

# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**

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## Independent Auditor's Report

To the Members of Pratham Education Foundation

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Pratham Education Foundation ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Income and Expenditure Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its Deficit and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, 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.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Pratham Education Foundation on the financial statements for the year ended 31 March 2023 (cont'd)

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 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 of 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.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company'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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, 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 Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place 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;
  - Conclude on the appropriateness of Board of Directors' 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 Company'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 Company to cease to continue as a going concern; and

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# Walker ChandioK &Co LLP

## Independent Auditor's Report to the members of Pratham Education Foundation on the financial statements for the year ended 31 March 2023 (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order 2020 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
  - 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 financial statements 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 specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and operating effectiveness of such controls, refer to our separate Report in Annexure A wherein we have expressed an unmodified opinion; and
  - 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, as detailed in note 25 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2023.;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.

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# Walker ChandioK & Co LLP

Independent Auditor's Report to the members of Pratham Education Foundation on the financial statements for the year ended 31 March 2023 (cont'd)

- iv.
- a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 29 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 29 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. Since the Company is registered under Section 8 of the Act as a company with charitable objects, it cannot declare any dividend and accordingly, reporting under Rule 11(f) is not applicable to the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

*Jyoti*

**Jyoti Vaish**  
Partner  
Membership No.: 096521  
UDIN: 23096521BGYVZM4356



**Place:** New Delhi  
**Date:** 31 August 2023

Chartered Accountants

Annexure A to the Independent Auditor's Report of even date to the members of Pratham Education Foundation on the financial statements for the year ended 31 March 2023.

## Annexure A

### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Pratham Education Foundation ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the Company's business, including adherence to the 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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI

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

*Jyoti*  
**Jyoti Vaish**  
Partner  
Membership No.: 096521  
UDIN: 23096521BGVZM4356



**Place:** New Delhi  
**Date:** 31 August 2023

**Pratham Education Foundation**

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

**Balance Sheet as at 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Funds and liabilities</b>			
Share capital	3	-	-
Reserves and surplus	4	10,412.38	16,461.50
		<u>10,412.38</u>	<u>16,461.50</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	1,096.94	969.05
		<u>1,096.94</u>	<u>969.05</u>
<b>Current liabilities</b>			
Trade payables			
Total outstanding dues of micro and small enterprises; and	6	1.81	38.83
Total outstanding dues of creditors other than micro and small enterprises		367.11	261.34
Other current liabilities	7	673.27	978.29
Short-term provisions	5	641.51	575.95
		<u>1,683.70</u>	<u>1,854.41</u>
		<u>13,193.02</u>	<u>19,284.96</u>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and Intangible Assets			
Property, plant and equipment	8A	6,567.63	5,370.45
Intangible assets	8B	88.16	-
Capital work-in-progress	8C	257.97	1,265.97
Intangible assets under development	8D	-	110.20
Long-term loans and advances	9	149.78	294.12
Other non-current assets	10	4,298.16	3,907.41
		<u>11,361.70</u>	<u>10,948.15</u>
<b>Current assets</b>			
Cash and bank balances	11	1,079.45	7,597.41
Short-term loans and advances	12	725.85	465.22
Other current assets	13	26.02	274.18
		<u>1,831.32</u>	<u>8,336.81</u>
		<u>13,193.02</u>	<u>19,284.96</u>
<b>TOTAL</b>			

The accompanying notes form an integral part of these financial statements. 1-30

As per our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Jyoti Vaish**

Partner



Membership No.: 096521



Place: New Delhi

Date: 31 August 2023

For and on behalf of the Board of Directors of

**Pratham Education Foundation****Banmali Agrawala**

Director

DIN: 00120029

**Vibha Paul Rishi**

Director

DIN: 05180796

Place: Gurugram

Date: 31 August 2023

Place: Gurugram

Date: 31 August 2023



**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 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Donation and other receipts	14	20,101.14	23,139.39
Other income	15	320.53	598.23
		<u>20,421.67</u>	<u>23,737.62</u>
<b>Expenditure</b>			
Expenses on programme initiatives	16	9,347.48	5,829.32
Employee benefit expense	17	14,477.84	13,105.21
Depreciation and amortization expenses	8A & 8B	964.08	875.55
Other expenses	18	1,681.39	1,447.84
		<u>26,470.79</u>	<u>21,257.92</u>
<b>Total expenses</b>		<u>26,470.79</u>	<u>21,257.92</u>
<b>(Deficit)/surplus for the year (Transferred to General Fund)</b>		<u>(6,049.12)</u>	<u>2,479.70</u>

The accompanying notes form an integral part of these financial statements. 1-30

As per our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Jyoti*

**Jyoti Vaish**  
Partner

Membership No.: 096521



Place: New Delhi

Date: 31 August 2023

For and on behalf of the Board of Directors of

**Pratham Education Foundation**

*Banmali Agrawal* *Vibha Paul Rishi*

**Banmali Agrawal**  
Director  
DIN: 00120029

**Vibha Paul Rishi**  
Director  
DIN: 05180796

Place: Gurugram

Date: 31 August 2023

Place: Gurugram

Date: 31 August 2023



**Pratham Education Foundation**

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

**Cash Flow Statement for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Surplus/(deficit) for the year	(6,049.12)	2,479.70
<b>Adjustments for:</b>		
Depreciation and amortization expenses	964.08	875.55
Interest income	(256.58)	(447.67)
Provisions/liabilities no longer required written back	(60.27)	(134.63)
Profit on sale of fixed assets	(0.87)	(1.43)
Provision on doubtful security deposit	-	54.85
<b>Operating profit before working capital changes</b>	<b>(5,402.76)</b>	<b>2,826.37</b>
<b>Adjustments for:</b>		
Short-term loans and advances	(260.63)	(48.73)
Long-term loans and advances	(62.11)	183.42
Other current assets	-	(11.58)
Trade payable	129.01	173.80
Other current liabilities	(282.99)	(1,092.91)
Provisions	193.44	515.91
<b>Cash (used in) / generated from operations post working capital changes</b>	<b>(5,686.04)</b>	<b>2,546.28</b>
Income tax (tax deducted at source)	32.03	(4.58)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(5,654.01)</b>	<b>2,541.70</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (including capital advances, capital creditors and capital work in progress)	(978.82)	(2,147.74)
Proceeds from sale of property, plant and equipment	0.87	1.65
Movement in bank balances not considered as cash and cash equivalents (net)	4,927.49	(5,229.90)
Interest received	504.75	294.04
<b>Net cash generated from/ (used) in investing activities (B)</b>	<b>4,454.29</b>	<b>(7,081.95)</b>
<b>Net increase in cash and cash equivalents (A+B)</b>	<b>(1,199.72)</b>	<b>(4,540.25)</b>
Cash and cash equivalents at the beginning of the year	2,214.26	6,754.50
<b>Cash and cash equivalents at the end of the year (refer note no 11)</b>	<b>1,014.54</b>	<b>2,214.26</b>

The accompanying notes form an integral part of these financial statements.

1-30

As per our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Jyoti Vaish**

Partner

Membership No.: 096521



Place: New Delhi

Date: 31 August 2023

For and on behalf of the Board of Directors of

**Pratham Education Foundation****Banmali Agrawal**

Director

DIN: 00120029

**Vibha Paul Rishi**

Director

DIN: 05180796

Place: Gurugram

Date: 31 August 2023

Place: Gurugram

Date: 31 August 2023



**Pratham Education Foundation**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

*(All amounts are in ₹ Lakhs, unless otherwise stated)*

**1. Background**

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

The Company got registered under Section 6(1) (a) of Foreign Contribution (Regulation) Act, 1976 on 22 May 2006 and was granted Registration No 083781058. Earlier, the Ministry of Home Affairs vide its order dated 28 October 2016 renewed the aforesaid registration for the period starting from 1 November 2016 to 31 October 2021. The Company has submitted an application for the renewal of certificate vide application no. 6804702021 on July 9, 2021. This application is under process. However, the validity of the FCRA registration has been extended by the Ministry of Home Affairs till September 30, 2023 vide notification no. II/21022/23(22)/2020-FCRA-III dated March 24, 2023.

The Company is registered under Section 12AA of the Income Tax Act, 1961 vide Letter No. DIT (E)/12A/36899/2002-2003 dated 18 December 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 20 July 2009 which has been renewed vide registration number AAATP5038KE20214 dated 28 May 2021 and valid till assessment year 2026-27. The Company has also obtained exemption u/s 80G(5)(vi) of the Income-tax Act, 1961 which has been renewed vide registration number AAATP5038KF20214 and valid till assessment year 2026-27. The Company is established to conduct various projects and programs in connection with or relating to education.

**2. Summary of significant accounting policies**

**(i) Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounting Standards) Rules, 2021 (as amended). These financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of activities and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(ii) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

An item of Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Income and Expenditure Account.

**(iii) Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down method over their estimated useful life of 5 years. A rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use is considered by the management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

**(iv) Depreciation**

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Income and Expenditure Account. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

**The estimates of useful lives of Property, plant and equipment are as follows :**

Assets	Useful life
Computers	2 years
Furniture and fixtures	4 years
Vehicles	5 years
Building (RCC Structure)	30 years
Building (Other than RCC Structure)	10 years
Office Equipment	4 years



**Pratham Education Foundation**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022:**

*(All amounts are in ₹ Lakhs, unless otherwise stated)*

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**(v) Impairment of property, plant and equipment**

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**(vi) Funds**

**a) Restricted funds**

**Project fund**

"Project fund" represents grants received from various funding agencies to carry out specific activities. These are held in trust until used for the purpose specified and deposits / investments are earmarked against them. Revenue from the restricted fund is recognized during the year in the Income and Expenditure Account to match the related expenditure (including capital expenditure). At the end of the agreement, the unutilized project fund is either returned to the respective donor or the same is transferred to Income and Expenditure Account in the relevant year in which the project is completed, after obtaining approval from the donor as per terms and conditions.

**b) Unrestricted fund**

**General fund**

The Company 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.

**(vii) Operating leases**

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.

**(viii) 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 utilization and as at the balance sheet date, the unutilized amount is represented by liability for restricted grants. Such grants are subject to certain restrictions as set out by the contributor and agreed to by the Company when accepting the contribution. Revenue generated from assets held against liability for restricted grants is subject to the same restrictions as the grants therefore the same has also been credited to the project funds after obtaining approval from donor/ as per the terms and conditions specified in the agreement executed with the respective donor.

**(ix) Interest income**

Interest income on fixed deposits is recognized on a time proportion basis over the term of the fixed deposits.



**Pratham Education Foundation**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

*(All amounts are in ₹ Lakhs, unless otherwise stated)*

**(x) Employee benefits**

**Short-term employee 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 Company 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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/ gains are recognized in the Income and Expenditure Account in the period in which they arise. The Company 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.

**Defined contribution plans**

Provident fund benefit is a defined contribution plan under which the Company pays fixed contribution into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognized 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 Company'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 Company does not have any obligation other than the contribution made.

**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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/ gains are recognized in the Income and Expenditure Account in the period in which they arise.

**(xi) 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.

**(xii) Cash and cash equivalents**

Cash and cash equivalents for the purpose of Balance Sheet comprise cash at bank and in hand and investment in fixed deposits or any highly liquid investments with the banks with a maturity period of three months or less from date of acquisition.

**(xiii) Foreign currency transactions**

**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.



**Pratham Education Foundation**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022:**

*(All amounts are in ₹ Lakhs, unless otherwise stated)*

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**(xiv) Allocation of expenses**

The Company receives contributions for its various projects/activities for specified time period and are subject to donor-imposed stipulations regarding the utilization of these funds. The terms and conditions along with a detailed budget is laid down in the Memorandum of Understanding/agreement with each donor. Costs include payroll-related, direct program costs, capital expenditure and overheads which are allocated to the respective projects within the approved budget by the funder. Further, a separate cost center is created in the accounting software for each project enabling the Company to identify and track income and expenditure project-wise.

**(xv) Provisions and Contingent liabilities**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a liability when there is a:

- a) Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with-in the control of the Company; or
- b) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- c) Present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(xvi) Income Tax**

No provision for Income tax has been made in the books of accounts as the Company is registered under section 12AA of the Income Tax Act, 1961 and is exempt from payment of tax subject to compliance with the conditions specified in the approval order granted by the tax authorities.

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**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023***(All amounts are in ₹ Lakhs, unless otherwise stated)***3 Share Capital**

Pratham Education Foundation ('the Company') is a not for profit company limited by the guarantee of its members and does not have share capital. Consequently, the disclosures related to share capital have not been given. Also, refer note 27.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>4 Reserves and Surplus</b>		
<b>General reserve</b>		
Balance at beginning of the year	16,461.50	13,981.80
Add: (Deficit)/surplus for the year	(6,049.12)	2,479.70
<b>Balance at the end of the year</b>	<b>10,412.38</b>	<b>16,461.50</b>
<b>5 Provisions</b>		
<b>Long term provisions</b>		
Gratuity (refer note 20)	1,096.94	969.05
	<b>1,096.94</b>	<b>969.05</b>
<b>Short term provisions</b>		
Gratuity (refer note 20)	641.51	575.95
	<b>641.51</b>	<b>575.95</b>
<b>6 Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note 23 and 24)	1.81	38.83
Total outstanding dues of creditors other than micro and small enterprises (refer note 23)	367.11	261.34
	<b>368.92</b>	<b>300.17</b>
<b>7 Other current liabilities</b>		
Statutory dues	317.06	293.25
Unutilized amount from earmarked funds received*	117.13	434.14
Capital creditors	5.74	27.77
Employees related payables	105.33	61.10
Other liabilities	128.01	162.03
	<b>673.27</b>	<b>978.29</b>

**Note :** The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financials statements based on information received and available with the Company. There is no interest paid or payable during the year (refer note 24).

\*The amount unutilized from earmarked funds represent amount received from various donors and sponsors for specific projects undertaken/to be undertaken which have remained utilized as at the Balance Sheet date.

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**Pratham Education Foundation**  
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)  
**Notes to the financial statements for the year ended 31 March 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)



**Property, plant and equipment and Intangible assets**

**8A Property, plant and equipment**

Particulars	Furniture and fixtures	Vehicle	Land	Leasehold Improvement	Building	Office equipments	Computers	Total
<b>Gross Block</b>								
Balance as at 01 April 2021	710.28	198.45	1,018.90	149.75	2,166.46	1,151.53	3,820.40	9,215.77
Additions	98.60	53.01	-	-	1,656.53	201.79	860.71	2,870.64
Disposals	-	-	-	-	-	(1.97)	(0.53)	(2.50)
Balance as at 31 March 2022	808.88	251.46	1,018.90	149.75	3,822.99	1,351.35	4,680.58	12,083.91
Additions	102.00	1.04	-	-	1,538.71	205.11	292.36	2,139.22
Disposals	-	-	-	-	-	(0.18)	-	(0.18)
Balance as at 31 March 2023	910.88	252.50	1,018.90	149.75	5,361.70	1,556.28	4,972.94	14,222.95
<b>Accumulated depreciation</b>								
Balance as at 01 April 2021	597.82	188.73	-	45.27	532.02	918.29	3,558.06	5,840.19
Depreciation charge	85.58	7.33	-	5.55	218.60	132.36	426.13	875.55
Deletion/ adjustment	-	-	-	-	-	(1.97)	(0.31)	(2.28)
Balance as at 31 March 2022	683.40	196.06	-	50.82	750.62	1,048.68	3,983.88	6,713.46
Depreciation charge	91.23	13.15	-	5.55	179.63	164.55	487.93	942.04
Deletion/ adjustment	-	-	-	-	-	(0.18)	-	(0.18)
Balance as at 31 March 2023	774.63	209.21	-	56.37	930.25	1,213.05	4,471.81	7,655.32
<b>Net block</b>								
Balance as at 31 March 2022	125.48	55.40	1,018.90	98.93	3,072.37	302.67	696.70	5,370.45
Balance as at 31 March 2023	136.25	43.29	1,018.90	93.38	4,431.45	343.23	501.13	6,567.63

- The title deeds of the immovable properties are held in the name of the Company, covered under the Act.
- The Company has not revalued its property, plant and equipment.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**8B Intangible Assets**

Particulars	Software	Total
<b>Gross Block</b>		
Balance as at 01 April 2021	-	-
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2022</b>	-	-
Additions*	110.20	110.20
Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>110.20</b>	<b>110.20</b>
<b>Accumulated Amortization</b>		
Balance as at 01 April 2021	-	-
Amortization Expense	-	-
Deletion/ adjustment	-	-
<b>Balance as at 31 March 2022</b>	-	-
Amortization Expense	22.04	22.04
Deletion/ adjustment	-	-
<b>Balance as at 31 March 2023</b>	<b>22.04</b>	<b>22.04</b>
<b>Net block</b>		
Balance as at 31 March 2022	-	-
<b>Balance as at 31 March 2023</b>	<b>88.16</b>	<b>88.16</b>

\* Implementation of ERP Software (Newton) having a useful life of 5 years.



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**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>8C Capital work in progress (CWIP)</b>		
Opening balance	1,265.97	1,980.82
Additions during the year	1,131.28	1,003.68
Capitalised during the year (Refer Note 8A)	(2,139.22)	(1,656.53)
Transferred to Income and Expenditure during the year	(0.06)	(62.00)
<b>Closing balance</b>	<b>257.97</b>	<b>1,265.97</b>
<b>8C.1 Capital work-in-progress ageing schedule</b>		
Less than 1 year	55.91	368.85
1-2 years	202.06	216.54
2-3 years	-	680.58
More than 3 years	-	-
	<b>257.97</b>	<b>1,265.97</b>
Notes:		
1 There are no projects whose completion is overdue or has exceeded its cost compared to its original plan (as amended) as on 31 March 2023 and 31 March 2022.		
2 CWIP does not include any project temporarily suspended as on 31 March 2023 and 31 March 2022.		
<b>8D Intangible assets under development</b>		
Opening balance	110.20	76.22
Additions during the year	-	33.98
Capitalised during the year (Refer note 8B)	(110.20)	-
<b>Closing balance</b>	<b>-</b>	<b>110.20</b>
<b>8D.1 Intangible assets under development ageing schedule</b>		
Less than 1 year	-	33.98
1-2 years	-	39.22
2-3 years	-	37.00
More than 3 years	-	-
	<b>-</b>	<b>110.20</b>
Note:		
1 There are no projects whose completion is overdue or has exceeded its cost compared to its original plan (as amended) as on 31 March 2023 and 31 March 2022.		
2 Intangible assets does not include any project temporarily suspended as on 31 March 2023 and 31 March 2022.		
<b>9 Long-term loans and advances (Unsecured considered good, unless otherwise stated)</b>		
Security deposits	90.55	28.44
Capital advances	16.67	191.09
Income-tax deducted at source (including refunds receivable)	42.56	74.59
	<b>149.78</b>	<b>294.12</b>
<b>10 Other non-current assets</b>		
Duty paid under protest (refer note 25)	41.12	41.12
-Deposit with remaining maturity for more than 12 months*	4,257.04	3,866.29
	<b>4,298.16</b>	<b>3,907.41</b>

\*-Deposit with remaining maturity for more than 12 months includes deposits of ₹ 84.68 Lakhs (previous year 37.88 Lakhs) which are pledged against issuance of bank guarantees.

\*Includes deposit earmarked against unutilized amount out of earmarked/restricted donation receipts as at 31 March 2023 and 31 March 2022. Also, refer note 7.



**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>11 Cash and bank balances</b>		
Cash and cash equivalents		
Bank balances		
in saving accounts	510.35	2,214.26
in deposit with original maturity less than 3 months	504.20	-
Other bank balance:		
In deposit accounts (with original maturity more than 3 months but less than twelve months)	64.90	5,383.15
	<b>1,079.45</b>	<b>7,597.41</b>
<b>12 Short-term loans and advances (Unsecured considered good, unless otherwise stated)</b>		
Security deposits		
Considered good	177.25	106.09
Considered doubtful	-	54.85
Advances to suppliers	201.86	120.82
Advances to Staff	55.57	44.78
Recoverable from others	-	7.56
Prepaid expenses	291.17	185.97
	<b>725.85</b>	<b>520.07</b>
Less: Allowance for doubtful security deposits	-	54.85
	<b>725.85</b>	<b>465.22</b>
<b>13 Other current assets (Unsecured considered good, unless otherwise stated)</b>		
Interest accrued on fixed deposits	14.44	262.60
Gratuity asset (recoverable from Life Insurance Company)	11.58	11.58
	<b>26.02</b>	<b>274.18</b>



**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>14 Donation and other receipts</b>		
Donations	20,099.59	23,136.60
Other operating income		
Receipts from vocational training	1.55	2.79
	<b>20,101.14</b>	<b>23,139.39</b>
<b>15 Other income</b>		
Interest from banks on		
Fixed deposits	199.28	315.96
Saving accounts	53.11	131.71
Interest on income tax refund	4.19	-
Profit on sale of fixed assets (net)	0.87	1.43
Provisions/liabilities no longer required written back (net)	60.27	134.63
Miscellaneous income	2.81	14.50
	<b>320.53</b>	<b>598.23</b>
<b>16 Expenses on programme initiatives</b>		
Training expenses	2,242.53	613.27
Teaching and learning material	1,496.09	1,287.65
Rent expense	1,388.36	1,136.88
Professional fees	1,891.76	1,486.57
Travel and conveyance expenses	1,823.39	627.02
Software and computer consumables	301.95	404.64
Communication expense	203.40	273.29
	<b>9,347.48</b>	<b>5,829.32</b>
<b>17 Employee benefit expenses</b>		
Salaries and wages	12,261.10	10,710.49
Contribution for provident and other funds (Refer note 20 (ii))	1,776.05	1,585.30
Gratuity expense (refer note 20)	378.19	585.90
Staff welfare expenses	62.50	223.52
	<b>14,477.84</b>	<b>13,105.21</b>
<b>18 Other expenses</b>		
Repair and maintenance expenses	316.23	314.70
Payment to auditors*	30.91	25.05
Electricity and water charges	258.42	142.43
Provision on doubtful advances	-	54.85
Insurance charges	242.14	204.08
Printing and stationery charges	176.49	84.09
Miscellaneous expenses	657.20	622.64
	<b>1,681.39</b>	<b>1,447.84</b>
<b>*Payments to the auditor (Including goods and service tax):</b>		
Statutory audit fee	29.26	24.78
Reimbursement of Expenses	1.65	0.27
<b>Total</b>	<b>30.91</b>	<b>25.05</b>



**Pratham Education Foundation**

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

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**19 Earnings in foreign Currency**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Earnings in foreign currency:</b>		
Donations ( on receipt basis)	1,107.63	3,723.40

**20 Employee Benefits****(i) (i) Defined Benefit Plan - Gratuity (funded)**

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 Income and Expenditure Account as income or expense.

**A. Amount to be recognised in Balance Sheet and movement in net liability :**

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of funded obligation	1,890.88	1,576.16
Fair value of plan assets	(152.43)	(31.16)
<b>Net Liability recognised in the Balance Sheet</b>	<b>1,738.45</b>	<b>1,545.00</b>

**B. Expenses recognised in the Income and Expenditure Account :**

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	238.03	177.93
Interest cost on defined benefit obligation	110.47	70.49
Actuarial losses on defined obligation	29.69	337.48
<b>Expense recognised in the Income and Expenditure Account (Refer note 17)</b>	<b>378.19</b>	<b>585.90</b>

**C. Reconciliation of benefit obligation :**

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of defined benefit obligation at the beginning of the year	1,576.16	1,064.43
Current service cost	238.03	177.93
Interest cost	112.70	72.91
Liability transferred in/acquisitions	1.73	9.95
Liability transferred out/divestments	-	(0.42)
Actuarial loss (due to experience)	137.33	406.42
Actuarial (gain) / loss (due to change in financial assumptions)	(98.27)	(82.63)
Actuarial (gain) / loss (due to change in demographic assumptions)	-	0.89
Benefits paid	(76.80)	(73.33)
<b>Closing defined benefit obligation</b>	<b>1,890.88</b>	<b>1,576.16</b>

**D. Reconciliation of fair value of plan assets :**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening fair value of plan assets	31.16	35.34
Expected return on plan assets	2.23	2.42
Actuarial gain/(losses) on plan assets- due to experience	9.36	(12.80)
Assets transferred in/acquisitions	1.22	9.95
Assets transferred out/divestments	(16.15)	(0.42)
Contributions by employer	201.41	70.00
Benefits paid	(76.80)	(73.33)
<b>Closing fair value of plan assets</b>	<b>152.43</b>	<b>31.16</b>



**Pratham Education Foundation**

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**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**E. Actual Return of Plan Assets :**

Expected Return on plan assets  
Actuarial Gain/(Losses) on plan assets- Due to experience  
**Actual return on plan assets**

Year ended 31 March 2023	Year ended 31 March 2022
2.23	2.42
9.36	(12.80)
<b>11.59</b>	<b>(10.38)</b>

**F. Provision at the end of the year :**

Long-term provision (Refer note 5)  
Short-term provision (Refer note 5)  
**Total provision at the end of the year**

As at 31 March 2023	As at 31 March 2022
1,096.94	969.05
641.51	575.95
<b>1,738.45</b>	<b>1,545.00</b>

**G. Experience Adjustments:**

Defined benefit Obligation  
Plan assets  
Deficit  
  
Experience adjustment on plan liabilities  
Experience adjustment on plan assets

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Defined benefit Obligation	(1,890.88)	(1,576.16)	(1,064.43)	(843.77)	334.04
Plan assets	152.43	31.16	35.34	18.96	20.27
Deficit	(1,738.45)	(1,545.00)	(1,029.09)	(824.81)	354.31
Experience adjustment on plan liabilities	137.33	406.42	40.44	69.36	73.41
Experience adjustment on plan assets	(9.36)	12.80	11.13	12.93	13.52

**H. Expected contribution during the next year is ₹ 641.51 (Previous year ₹ 575.95)**

**I. Summary of Actuarial assumptions:**

Discount rate (%)  
Expected rate of return on assets (%)  
Salary escalation rate (%)  
Attrition rate age (years):  
For service 4 years and below  
For service 5 years and above

	As at 31 March 2023	As at 31 March 2022
Discount rate (%)	7.47%	7.15%
Expected rate of return on assets (%)	7.47%	7.15%
Salary escalation rate (%)	8.00%	8.00%
Attrition rate age (years):		
For service 4 years and below	40.00%	40.00%
For service 5 years and above	2.00%	2.00%

Mortality

Indian Assured Lives Mortality (2012-14)  
Urban

Retirement age

60 and 80 years

Notes:

- 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.

**(ii) Contribution to provident fund and other funds**

**Particulars**  
Employees' state insurance (ESI)  
Provident fund  
Total Contribution for provident and other funds (Refer note 17)

	Year ended 31 March 2023	Year ended 31 March 2022
Employees' state insurance (ESI)	235.58	229.56
Provident fund	1,540.47	1,355.74
<b>Total Contribution for provident and other funds (Refer note 17)</b>	<b>1,776.05</b>	<b>1,585.30</b>



**Pratham Education Foundation**

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

**Notes forming part of the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

21 The Company operates in one segment, which is imparting education including vocational and technical education and its activities are carried out within India, which is considered as one primary and secondary segment and accordingly disclosures as per Accounting Standard – 17 on "Segment Reporting" have not been given.

**22 Related party disclosures****(a) Name of related parties and nature of relationship:****Key Management personnel**

Name	Relationship
Dr. Rukmini Banerji	Director
Dr. Madhav Chavan	Director

**Other related parties**

Name	Relationship
Pratham Mumbai Education Initiative	Enterprise in which Director has significant influence
Pratham Institute for Literacy Education and Vocation Training	Enterprise in which Director has significant influence
ASER Centre	Enterprise in which Director has significant influence

**(b) Transactions undertaken during the year with related parties:**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>(i) Remuneration to Director*</b>		
(i) Rukmini Banerji	60.00	60.00
(i) Madhav Chavan	45.00	45.00
	<b>105.00</b>	<b>105.00</b>
<b>(ii) Recovery of advances during the year</b>		
(i) Pratham Institute of Literacy Education and Vocational Training	-	136.83
<b>(c) Balance outstanding at the year end with related parties:</b>	-	-

\*The amount is exclusive of provision for future liability in respect of gratuity and compensated absence which is based on actuarial valuation done on overall Company basis. The remuneration includes Company's contribution to provident fund and taxable value of perquisites.

**23 Trade payables ageing schedule****As at 31 March 2023**

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro Small and Medium Enterprise (MSME)	1.81	-	-	-	1.81
(ii) Others	331.65	17.41	0.16	17.89	367.11
<b>Total</b>	<b>333.46</b>	<b>17.41</b>	<b>0.16</b>	<b>17.89</b>	<b>368.92</b>

**As at 31 March 2022**

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro Small and Medium Enterprise (MSME)	38.83	-	-	-	38.83
(ii) Others	249.72	0.94	9.13	1.55	261.34
<b>Total</b>	<b>288.55</b>	<b>0.94</b>	<b>9.13</b>	<b>1.55</b>	<b>300.17</b>

Note: There are no disputed dues as on 31 March 2023 and 31 March 2022.



**Pratham Education Foundation**

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

**Notes forming part of the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**24 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The following Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at	
	31 March 2023	31 March 2022
(i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal	1.81	38.83
Interest	-	-
(iv) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(v) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(vi) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**25 Contingent Liability**

Particulars	As at	
	31 March 2023	31 March 2022
Provident Fund*	198.47	198.47

\* The Company was exempt for making Provident Fund contribution till April 2015. However, Government of India ('GOI') passed an order dated 07 September 2015 withdrawing the notification for exemption with effect from 1 April 2015. The Company has deposited the requisite amount (both employee's and employer's contribution starting from April, 2015 till April, 2017) along with applicable interest to the prescribed authorities. In the month of June, 18, Regional Provident Fund Commissioner (RPFC) served a notice to the Company to deposit the amount of damages amounting to ₹ 198.47 on account of delay as mentioned above. Post conversations / arguments, the RPFC, vide its order dated 30 December 2019 raised demand of ₹ 134.71 Against this order, the Company has filed an appeal with the Central Government Industrial Tribunal Cum Labour Court, Delhi (Tribunal).

The Tribunal, via order dated 16 September 2020, asked the Company to deposit an amount of ₹ 41.12 (i.e. 20% of the amount under dispute) to obtain the stay and pursue the appeal raised against RPFC order. The Company has paid the amount on 22 October 2020 and the Tribunal directed the Company to file its response to the Tribunal. Accordingly the Company has filed the response on with the Tribunal. The matter is currently pending for disposal by the authorities.

**26 Corporate Social Responsibility**

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted CSR Committee. The details for CSR activities is as follows :

Particulars	As at	
	31 March 2023	31 March 2022
(a) Gross amount required to be spent by the Company during the year	56.77	52.40
(b) Amount spent during the year on:		
i. Construction / acquisition of any asset		
ii. For purposes other than (i) above	56.77	52.40
(c) The Company does not carry any provisions for Corporate Social Responsibility expense for current year and previous year.		

27 The Company does not have share capital (refer note 3). Accordingly, disclosures related to earnings per share are not applicable.



**Pratham Education Foundation**

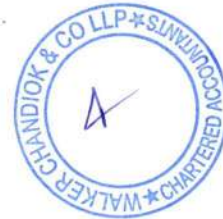
(A Private Company Limited by Guarantee under Section 8 of the Companies Act, 2013)

**Notes forming part of the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

28 Ratio	Numerator	Denominator	Unit	31 March 2023	31 March 2022	% Variance	Reason for Variance
(i) Current ratio	Current assets	Current liabilities	Times	1.09	4.50	-76%	Decrease is due to reduction in current assets and current liabilities which is in line with the decrease in donation received and increase in expenditure during the year.
(ii) Debt-equity ratio	Total debt	Shareholder's equity	Times	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(iii) Debt service coverage ratio	Earnings for debt service = Net profit after taxes + non-cash operating payments + principal repayments expenses	Debt service = Interest & lease payments	Times	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(iv) Return on equity ratio	Net Profits after taxes – preference dividend	Average shareholder's equity	%	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(v) Inventory turnover ratio	Cost of goods sold	Average inventory	Times	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(vi) Receivable turnover ratio	Grants or donations received	Average receivable	Times	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(vii) Trade payables turnover ratio	Other Expenses + Expenses on programme initiatives	Average trade payables	Times	32.97	25.94	27%	The Increase in ratio is majorly on the account of increase in operations resulting in increase in the increase of expenses.
(viii) Net capital turnover ratio	Grants or donations received	Average working capital	Times	6.06	0.88	589%	Increase is due to increase in total expenditure done during the year as the same has been increased by INR
(ix) Net profit ratio	Surplus	Grants or donations received	%	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(x) Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	%	N.A.	N.A.	N.A.	N.A. as per the business of the Company
(xi) Return on investment	Interest (Finance Income)	Investment	%	N.A.	N.A.	N.A.	N.A. as per the business of the Company

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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 for the year ended 31 March 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**29 Other statutory informations**

- 29(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
- 29(b) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (the Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall
- (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 29(c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- 29(d) The Company does not have any transactions with companies struck off.
- 29(e) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- 29(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 29(g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 29(h) The Company has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- 29(i) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- 30 Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to the current year's presentation.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N5000013

*Jyoti Vaish*

**Jyoti Vaish**

Partner

Membership No.: 096521



Place: New Delhi

Date: 31 August 2023

For and on behalf of Board of Directors of

**Pratham Education Foundation**

*Banmali Agrawala*

**Banmali Agrawala**

Director

DIN: 00120029

Place: Gurugram

Date: 31 August 2023

*Vibha Paul Rishi*

**Vibha Paul Rishi**

Director

DIN: 05180796

Place: Gurugram

Date: 31 August 2023

