other purpose.

The Foreign Contribution Financial Statements of the Trust have been prepared under the historical cost convention on the accrual basjs of accounting in accordance with the applicable accounting standards and Technical Guide on Accounting for Not-for-Profit Organisations (NPOS) issued by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles ("GAAP") in India. The Trust is complying with the Accounting Standards (AS), applicable to a Level IV Entity - Small and iiledium Sized Enterprise (SME), as notified in the announcement made by ICAI which is effective for all accounting periods commencing on or after '1 April, 2020. Pursuant to the Exemption/relaxation applicable to a SirE, AS 3 - Cash Flow Statement, AS 17 - Segment Reporling, AS 18 - Related Party Disclosures and As-20 Earning Per Share is not applicable to the Trust. Further, certain disclosure requirement in AS 15 (R) - Employee Benefits, AS 19 - Leases and AS 29 - Provisions, Contingent Liabilities and Contingent Assets are also not applicable to the Trust. These are not the statutory financial statements of the Company and therefore, conlains disclosures to the exlent considered appropriate by the management for the intended use.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP (Generally Accepted Accounting Principles) requires the management to make judgements, estimates and assumptions that affect the reported amount of expenses, assets and liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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. Recognition of grants and donations

Corpus fund

Corpus fund relates to funds contributed by the founder members at the time of incorporation and donations received with the direction to be included as a part of the Corpus.

General funds

The Trust also receives "general funds" which are not subject to grantor stipulations as to use, and the same may be used as per the management's discretion. The surplus earned during the year, being general purpose in nature is carried forward for use in future periods. In case of deficit, if in any year, the same is adjusted against General fund.

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PRATHAM MUMBAI EDUCATION INITIATIVE *

5. Employee Benefits

Defined Contribution Plans

Provident fund benefit is a defined contribution plan under which the Trust pays fixed contribution into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Trust has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature. The Trust's contributions paid/payable under the scheme is recognized as an expense in the Income and Expenditure Account during the year in which the employee renders the related service.

Post-retirement contribution plans such as Employees' Pension Scheme, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Trust does not have any obligation other than the contribution made.

Short term benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Income and Expenditure Account in the period in which the employee renders the related service.

Defined Benefit Plan - Gratuity (Funded) :

The Trust provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The vesting period is 5 years from an eligible employee's date of joining. The Trust's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/ gains are recognised in the Income and Expenditure Account in the period in which they arise. The Trust funds its gratuity with the insurer and difference between plan assets and present value of obligations as at balance sheet date is recognized in financial statements.

Compensated absences (Unfunded)

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the period end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits. The Trust's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/ gains are recognised in the Income and Expenditure Account in the period in which they arise.

6. Foreign currency transactions and translations

Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all monetary items are recognized in the Income and Expenditure Account.

7. 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

8. Revenue recognition

-Grants and donations received for which there are no stipulations as to use are recognized in the Income and Expenditure Account as revenue in the period of receipt.

- Grants and donations received for which there are stipulations as to use are recognized in the Income and Expenditure Account as revenue in the period of receipt and as at the balance sheet date, the specific liability known as of year-end with respect to such grants/donationsis represented as liability. This specific liability is recognized under liabilities as "Unutilized amount from earmarked funds received."

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.

10.Cash and bank balances

Cash and bank balances include cash in hand, balances and demand deposits with banks.

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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

PRATHAM MUMBAI EDUCATION INITIATIVE *

Pratham Mumbai Education Initiative

Summary of significant accounting policy and notes to the financial statements for the year ended 31 March 2024 (Foreign Contribution)

13. 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.

As per our report of even date

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

Kartik Gogia
Partner
Membership No.: 512371

Place: Gurugram
Date: 21 September 2024

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

Mrs. Farida Lambay
Trustee
Executive Secretary

Place : Mumbai
Date: 21 September 2024

Dr. Madhav Chavan
Trustee

Place : Mumbai
Date: 21 September 2024