

INDEPENDENT AUDITORS' CERTIFICATE

REF: MB/212

We have audited the account of **Pratham Education Foundation** ("the Company") (FC Reg No. 083781058) having its registered office: 4th floor, Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021, Maharashtra, Corporate Identification Number (CIN): U80101MH2002NPL136300 in the state of Maharashtra for the year ending March 31, 2017 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, 2016 was Rs. 197,944,398;
2. Foreign contribution of Rs. 1,448,832,001 was received by the Company during the financial year 2016-17;
3. Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs. 5,804,151 was received by the Company during the financial year 2016-17;
4. The balance of unutilised foreign contribution (Bank Balances) with the Company at the end of the financial year March 31, 2017 was Rs. 140,823,199
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.

This certificate is to be read along with the notes in Appendix 1.

Mumbai
October 30, 2017

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



Mohammed Bengali
Partner
Membership No. 105828

Deloitte Haskins & Sells LLP

Appendix 1 to the 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/129 dated March 1, 2017.

Management's Responsibility

2. The Company's Management is responsible for the compilation of the information referred in our certificate Ref - MB/212 dated October 30, 2017, 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.






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



Mohammed Bengali
Partner
Membership No. 105828

Mumbai
October 30, 2017

Pratham Education Foundation
BALANCE SHEET (FOREIGN CONTRIBUTION) AS AT MARCH 31, 2017

Particulars	Note No.	Amount as at March 31, 2017 Amount in INR
EQUITY AND LIABILITIES		
Sources of funds		
(a) Reserves and surplus	3	268,009,501
Current liabilities		
(a) Trade payables (includes amount due to micro and small enterprises Rs. NIL (P.Y. Rs. NIL)	4	27,497,834
(b) Other current liabilities	5	127,177,903
(C) Short-term provisions	6	9,345,124
TOTAL		432,030,362
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	7	213,325,489
(ii) Intangible assets	7	-
(iii) Capital work-in-progress		28,443,743
(b) Long-term loans and advances	8	25,810,761
Current assets		
(a) Cash and bank balances	9	140,823,199
(b) Short-term loans and advances	10	19,048,238
(c) Other current assets	11	4,578,932
TOTAL		432,030,362
See accompanying notes forming part of the financial		1-14
In terms of our certificate ref MB/212 dated October 30, 2017 attached.		
For Deloitte Haskins & Sells LLP		For and on behalf of the Board of Directors
Chartered Accountants		
 Mohammed Bengali Partner		 Rukmini Banerji Director
		 Madhavan Chavan Director
Place : Mumbai Date : October 30, 2017		Place : Mumbai Date : October 30, 2017

Pratham Education Foundation
 INCOME AND EXPENDITURE ACCOUNT (FOREIGN CONTRIBUTION) FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 Amount in INR
Donation Income	12	1,522,347,824
Other income		9,187,854
Total revenue		1,531,535,678
Expenses		
(a) Donation made		123,817,643
(b) Professional Fees		124,392,370
(c) Teaching learning Material		84,819,565
(d) Training Expenses		118,224,267
(e) Rent		69,337,595
(f) Employee Benefit Expenses	13	599,297,510
(g) Other Expenses	14	251,373,060
(h) Depreciation and amortisation expense	7	68,491,286
Total expenses		1,439,753,296
Excess of Income over Expenditure before/after tax		91,782,382

See accompanying notes forming part of the financial statements

1-14

In terms of our certificate ref MB/212 dated October 30, 2017 attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Mohammed Bengali

Mohammed Bengali
Partner



Place : Mumbai
Date : October 30, 2017

For and on behalf of the Board of Directors

Rukmini Banerji
Director

Medha Chavan
Director

Director



Place : Mumbai
Date : October 30, 2017

Pratham Education Foundation

RECEIPT AND PAYMENT ACCOUNT (FOREIGN CONTRIBUTION) FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended March 31, 2017 Amount in INR
RECEIPTS	
Donations Received	1,448,832,001
Interest received (net of TDS)	5,804,151
Total (A)	1,454,636,152
PAYMENTS	
Expenditure on the object educational and Administrative Expenses	1,398,695,620
Purchase of Fixed Assets	108,990,643
Payment of Loans and Advances	4,004,220
Payment of security deposit	66,868
Total (B)	1,511,757,351
Total (A) - (B)	(57,121,199)
Cash and Bank Balance as at March 31, 2016	197,944,398
Cash and Bank Balance as at March 31, 2017	140,823,199

In terms of our certificate ref MB/212 dated October 30, 2017 attached.

For **Deloitte Haskins & Sells LLP**

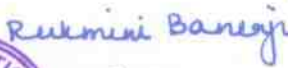
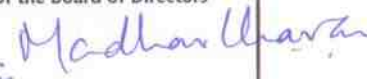
Chartered Accountants


Mohammed Bengali
 Partner

Place : Mumbai
 Date : October 30, 2017



For and on behalf of the Board of Directors

Director

Director

Place : Mumbai

Date : October 30, 2017

**Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements**

1. Corporate Background:

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

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

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

2. Significant Accounting Policies:

a. Basis of accounting and preparation of financial statements:

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



Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements

*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 Income and expenditure account.



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Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements

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 Income and expenditure account in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

i. Lease Accounting:

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

j. Income Tax:

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

k. Operating Cycle

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



Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements

Note 3 Reserve and Surplus

Particulars	Amount as at March 31, 2017 Amount in INR
(a) General Reserve	
Balance at beginning of the year	176,227,119
Add: Excess of Income over Expenses as per Income and Expenditure Account	91,782,382
Total	268,009,501

Note 4 Trade payables

Trade payables consists of the following:

Particulars	Amount as at March 31, 2017 Amount in INR
Creditors for Expenses	27,497,834
Total	27,497,834

Note 5 Other Current Liabilities

Other Current Liabilities consists of the following:

Particulars	Amount as at March 31, 2017 Amount in INR
Statutory Remittance	54,360,846
Unutilised amount from Earmarked Funds received (Refer Note below)	39,198,643
Deferred Income	28,008,746
Capital Creditors	5,609,668
Total	127,177,903

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, 2017 Amount in INR
Provision for Employee Benefit Gratuity	9,345,124
Total	9,345,124



Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements

Note 7
Fixed Assets

Particulars	Gross Block (at Cost)					Depreciation			Amount in INR Net Block	
	Opening Balance as on April 1, 2016	Additions during the year	Deletion during the year	Closing balance as on March 31, 2017	Opening Balance as on April 1, 2016	Depreciation for the year	Deletion during the year	Closing balance as on March 31, 2017	As on March 31, 2017	
Tangible Assets										
Computers	107,420,946	53,657,003	-	161,077,949	55,806,145	47,226,428	-	103,032,573	58,045,376	
Office Equipments	63,321,003	18,383,432	-	80,704,435	44,193,991	9,380,360	-	53,574,351	27,130,084	
Furnitures & Fixtures	37,489,820	8,013,227	-	45,503,047	25,482,985	6,423,767	-	31,906,752	13,596,295	
Vehicle	12,119,129	1,788,223	-	13,907,352	3,809,383	2,644,238	-	6,453,621	7,453,731	
Land	55,530,139	5,471,620	-	61,001,759	-	-	-	61,001,759	61,001,759	
Leasehold Improvement	14,975,368	-	-	14,975,368	1,709,942	599,015	-	2,308,957	12,666,411	
Buildings	21,029,514	17,037,145	-	38,066,659	2,417,348	2,217,478	-	4,634,826	33,431,833	
TOTAL Tangible	310,885,919	104,350,650	-	415,236,569	133,419,794	68,491,286	-	201,911,080	213,325,489	
Intangible Assets										
Computer Software	635,544	-	-	635,544	635,544	-	-	635,544	-	
TOTAL Intangible	635,544	-	-	635,544	635,544	-	-	635,544	-	
Total	311,521,463	104,350,650	-	415,872,113	134,055,338	68,491,286	-	202,546,624	213,325,489	



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Pratham Education Foundation (Foreign Contribution)
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, 2017 Amount in INR
(a) Security deposits, unsecured, considered good	17,765,816
(b) Capital Advance	6,922,888
(c) Advance Income Tax (TDS Recoverable)	1,122,057
Total	25,810,761

Note 9 Cash and Bank Balances

Cash and Bank Balance consists of the following:

Particulars	Amount as at March 31, 2017 Amount in INR
Cash and Bank Balance	
(a) Cash on hand	-
(b) Balances with banks	
(i) In Saving accounts	61,884,761
Other Balances with Banks:	
(a) Call and Short Term Deposit Accounts Original maturity of more than 3 months and less than 12 months from the balance sheet date	67,212,739
(b) Balance held as margin money or security against guarantee (refer Note below)	11,725,699
Total	140,823,199

Note :- Balance with banks includes deposits with remaining maturity of more than 12 months from the balance sheet date aggregating Rs. 7,839,116.

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, 2017 Amount in INR
(a) Loans and Advances to Others	16,788,412
(b) Prepaid expenses	2,259,826
Total	19,048,238

Note 11 Other Current Assets

Other Current Assets consists of the following:

Particulars	Amount as at March 31, 2017 Amount in INR
(a) Interest accrued on fixed deposit	4,578,932
Total	4,578,932



Pratham Education Foundation (Foreign Contribution)
Notes forming part of the financial statements

Note 12 Other income

Other income consists of the following:

Particulars	For the year ended March 31, 2017 Amount in INR
(a) Interest from banks on:	
Fixed Deposits	7,244,888
Saving Accounts	1,942,966
Total	9,187,854

Note 13 Employee Benefit Expense

Employee Benefit Expense consists of the following:

Particulars	For the year ended March 31, 2017 Amount in INR
Salaries	558,483,066
Contributions to provident fund	35,123,823
Gratuity expense	5,690,621
Total	599,297,510

Note 14 Other Expenses

Other Expenses consists of the following:

Particulars	For the year ended March 31, 2017 Amount in INR
Repair & Maintenance	32,062,227
Communication	22,322,730
Travel & Conveyance	129,757,313
Audit Fees (inclusive of Indirect Tax)	2,301,000
Electricity Charges	7,091,426
Insurance Charges	704,504
Printing & Stationery	9,653,494
Software & Computer consumables	20,209,672
Miscellaneous Expenses	27,270,694
Total	251,373,060

For and on behalf of the Board of Directors

Madhwalbharan

Rukmini Banerji

Director

Director

Place : Mumbai

Date : October 30, 2017

