

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM EDUCATION FOUNDATION

Report on the Financial Statements

We have audited the accompanying financial statements of Pratham Education Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Income and Expenditure Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its excess of income over expenditure and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Income and Expenditure Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. This Report does not include a statement on matters specified in paragraphs 3 and 4 of the Order of Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013 as the said order does not apply to a company licensed to operate under section 8 of the Companies Act, 2013.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mohammed Bengali

(Partner)
(Membership No. 105828)

Place: Mumbai
Date: September 19, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pratham Education Foundation ("the Company") as of March 31, 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

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preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W / W-100018)



Mohammed Bengali
Partner
(Membership No. 105828)

Place: Mumbai
Date: September 19, 2018

Pratham Education Foundation
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
EQUITY AND LIABILITIES			
Sources of funds			
(a) Reserves and surplus	3	612,180,888	388,177,463
		612,180,888	388,177,463
Current liabilities			
(a) Trade payables (includes amount due to micro and small enterprises Rs Nil (PY. Rs Nil)	4	58,020,613	52,459,242
(b) Other current liabilities	5	98,126,916	139,536,211
(c) Short-term provisions	6	17,326,725	12,296,216
		173,474,254	204,291,669
TOTAL		785,655,142	592,469,132
ASSETS			
Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets	7	289,094,276	223,694,051
(ii) Intangible assets	7	-	-
(iii) Capital work-in-progress		34,183,603	28,443,743
		323,277,879	252,137,794
(b) Long-term loans and advances	8	54,573,445	38,276,274
		377,851,324	290,414,068
Current assets			
(a) Cash and bank balances	9	359,947,022	253,489,274
(b) Short-term loans and advances	10	40,763,033	42,007,697
(c) Other current assets	11	7,093,763	6,558,093
		407,803,818	302,055,064
TOTAL		785,655,142	592,469,132
See accompanying notes forming part of the financial statements	1-21		

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mohammed Bengali
Mohammed Bengali
Partner



Place: Mumbai
Date: 9 SEP 2018

For and on behalf of the Board of Directors
For Pratham Education Foundation

Ramesh Mangaleswaran
Ramesh Mangaleswaran
Director
DIN: 02648636

Madhav Chavan
Madhav Chavan
Director
DIN: 02012989








Place: Mumbai
Date: 9 SEP 2018

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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	Current Year (In Rupees)	Previous Year (In Rupees)
Donation and Others		2,049,459,089	2,002,749,415
Other income	12	32,013,032	25,642,950
Total revenue		2,081,472,121	2,028,392,365
Expenses			
Donation Made		108,300,000	135,817,643
Professional Fees		92,864,703	136,377,538
Teaching Learning Material		122,739,299	124,054,156
Training Expenses		173,542,491	188,269,559
Rent		113,196,308	106,434,687
Employee Benefit Expenses	13	869,910,710	818,555,924
Other Expenses	14	277,047,080	336,691,748
Depreciation and amortisation expense	7	99,868,105	74,784,958
Total expenses		1,857,468,696	1,920,986,213
Excess of Income over Expenditure before/after tax		224,003,425	107,406,152
See accompanying notes forming part of the financial statements	1-21		
In terms of our report attached. For Deloitte Haskins & Sells LLP Chartered Accountants		For and on behalf of the Board of Directors For Pratham Education Foundation	
  Mohammed Bengali Partner		  Ramesh Mangaleswaran Director DIN: 02648636	
		 Madhav Chavan Director DIN: 02012989	
Place: Mumbai Date: 19 SEP 2018		Place: Mumbai Date: 19 SEP 2018	

Cash Flow Statement for the year ended March 31, 2018

Particulars	For the year ended 31 March, 2018 (In Rupees)	For the year ended 31 March, 2017 (In Rupees)
A. Cash flow from operating activities		
Excess of Income over Expenditure	22,40,03,425	10,74,06,152
<u>Adjustments for:</u>		
Depreciation and amortisation	9,98,68,105	7,47,84,958
Gratuity expenses	65,23,328	74,87,659
Interest income	(1,46,96,808)	(1,44,49,966)
Proceeds received on acquisition of portion of land by National Highway Authority of India (Refer Note 19)	-	(1,09,85,802)
Operating profit before working capital changes	31,56,98,050	16,42,43,001
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Short-term loans and advances	12,44,664	(43,55,135)
Long-term loans and advances	(7,45,609)	(19,21,920)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade Payable	55,61,371	1,41,569
Other current liabilities	(4,13,34,630)	(8,22,08,213)
Provisions	(14,92,819)	(12,00,000)
Net income tax (paid) / refunds (net of refunds)	(26,93,227)	(41,37,354)
Net cash flow from / (used In) operating activities (A)	27,62,37,800	7,05,61,948
B. Cash flow from Investing activities		
Capital expenditure on fixed assets, including capital advances	(18,39,41,190)	(11,36,39,424)
Receipt from National Highway Authority of India (Refer Note 19)	-	1,09,85,802
Movements in Bank balances not considered as Cash and cash equivalents (net)	(8,04,72,457)	(1,47,23,606)
Interest received	1,41,61,138	1,00,93,376
Net cash flow from / (used In) Investing activities (B)	(25,02,52,509)	(10,72,83,852)
Net Increase / (decrease) In Cash and cash equivalents (A+B)	2,59,85,291	(3,67,21,904)
Cash and cash equivalents at the beginning of the year	11,99,22,568	15,66,44,472
Cash and cash equivalents at the end of the year	14,59,07,859	11,99,22,568
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 9)	35,99,47,022	25,34,89,274
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	21,40,39,163	13,35,66,706
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 9	14,59,07,859	11,99,22,568
Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash flow statement :		
Call and Short Term Deposit Accounts Original maturity of more than 3 months and less than 12 months	18,02,61,491	10,76,13,389
Earmarked bank deposit for Special Assistance Fund	2,73,32,672	1,42,27,618
Balance held as margin money or security against guarantee	64,45,000	1,17,25,699

Notes:

1 The above Cash Flow Statement has been prepared using the Indirect Method as per Accounting Standard (AS) 3 - 'Cash Flow Statements' specified under Section 133 of the Companies Act, 2013.

2 Cash and cash equivalents (refer note 15)

Balances with banks:-

(i) In Saving accounts

11,56,07,859 8,99,11,568

(ii) Call and Short Term Deposit Accounts (Original Maturity upto 3 months)

3,03,00,000 3,00,11,000

14,59,07,859 11,99,22,568

3 Previous year's figures have been regrouped/ restated wherever necessary.

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

Mohammed Bengali
Partner



For and on behalf of the Board of Directors
For Pratham Education Foundation

Ramesh Mangaleswaran
Director
DIN: 02648636

Madhav Chavan
Director
DIN: 02012989



Place: Mumbai

Date: 19 SEP 2018

Place: Mumbai

Date: 19 SEP 2018

Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

1. Corporate Background:

The Company is primarily engaged in imparting education including vocational and technical education in various part of India. The Company was incorporated on June 24, 2002 as a private company limited by guarantee and not having a share capital and had been granted a license under 8 of the Companies Act, 2013 by Government of India, vide its letter No. 59/(25/N)/3/02/3720 dated May 30, 2002.

The Company is registered under Section 6(1) (a) of Foreign Contribution (Regulation) Act, 1976 on May 22, 2006 vide Registration No 083781058. During the previous year, Ministry of Home Affairs has renewed the FCRA certificate for the period starting from November 01, 2016 to October 31, 2021 dated October 28, 2016.

The Company is registered under Section 12AA of the Income Tax Act, 1961 vide Letter No. DIT (E)/12A/36899/2002-2003 dated December 18, 2002 as well as under Section 80 G of the Income Tax Act, 1961 vide letter no. DIT (E) / MC/80G/1895/2009-10 dated July 20, 2009. The Company is established to conduct various projects and programs in connection with or relating to education.

2. Significant Accounting Policies:

a. Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

b. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

c. Fixed Assets and Depreciation:

Fixed assets are carried at cost less accumulated depreciation / amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates and other taxes, any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, anticipated technological changes. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Companies Act, 2013.



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

Estimated useful lives of assets are as follows:

Class of Assets	Estimated Useful Life*
Computers	2 years
Furniture and Fixtures	4 years
Building	10 years
Office Equipment	4 years
Vehicles	5 years

*The estimated useful life of assets considered for the calculation of depreciation are consistent with those followed in the previous year.

Fixed assets, whose cost is Rs. 5,000 or less, are fully depreciated in the year of purchase.

Fixed assets purchased for specific projects are depreciated over project's period or the estimated useful life of the assets whichever is lower.

d. Intangible assets and amortization:

Intangible assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses. These generally comprise of costs incurred to acquire computer software licenses and implement the software for internal use (including software coding, installation, testing and certain data conversion).

Amortization takes place on a Straight Line Method (SLM) basis over the asset's anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years. Based on current estimates of useful life, software licenses are being amortized at a SLM rate of 50%. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

e. Donations:

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 Company complies with the conditions attached to them. Donations related to depreciable assets are treated as deferred income which is recognized in the Income and Expenditure Account on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. However, if a grant related to a non-depreciable asset requires the fulfillment 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.

f. Contribution received as re-imbursement of expenses:

In respect of projects sponsored by other organizations, where the expenditure on the project are reimbursable by those organizations are accounted as recoverable expenses and carried as receivable till such time it is recovered. In the event recovery becomes uncertain, the amount so carried forward is charged to the Income and Expenditure Account.



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

g. 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 Company. Foreign currency expenditure is recorded using the spot rates prevailing on the date of transaction based on FIRC document.

- Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

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

h. 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:

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 Profit and Loss 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.

i. Lease Accounting:

- Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Income and Expenditure Account on a straight line basis over the period of the lease unless another systematic basis is more representative of the time pattern of the company's benefit.

j. Income Tax:

The Company is registered under section 12AA of the Income Tax Act, 1961 which entitles it to exemption from income tax, provided certain conditions laid down in the Income Tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions. The Company has not accounted the impact of deferred tax as there is no provision for income tax.

k. Operating Cycle

The company has determine its operating cycles as 12 month for the purpose of classification of its assets and liabilities as current and non-current.



Pratham Education Foundation
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Notes forming part of the financial statements

Note 3 Reserve & Surplus

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
(a) General Reserve		
Balance at beginning of the year	373,949,845	262,100,585
Add: Excess of Income over Expenditure as per Income and Expenditure Account	224,003,425	107,406,152
Add:- Transfer from Special Assistance fund	14,488,580	9,443,108
Less: Appropriation towards Special Assistance Fund	(5,000,000)	(5,000,000)
	607,441,850	373,949,845
(b) Special Assistance Fund		
Balance at beginning of the year	14,227,618	18,670,726
Add: Transfer during the year from general reserve	5,000,000	5,000,000
Less: Utilized during the year (transfer back to general reserve)	(14,488,580)	(9,443,108)
	4,739,038	14,227,618
Total	612,180,888	388,177,463

Note 4 Trade payables

Trade Payables consists of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Creditors for Expenses	58,020,613	52,459,242
Total	58,020,613	52,459,242

Note 5 Other current liabilities

Other Current Liabilities consist of the following:

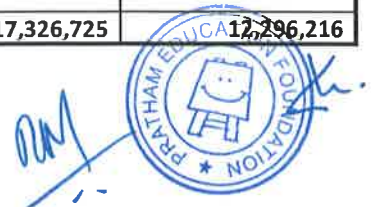
Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Statutory Remittance	20,816,201	55,882,799
Unutilised amount from Earmarked Funds received (refer Note below)	57,909,482	50,034,998
Deffered Income	13,866,230	28,008,746
Capital Creditors	5,535,003	5,609,668
Total	98,126,916	139,536,211

Note:- The amount unutilised from earmarked Funds represent amount received from various donors and sponsors for specific projects undertaken/to be undertaken by the Company which have remained unutilised as at the Balance Sheet Date

Note 6 Short Term Provisions

Short Term provisions consist of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Provision for Employee Benefits		
Gratuity Payable (Refer Note 16)	17,326,725	12,296,216
Total	17,326,725	12,296,216



Pratham Education Foundation
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

Note 7 Property, plant and equipment

Particulars	Gross Block (at Cost)				Depreciation			Net Block	
	Opening Balance as on April 1, 2017	Additions during the year	Deletions during the year	Closing balance as on March 31, 2018	Opening Balance as on April 1, 2017	Depreciation for the year	Deletions during the year	Closing balance as on March 31, 2018	As on March 31, 2018
Tangible Assets									
Computers	171,396,610 115,726,263	108,129,746 55,670,347	-	279,526,356 171,396,610	110,451,915 60,432,443	68,142,500 50,019,472	-	178,594,415 110,451,915	100,931,941 60,944,695
Office Equipments	88,435,408 67,401,076	14,130,037 21,034,332	-	102,565,445 88,435,408	57,707,740 46,940,496	13,079,700 10,767,244	-	70,787,440 57,707,740	31,778,005 30,727,668
Furnitures & Fixtures	51,144,722 40,700,900	7,109,370 10,443,822	-	58,254,092 51,144,722	35,791,621 27,970,349	9,101,796 7,821,272	-	44,893,417 35,791,621	13,360,675 15,353,101
Vehicles	18,315,756 15,974,862	613,670 2,340,894	-	18,929,426 18,315,756	8,670,445 5,309,968	3,576,289 3,360,477	-	12,246,734 8,670,445	6,682,692 9,645,311
Land	61,001,759 55,530,139	- 5,471,620	-	61,001,759 61,001,759	- -	- -	-	- -	61,001,759 61,001,759
Leasehold Improvement	14,975,368 14,975,368	- -	-	14,975,368 14,975,368	2,308,957 1,709,942	554,643 599,015	-	2,863,600 2,308,957	12,111,768 12,666,411
Building	38,066,660 21,029,514	35,285,507 17,037,146	-	73,352,167 38,066,660	4,711,554 2,494,076	5,413,177 2,217,478	-	10,124,731 4,711,554	63,227,436 33,355,106
TOTAL Tangible assets	443,336,283	165,268,330	-	608,604,613	219,642,231	99,868,105	-	319,510,337	289,094,276
<i>Previous Year</i>	<i>331,338,122</i>	<i>111,998,161</i>	<i>-</i>	<i>443,336,283</i>	<i>144,857,274</i>	<i>74,784,958</i>	<i>-</i>	<i>219,642,232</i>	<i>223,694,051</i>
Intangible Assets									
Computer Software	635,544 635,544	- -	-	635,544 635,544	635,544 635,544	- -	-	635,544 635,544	- -
TOTAL Intangible assets	635,544	-	-	635,544	635,544	-	-	635,544	-
<i>Previous Year</i>	<i>635,544</i>	<i>-</i>	<i>-</i>	<i>635,544</i>	<i>635,544</i>	<i>-</i>	<i>-</i>	<i>635,544</i>	<i>-</i>
Total	443,971,827	165,268,330	-	609,240,157	220,277,775	99,868,105	-	320,145,880	289,094,276
<i>Previous Year</i>	<i>331,973,666</i>	<i>111,998,161</i>	<i>-</i>	<i>443,971,827</i>	<i>145,492,818</i>	<i>74,784,958</i>	<i>-</i>	<i>220,277,776</i>	<i>223,694,051</i>

Year's figures are in italics



Pratham Education Foundation
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

Note 8 Long-term loans and advances

Long-term loans and advances consist of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Security deposits, unsecured considered good	23,334,975	22,589,367
Capital Advance	20,031,391	7,173,055
Advance Income Tax (TDS Recoverable)	11,207,079	8,513,852
Total	54,573,445	38,276,274

Note 9 Cash and Bank Balances

Cash and Bank Balance consist of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Cash and Cash equivalents as defined in Accounting Standard (AS-3)		
(a) Cash on hand	-	-
(b) Balances with banks		
(i) In Saving accounts	115,607,859	89,911,568
(ii) Call and Short Term Deposit Accounts (Original Maturity upto 3 months)	30,300,000	30,011,000
	145,907,859	119,922,568
Other Balances with Banks:		
(a) Call and Short Term Deposit Accounts Original maturity of more than 3 months and less than 12 months from the balance sheet date (refer note below)	180,261,491	107,613,389
(b) Earmarked bank deposit for Special Assistance Fund	27,332,672	14,227,618
(c) Balance held as margin money or security against guarantee	6,445,000	11,725,699
	214,039,163	133,566,706
Total	359,947,022	253,489,274

Note- Balance with Banks includes deposits with remaining maturity of 12 months from the balance sheet dated aggregating Rs. 7,05,78,077/- (Previous Year Rs. 78,39,116/-)



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Notes forming part of the financial statements

Note 10 Short-term loans and advances

Short-term loans and advances consist of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
Unsecured, Considered Good		
(a) Loans and Advances to Others	24,814,359	27,731,870
(b) Advances to Related Parties (Refer Note 18)	12,816,465	11,533,684
(c) Prepaid Expenses	3,132,209	2,742,143
Total	40,763,033	42,007,697

Note 11 Other Current Assets

Other Current Assets consist of the following:

Particulars	As at 31 March, 2018 (In Rupees)	As at 31 March, 2017 (In Rupees)
(a) Interest accrued on Fixed deposits	7,093,763	6,558,093
Total	7,093,763	6,558,093



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

Note 12 Other income

Other Income consists of the following:

Particulars	Current Year (In Rupees)	Previous Year (In Rupees)
(a) Interest from banks on		
Fixed Deposits	12,974,336	11,765,311
Saving Accounts	1,722,472	2,684,655
(b) Interest on Income Tax Refund	208,341	207,182
(c) Receipt on acquisition of portion of land by National Highway Authority of India (refer note 19)	-	10,985,802
(d) Other Miscellaneous Receipts	15,262,898	-
(e) Provisions No longer required written back	1,844,985	-
Total	32,013,032	25,642,950



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Pratham Education Foundation
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

Note 13 Employee Benefit Expense

Employee Benefit Expenses consist of the following:

Particulars	Current Year (In Rupees)	Previous Year (In Rupees)
Salaries & Wages	801,188,564	754,301,334
Contribution for Provident Fund	47,710,238	47,323,823
Gratuity Expense	6,523,328	7,487,659
Staff welfare expenses	14,488,580	9,443,108
Total	869,910,710	818,555,924

Note 14 Other Expenses

Other Expenses consist of the following:

Particulars	Current Year (In Rupees)	Previous Year (In Rupees)
Repair & Maintenance	32,655,270	38,512,470
Communication	24,364,702	25,573,920
Travel & Conveyance	136,530,613	176,952,316
Audit Fees (inclusive of Indirect taxes)	2,301,000	2,301,000
Electricity Charges	17,606,094	15,845,680
Insurance Charges	719,346	999,598
Printing & Stationery	10,608,233	14,467,315
Software & Computer consumables	14,668,336	21,247,903
Miscellaneous Expenses	37,593,486	40,791,546
Total	277,047,080	336,691,748



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements**15. Earnings and Expenditure in foreign Currency**

Particulars	Current Year (In Rupees)	Previous Year (In Rupees)
(a) Earnings in Foreign Currency:		
Donations	1,091,591,188	1,038,753,963
Note: The above includes funds received from various donors and sponsors for specific projects undertaken by the Company, which have remained unutilized at the balance sheet date	-	11,605,351
(b) Expenditure in Foreign Currency:		
Travelling Expenditure	1,524,268	1,653,920

16. Details of Gratuity Plans are as follows:

The Company has a funded scheme and is investing the Gratuity liability into a Gratuity Trust, which is being managed by Life Insurance Corporation Limited. The Company 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. Actuarial gains and losses are recognised immediately in the Statement of Income and Expenditure as income or expense.

i. Amount to be recognised in Balance Sheet and Movement in net liability :

(In Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Present Value of Funded Obligation	20,588,912	15,296,965
Fair value of Plan Assets	(3,262,187)	(3,000,749)
Net Liability recognised in the Balance Sheet	(17,326,725)	(12,296,216)

ii. Expenses recognised in the Income and Expenditure Account :

(In Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Current Service Cost	4,008,625	2,541,344
Interest on Defined Benefit Obligation	871,802	471,071
Expected Return on Plan Assets	-	-
Net Actuarial (Gains)/Losses	1,642,901	4,475,244
Net expenses included in payments to and provision of employees	6,523,328	7,487,659



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

iii. Reconciliation of Benefit Obligation :

(In Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Defined Benefit Obligation	15,296,965	8,941,087
Current Service Cost	4,008,625	2,541,344
Interest Cost	1,084,555	700,981
Actuarial (Gain)/Losses on obligation (due to change in financial assumptions)	(2,464,716)	1,759,068
Actuarial (Gain)/Losses on obligation (due to experience)	2,890,144	1,624,454
Liability transferred In / Acquisitions	388,804	-
(Liability transferred out / Divestments)	(117,536)	-
Benefits Paid	(497,929)	(269,969)
Closing Defined Benefit Obligation	20,588,912	15,296,965

iv. Reconciliation of Fair Value of Plan Assets :

(In Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Fair Value of Plan Assets	3,000,749	2,932,530
Expected Return on Plan Assets	212,753	229,910
Actuarial Gain	(1,217,473)	(1,091,722)
Contributions by Employer	1,492,819	1,200,000
Benefits Paid	(497,929)	(269,969)
Assets transferred In/Acquisition	388,804	-
(Assets transferred out/Divestments)	(117,536)	-
Closing Fair Value of Plan Assets	3,262,187	3,000,749

v. Actual Return of Plan Assets :

(In Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Expected Return on plan assets	212,753	229,910
Actuarial Gain/(losses) on plan assets	(1,217,473)	(1,091,722)
Actual return on plan assets	(1,004,720)	(861,812)

vi. Details of description of plan assets are not available with the Company.

vii. Experience Adjustments :

(In Rupees)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Defined Benefit Obligation	(20,588,912)	(15,296,965)	(8,941,087)	(73,52,885)	(2,755,991)
Plan Assets	3,262,187	3,000,749	2,932,530	2,736,371	1,465,237
Surplus/(Deficit)	(17,326,725)	(12,296,216)	(6,008,557)	(4,616,514)	(1,290,754)
Experience Adjustment on Plan Liabilities	2,890,144	1,624,454	(1,876,757)	1,973,623	1,001,791
Experience Adjustment on Plan Assets	(1,217,473)	(1,091,722)	(978,485)	(712,865)	31,303



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements

viii. Summary of Actuarial Assumptions :

Particulars	As at 31.03.2018 (%)	As at 31.03.2017 (%)
Discount Rate	7.80%	7.09
Expected Rate of Return on Assets	7.80%	7.09
Salary Escalation Rate	5%	5
<u>Attrition Rate Age (Years):</u>		
00-04 Years	40	40
05& Above	2	2
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate (LIC 1994-96 Mortality tables)	
Retirement age	60 years (Previous year 60 years)	

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is taken on the basis of the average long term rate of return expected on investments of the Gratuity Fund during the estimated term of the obligation.

ix. Expected contribution (In Rupees)

As at 31.03.2018	As at 31.03.2017
17,326,725	12,296,216

17. The Company operates in one business segment, which is imparting education including vocational and technical education and its activities are carried out within India. This in context of AS – 17 on Segment Reporting, as specified in the Companies Act 2013, are considered to constitute one primary and secondary segment.

18. Related parties disclosures - As required by Accounting Standard -18, "Related Party Disclosures"- (As identified by the management)

Names of related parties and nature of relationship

a) Enterprises over which key managerial person is able to exercise significant influence:-

- i) Pratham Mumbai Education Initiative
- ii) Pratham Institute for Literacy Education and Vocational Training
- iii) Aser Centre
- iv) Niramaya Health Foundation

b) Key Managerial Person :-

- i) Dr. Rukmini Banerji, CEO
- ii) Dr. Madhav Chavan, Director



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Pratham Education Foundation

(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

Notes forming part of the financial statements**Enterprise where there is Significant Influence (where transactions exist)**

Particulars of Related parties	Current Year (In Rupees)	Previous Year (In Rupees)
1. Donation Received		
Pratham Mumbai Education Initiative	12,500,000	8,000,000
Total	12,500,000	8,000,000
2. Donation made		
Pratham Mumbai Education Initiative	78,300,000	96,000,000
Pratham Institute For Literacy Education and Vocational Training	-	12,000,000
Total	78,300,000	108,000,000
3. Advance given /(taken) during the year		
Pratham Mumbai Education Initiative (Net)	398,625	(104,167)
Pratham Institute For Literacy Education and Vocational Training (Net)	914,012	(1,576,662)
ASER Centre (Net)	---	(176,005)
Total	1,312,637	(1,856,834)
4. Advance receivable/(Payable)		
Pratham Mumbai Education Initiative	368,769	(29,856)
Pratham Institute For Literacy Education and Vocational Training	12,447,696	11,533,684
ASER Centre	-	-
Total	12,816,465	11,503,828

Remuneration paid to Key Managerial Person Rs. 6,600,000 (P.Y. Rs. 66,00,000)

19. During the previous year, land at Dhamtari, Chhattisgarh measuring 487 Sqr Mtr. out of total land measuring of 14,000 sqr mtr. has been taken over by National Authority of India (NHAI) for road widening project. The full consideration received amounting to Rs. 1,09,85,802/- credited to Income & Expenditure Account as Receipt from NHAI in previous year.
20. The Company is registered under section 12AA of the Income Tax Act, 1961 which entitles it to exemption from income tax, provided certain conditions laid down in the Income Tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions. Hence, no deferred tax impact has been accounted in the financial statement
21. **Previous year's figures:**
Previous year's figures have also been regrouped to conform to current year's classification.

For Pratham Education Foundation

Ramesh Mangaleshwaran
Ramesh Mangaleshwaran
Director
DIN: 02648636

Madhav Chavan
Madhav Chavan
Director
DIN: 02012989

Place: Mumbai
Date: 9 SEP 2018

