

INDEPENDENT AUDITORS' CERTIFICATE

REF: MB/103

We have audited the account of **Pratham Education Foundation** ("the Company") (FC Reg No. 083781058) having its registered office: C/o Reliance General Insurance Limited, 1203-06, Arcadia 195 NCPA Road, Nariman Point, Mumbai - 400021, Maharashtra, Corporate Identification Number U80101MH2002NPL136300 in the state of Maharashtra for the year ending 31st March 2016 and examined all relevant books and vouchers and certify that according to the audited account:

1. The brought forward foreign contribution (Bank Balances) at the beginning of the financial year April 1, 2015 was Rs. 270,154,726
2. Foreign contribution of Rs. 1,280,638,697 was received by the Company during the financial year 2015-16;
3. Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs. 10,030,204 (including sale of fixed assets amounting to Rs. 223,488) was received by the Company during the financial year 2015-16;
4. The balance of unutilised foreign contribution (Bank Balances) with the Company at the end of the financial year March 31, 2016 was Rs. 197,944,398
5. Certified that the Company has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011;
6. The information in this certificate and in the enclosed financial statements comprising of the Balance sheet, Income and Expenditure Account and Statement of Receipts and Payments is correct as checked by us.
7. The Company has utilized the foreign contribution received for the purpose it is registered under Foreign Contribution (Regulation) Act, 2010.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn. No 117366W/W-100018



Mohammed Bengali
Partner
Membership No. 10582

Mumbai
December 13, 2016

**Deloitte
Haskins & Sells LLP**

Notes to Auditor's Certificate on Foreign Contribution Regulation Act, 2010

1. This Certificate is issued in accordance with the terms of our engagement letter reference no.: MB/1822 dated February 1, 2016.

Management's Responsibility

2. The Company's Management is responsible for the compilation of the information referred in our certificate Ref - MB/103 dated December 13, 2016, maintenance of separate set of accounts and records, exclusively, for the foreign contributions received and utilized in terms of Foreign Contributions Regulation Act, 2010 (the "Act") and Rule 17 of the Foreign Contribution (Regulation) Amendment Rules, 2015 (the "Rules"), and preparation of these financial statements, based on the said set of accounts and records, are in accordance with the accounting principles generally accepted in India.
3. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. We have examined the books of account and other relevant records and documents maintained by the Company in the normal course of its business for the purpose of providing reasonable assurance on the particulars mentioned in the certificate.
5. This certificate is based on our examination the financial statements attached to this certificate and other relevant records and information considered necessary for the purposes of issuing this certificate and the information and explanations given to us by the Company.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

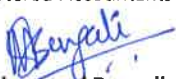


8. This certificate has been issued at the request of the Company for submission to Secretary to the Government of India, Ministry of Home Affairs and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Mumbai
December 13, 2016

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn. No 117366W/ W-100018

Mohammed Bengali
Partner
Membership No. 105828






PRATHAM EDUCATION FOUNDATION
BALANCE SHEET (FOREIGN CONTRIBUTION) AS AT MARCH 31, 2016

Particulars	Note No.	Amount as at March 31, 2016 Amount in INR
EQUITY AND LIABILITIES		
Sources of funds		
(a) Reserves and surplus	3	176,227,119
Current liabilities		
(a) Trade payables (includes amount due to micro and small enterprises Rs. NIL (P.Y. Rs. NIL)	4	45,021,940
(b) Other current liabilities	5	215,333,880
(C) Short-term provisions	6	4,537,746
		441,120,685
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	7	177,466,125
(ii) Intangible assets	7	-
(iii) Capital work-in-progress		23,803,750
(b) Long-term loans and advances	8	24,863,766
Current assets		
(a) Cash and bank balances	9	197,944,398
(b) Short-term loans and advances	10	15,600,248
(c) Other current assets	11	1,442,398
		441,120,685
See accompanying notes forming part of the financial statements		1-15
In terms of our certificate ref MB/103 dated December 13, 2016 attached.		
For Deloitte Haskins & Sells LLP Chartered Accountants  Mohammed Bengali Partner		For and on behalf of the Board of Directors   Rukmini Banerji Madhav Chavan Director Director
Place : Mumbai Date : December 13, 2016	Place : Mumbai Date : December 13, 2016	









PRATHAM EDUCATION FOUNDATION

INCOME AND EXPENDITURE ACCOUNT (FOREIGN CONTRIBUTION) FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	For the year ended March 31, 2016 Amount in INR
Donation and others	12	1,324,769,328
Other income	13	11,063,720
Total revenue		1,335,833,048
Expenses		
(a) Donation made		163,591,874
(b) Professional Fees		187,234,326
(c) Teaching learning Material		104,634,036
(d) Training Expenses		111,971,565
(e) Rent		70,020,197
(f) Employee Benefit Expenses	14	483,571,904
(g) Other Expenses	15	231,400,496
(h) Depreciation and amortisation expense	7	50,521,776
Total expenses		1,402,946,174
Excess of Income over Expenditure before/after tax		(67,113,126)
See accompanying notes forming part of the financial statements	1-15	
In terms of our certificate ref MB/103 dated December 13, 2016 attached.		
For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors	
Chartered Accountants		
		
Mohammed Bengali	Director	Director
Partner		
		
Place : Mumbai	Place : Mumbai	
Date : December 13, 2016	Date : December 13, 2016	

PRATHAM EDUCATION FOUNDATION

RECEIPT AND PAYMENT ACCOUNT(FOREIGN CONTRIBUTION)FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016 Amount in INR
RECEIPTS	
Donations Received	1,280,638,697
Interest and Other Income Received	9,806,716
Loan & Advances	222,876
Sales Consideration on Fixed Assets	223,488
TOTAL (A)	1,290,891,777
PAYMENTS	
Donations made during the year	163,591,873
Expenditure on the object educational and Administrative Expenses	1,097,024,164
Purchase of Fixed Assets	102,486,068
TOTAL (B)	1,363,102,105
TOTAL (A) - (B)	(72,210,328)
Cash and Bank Balances as at 31 March 2015	270,154,726
Cash and Bank Balances as at 31 March 2016	197,944,398
In terms of our certificate ref MB/103 dated December 13, 2016 attached.	
For Deloitte Haskins & Sells LLP Chartered Accountants  Mohammed Bengali Partner	For and on behalf of the Board of Directors   Director  Director
	
Place : Mumbai Date : December 13, 2016	Place : Mumbai Date : December 13, 2016

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. 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. The financial statements have been prepared on accrual basis under the historical cost convention. The Accounting policies adopted in the preparation of the financial statements are in consistent with those followed in the previous year.

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.



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-imbusement 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.



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.

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.



For Pratham Education Foundation

Rubemini Banerji Madhan Charan

**Director
Place:**

Director



Date: December 13, 2016

Pratham Education Foundation - FC
Notes forming part of the financial statements

Note 3 Reserve and Surplus

Particulars	Amount as at March 31, 2016 Amount in INR
(a) General Reserve	
Balance at beginning of the year	243,340,245
Add: Excess of Income or Expenses as per Income and Expenditure Account	(67,113,126)
Less: Appropriations	
Special Assistance Fund	-
Total	176,227,119

Note 4 Trade payables

Trade payables consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
Creditors for Expenses	45,021,940
Total	45,021,940

Note 5 Other Current Liabilities

Other Current Liabilities consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
Statutory Remittance	72,882,851
Unutilised amount from Earmarked Funds received (Refer Note below)	140,344,777
Deferred Income	378,435
Capital Creditors	1,727,817
Other Payables	-
Total	215,333,880

Note: The amount unutilised from Earmarked Funds represent amount received from various donor and sponsors for specific projects under taken/ to be undertaken by the company which have remained unutilized as at the Balance Sheet date.



Note 6 Short-term provisions

Short-term provisions consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
Provision for Employee Benefit Gratuity	4,537,746
Total	4,537,746



Pratham Education Foundation - FC
Notes forming part of the financial statements

Note 7
Fixed Assets

Particulars	Gross Block (at Cost)				Depreciation				Net Block As on March 31, 2016
	Opening Balance as on April 1, 2015	Additions during the year	Deletion during the year	Closing balance as on March 31, 2016	Opening Balance as on April 1, 2015	Additions during the year	Deletion during the year	Closing balance as on March 31, 2016	
Tangible Assets									
Computers	53,188,217	54,232,729	-	107,420,946	32,539,024	23,267,121	-	55,806,145	51,614,801
Office Equipments	46,488,128	15,832,875	-	62,321,003	30,456,742	13,737,249	-	44,193,991	18,127,012
Furnitures & Fixtures	24,563,404	12,926,416	-	37,489,820	16,361,116	9,121,869	-	25,482,985	12,006,835
Vehicle	8,731,747	3,610,870	223,488	12,119,129	1,852,198	1,957,185	-	3,809,383	8,309,746
Land	55,530,139	-	-	55,530,139	-	-	-	-	55,530,139
Leasehold Improvement	14,975,368	-	-	14,975,368	1,109,286	600,656	-	1,709,942	13,265,426
Buildings	16,294,909	4,734,605	-	21,029,514	671,170	1,746,178	-	2,417,348	18,612,166
TOTAL Tangible	219,771,912	91,337,495	223,488	310,885,919	82,989,536	50,430,258	-	133,419,794	177,466,125
Intangible Assets									
Computer Software	635,544	-	-	635,544	544,026	91,518	-	635,544	-
TOTAL Intangible	635,544	-	-	635,544	544,026	91,518	-	635,544	-
Total	220,407,456	91,337,495	223,488	311,521,463	83,533,562	50,521,776	-	134,055,338	177,466,125



Pratham Education Foundation - FC
Notes forming part of the financial statements

Note 8 Long-term loans and advances

Long-term loans and advances consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
(a) Security deposits, unsecured, considered good	17,698,948
(b) Capital Advance	6,289,930
(c) Advance Income Tax (TDS Recoverable)	874,888
Total	24,863,766

Note 9 Cash and Bank Balances

Cash and Bank Balance consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
Cash and Bank Balance:	
(a) Cash on hand	-
(b) Balances with banks	
(i) In Saving accounts	127,162,398
(ii) Call and Short Term Maturities	-
Other Balances with Banks:	
(a) Call and Short Term Deposit Accounts	70,782,000
Total	197,944,398

Note 10 Short-term loans and advances

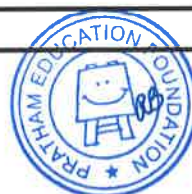
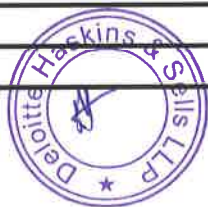
Short - term loans and advances consist of the following unsecured loans and advances considered good.

Particulars	Amount as at March 31, 2016 Amount in INR
(a) Loans and advances to related parties	1,434,696
(b) Loans and Advances to Others	10,546,463
(c) Prepaid expenses	3,619,089
Total	15,600,248

Note 11 Other Current Assets

Other Current Assets consists of the following:

Particulars	Amount as at March 31, 2016 Amount in INR
(a) Interest accrued on fixed deposit	1,442,398
Total	1,442,398



Pratham Education Foundation - FC
Notes forming part of the financial statements

Note 12 Donation & Others

Particulars	For the year ended March 31, 2016 Amount in INR
Donation Received	1,324,769,328
Total	1,324,769,328

Note 13 Other income

Other income consists of the following:

Particulars	For the year ended March 31, 2016 Amount in INR
(a) Interest from banks on:	
Fixed Deposits	8,004,629
Saving Accounts	3,018,135
(b) Miscellaneous Income	40,956
Total	11,063,720

Note 14 Employee Benefit Expense

Employee Benefit Expense consists of the following:

Particulars	For the year ended March 31, 2016 Amount in INR
Salaries	421,548,445
Contributions to provident fund	60,040,827
Gratuity expense	1,982,632
Total	483,571,904

Note 15 Other Expenses

Other Expenses consists of the following:

Particulars	For the year ended March 31, 2016 Amount in INR
Repair & Maintenance	27,692,590
Communication	18,685,810
Travel & Conveyance	131,816,784
Audit Fees (inclusive of service tax)	1,985,321
Electricity Charges	8,306,694
Insurance Charges	858,583
Printing & Stationery	10,013,972
Software & Computer consumables	4,527,470
Miscellaneous Expenses	27,513,272
Total	231,400,496

