

**Pratham Delhi Education Initiative  
Audited Financial Statements  
31 March, 2016**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PRATHAM DELHI EDUCATION INITIATIVE**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PRATHAM DELHI EDUCATION INITIATIVE** ("the Trust"), which comprise the Balance Sheet as at 31 March, 2016 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Trust's Management is responsible for the preparation of these financial statements in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Trust dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31 March, 2016; and
- (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date.



For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**  
Partner

(Membership No. 93474)

Gurgaon 24 September, 2016

**PRATHAM DELHI EDUCATION INITIATIVE  
BALANCE SHEET AS AT 31 MARCH, 2016**

Particulars	Schedule Ref.	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
<b>Sources of funds</b>			
Corpus fund	1	1,584,300	1,543,300
<b>Reserves and surplus</b>			
Specific fund	2	-	-
Restricted fund		9,041,525	7,494,662
Unrestricted fund		4,629,572	4,020,732
		<b>15,255,397</b>	<b>13,058,694</b>
<b>Application of funds</b>			
<b>Fixed assets</b>			
Gross block	3	1,712,633	1,193,812
Less: Accumulated depreciation		1,145,517	982,129
Net block		567,116	211,683
<b>Current assets, loans and advances</b>			
Cash and bank balances	4	12,509,338	12,269,795
Loans and advances	5	2,889,387	1,026,204
		15,398,725	13,295,999
<b>Less: Current liabilities and provisions</b>	6	710,444	448,988
<b>Net current assets</b>		<b>14,688,281</b>	<b>12,847,011</b>
		<b>15,255,397</b>	<b>13,058,694</b>

**Schedules forming part of the financial statements** 1 to 21

The Schedules referred to above form an integral part of the balance sheet

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**Alka Chadha**  
Partner

Place: Gurgaon  
Date: 24 September, 2016



For and on behalf of  
**PRATHAM DELHI EDUCATION INITIATIVE**

  
**Neerja Sharma**  
Managing Trustee

Place : New Delhi  
Date : 24 September, 2016

  
**Vinod C Khanna**  
Trustee

Place : New Delhi  
Date : 24 September, 2016

  
**Shailendra Sharma**  
Executive Director

Place : New Delhi  
Date : 24 September, 2016

  
**Vijay Kumar**  
Chief Accountant

Place : New Delhi  
Date : 24 September, 2016



**PRATHAM DELHI EDUCATION INITIATIVE  
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2016**

Schedule Ref.	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund	Unrestricted fund	Restricted fund	Unrestricted fund	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>Income</b>					
Donations/Grants received	96,824	19,752,029	414,947	16,764,089	17,179,036
Revenue grants recognised in the Income and Expenditure account	23,764,543	23,764,543	14,128,124	-	14,128,124
Less: Transferred to Specific funds	96,824	96,824	414,947	-	414,947
Other Income	-	370,420	-	296,192	712,392
<b>Total income</b>	<b>24,124,099</b>	<b>20,025,625</b>	<b>14,424,316</b>	<b>17,180,289</b>	<b>31,604,605</b>

Schedule Ref.	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund	Unrestricted fund	Restricted fund	Unrestricted fund	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>Expenditure</b>					
Balwadi programme	6,784,375	6,784,375	4,866,000	-	4,866,000
Anganwadi programme	-	2,337,500	-	1,681,500	1,681,500
Balwadhan programme	-	1,248,000	-	1,052,000	1,052,000
Content Classes	28,600	1,853,700	380,000	1,540,000	2,084,000
HUB project	64,250	892,978	27,000	1,481,856	1,866,573
Library project	-	576,178	48,000	3,487,091	3,830,555
Science programmes	-	-	4,514	27,500	32,014
School Management Committees programmes	2,426	2,696,695	2,814,063	-	2,814,063
Training and monitoring	1,228	4,264,581	5,568	1,891,510	4,292,712
Programme support expenses	-	1,685,331	14,686	1,018,004	3,680,018
Administration expenses	320	2,483,508	711	2,180,543	3,369,226
Teaching and learning material	-	2,810,936	-	744,389	2,121,038
Donation made	-	-	-	1,000,000	1,000,000
Depreciation for the year	-	75,817	-	164,866	257,492
<b>Total expenditure</b>	<b>96,824</b>	<b>24,124,099</b>	<b>480,479</b>	<b>18,042,396</b>	<b>32,947,191</b>

Less: Transferred to specific funds	96,824	96,824	480,479	-	480,479
Surplus / (Deficit)	-	608,840	-	(862,107)	(862,107)

**Schedules forming part of the financial statements** 1 to 21

The Schedules referred to above form an integral part of the Income and Expenditure Account

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

*Alka Chadha*  
**Alka Chadha**  
Partner

Place : Gurgaon  
Date : 24 September, 2016



For and on behalf of  
**PRATHAM DELHI EDUCATION INITIATIVE**

*Neerja Sharma*  
**Neerja Sharma**  
Managing Trustee

Place : New Delhi  
Date : 24 September, 2016



*Vinod C Khanna*  
**Vinod C Khanna**  
Trustee

Place : New Delhi  
Date : 24 September, 2016

*Shailendra Sharma*  
**Shailendra Sharma**  
Executive Director

Place : New Delhi  
Date : 24 September, 2016

*Vijay Kumar*  
**Vijay Kumar**  
Chief Accountant

Place : New Delhi  
Date : 24 September, 2016

**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>As at 31 March, 2016 (Rupees)</b>	<b>As at 31 March, 2015 (Rupees)</b>
<b>Schedule 1</b>		
<b>Corpus fund</b>		
Opening balance	1,543,300	1,533,300
Add: Additions during the year	41,000	10,000
	<b>1,584,300</b>	<b>1,543,300</b>
<b>Schedule 2</b>		
<b>Reserves and surplus</b>		
<b>Specific fund (See Note 3 of Schedule 21)</b>		
Opening balance	-	65,532
Add: Grants received during the year	96,824	414,947
Less: Transferred to unrestricted fund	-	-
Less: Funds utilised during the year	96,824	480,479
Closing balance	-	-
<b>Restricted fund (See Note 4 of Schedule 21)</b>		
Opening Balance	7,494,662	1,416,746
Add: Grants received during the year	23,543,529	20,206,040
Add: Grants receivable during the year	1,767,877	-
Less: Revenue grants recognised in the Income and Expenditure Account	23,764,543	14,128,124
Closing balance	<b>9,041,525</b>	<b>7,494,662</b>
<b>Unrestricted fund</b>		
Opening balance	4,020,732	4,882,839
Add: Surplus / (Deficit)	608,840	(862,107)
Add: Transferred from specific fund	-	-
Closing balance	<b>4,629,572</b>	<b>4,020,732</b>



*For*  
*Secretary*  
*Pratham Delhi Education Initiative*



**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**Schedule 3  
Fixed assets**

Particulars	Gross block				Accumulated depreciation			Net block	
	Balance as at 1 April, 2015 (Rupees)	Additions (Rupees)	Disposals (Rupees)	Balance as at 31 March, 2016 (Rupees)	Balance as at 1 April, 2015 (Rupees)	Depreciation for the year (Rupees)	Eliminated on disposal of assets (Rupees)	Balance as at 31 March, 2016 (Rupees)	Balance as at 31 March, 2015 (Rupees)
Office equipments (Previous year)	385,306 (239,178)	107,559 (146,128)	-	492,865 (385,306)	286,604 (132,878)	50,098 (153,726)	-	156,163 (98,702)	98,702
Computers (Previous year)	482,229 (415,279)	404,175 (66,950)	-	886,404 (482,229)	408,835 (366,053)	102,261 (42,782)	-	375,308 (73,394)	73,394
Furniture and fixtures (Previous year)	326,277 (244,487)	7,087 (81,790)	-	333,364 (326,277)	286,690 (225,706)	11,029 (60,984)	-	35,645 (39,587)	39,587
Vehicles (Previous year)	- (1,400)	-	-	-	(1,400)	-	(1,400)	-	-
<b>Total</b>	<b>1,193,812</b>	<b>518,821</b>	<b>-</b>	<b>1,712,633</b>	<b>982,129</b>	<b>163,388</b>	<b>-</b>	<b>1,145,517</b>	<b>567,116</b>
<b>(Previous year)</b>	<b>(900,344)</b>	<b>(294,868)</b>	<b>(1,400)</b>	<b>(1,193,812)</b>	<b>(726,037)</b>	<b>(257,492)</b>	<b>(1,400)</b>	<b>(982,129)</b>	<b>(211,683)</b>



*For*  *Suresh Kumar*

*for*  *Suresh Kumar*



**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
<b>Schedule 4</b>		
<b>Cash and bank balances</b>		
(a) Cash on hand	-	-
(b) Cheques on hand	-	6,000,000
(c) Balances with scheduled bank		
- Savings accounts*	4,928,511	862,311
- Fixed deposit account (Earmarked fixed deposit on account of Corpus funds)	7,580,827	5,407,484
	<b>12,509,338</b>	<b>12,269,795</b>

**Note:**

\* Rs. 4,928,511 (previous year Rs. Nil) lying in designated bank account for foreign contribution

**Schedule 5**  
**Loans and advances**

Unsecured, considered good		
(a) Advances recoverable in cash or in kind or for value to be received	132,090	259,694
(b) Grants receivable - Restricted fund	1,767,877	-
(c) Security deposits	288,400	280,900
(d) Interest accrued on fixed deposits	464,802	387,362
(e) Tax deducted at source recoverable	123,194	98,248
(f) Advance gratuity fund ( See note 5 to Schedule 21)	113,024	-
	<b>2,889,387</b>	<b>1,026,204</b>

**Schedule 6**  
**Current liabilities and provisions**

(a) Sundry creditors	389,411	355,228
(b) Other liabilities*	321,033	93,760
	<b>710,444</b>	<b>448,988</b>

**Note:**

\* Includes book overdraft of Rs. 315,044 (previous year Rs. 91,710)



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**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund (Rupees)	Restricted fund (Rupees)	Specific fund (Rupees)	Restricted fund (Rupees)	
<b>Schedule 7</b>					
<b>Other income</b>					
Interest income	-	359,556	-	296,192	535,898
Scrap sale	-	-	-	780	780
Liabilities no longer required written back	-	-	-	175,714	175,714
	-	<b>359,556</b>	-	<b>416,200</b>	<b>712,392</b>
<b>Schedule 8</b>					
<b>Balwadi programme</b>					
Honorarium	-	6,784,375	-	4,866,000	4,866,000
<b>Schedule 9</b>					
<b>Anganwadi programme</b>					
Honorarium	-	2,337,500	-	1,681,500	1,681,500
<b>Schedule 10</b>					
<b>Balwadhan programme</b>					
Honorarium	-	1,248,000	-	1,052,000	1,052,000
<b>Schedule 11</b>					
<b>Content Classes</b>					
Honorarium	28,600	1,853,700	380,000	164,000	2,084,000
<b>Schedule 12</b>					
<b>HUB project</b>					
Honorarium	-	-	27,000	-	27,000
Rent expenses	-	888,065	-	357,087	1,463,586
Teaching learning material	-	-	-	-	-
Setup cost	-	4,913	-	630	18,270
	-	<b>892,978</b>	<b>27,000</b>	<b>357,717</b>	<b>1,481,856</b>
					<b>1,866,573</b>
<b>Schedule 13</b>					
<b>Library project</b>					
Honorarium	63,250	405,375	48,000	280,000	1,952,075
Teaching material	1,000	1,70,803	-	6,937	848,734
Books	-	931,613	-	8,527	686,282
	<b>64,250</b>	<b>576,178</b>	<b>48,000</b>	<b>295,464</b>	<b>3,487,091</b>
					<b>3,830,555</b>

*AS*

*Shri Praveen Kumar*



*Praveen Kumar*

**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund (Rupees)	Unrestricted fund (Rupees)	Specific fund (Rupees)	Unrestricted fund (Rupees)	
<b>Schedule 14</b>					
<b>Science programmes</b>					
Honorarium	-	-	4,514	-	27,500
Teaching learning material	-	-	4,514	-	4,514
					<b>27,500</b>
					<b>32,014</b>

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund (Rupees)	Unrestricted fund (Rupees)	Specific fund (Rupees)	Unrestricted fund (Rupees)	
<b>Schedule 15</b>					
<b>School Management Committees programmes</b>					
Conveyance expenses	-	-	-	7,119	7,119
General expenses	6,600	-	-	39,342	39,342
Honorarium and consultancy	11,754	-	-	2,623,081	2,623,081
Printing and stationery	1,504,017	-	-	49,534	49,534
Refreshment	69,087	-	-	63,891	63,891
Rent	127,271	-	-	-	-
Teaching learning material	4,560	-	-	31,096	31,096
Salary	973,406	-	-	-	-
	<b>2,696,695</b>			<b>2,814,063</b>	<b>2,814,063</b>

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund (Rupees)	Unrestricted fund (Rupees)	Specific fund (Rupees)	Unrestricted fund (Rupees)	
<b>Schedule 16</b>					
<b>Training and monitoring</b>					
Honorarium and consultancy	-	834,147	-	1,828,349	2,277,447
Conveyance expenses	1,952,298	44,240	3,485	6,124	57,405
Printing and stationery	104,205	28,771	-	7,635	3,734
General expenses	2,034	4,956	50	1,265	1,614
Staff welfare	392	41,979	2,033	48,137	55,434
Salary	105,090	57,598	-	-	-
	2,016,838	784,820	-	-	-
Rent	15,400	-	-	-	-
	<b>2,426</b>	<b>1,726,811</b>	<b>5,568</b>	<b>1,891,510</b>	<b>2,395,634</b>
	<b>4,264,581</b>	<b>5,993,818</b>			<b>4,292,712</b>

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015		Total
	Specific fund (Rupees)	Unrestricted fund (Rupees)	Specific fund (Rupees)	Unrestricted fund (Rupees)	
<b>Schedule 17</b>					
<b>Programme support expenses</b>					
Honorarium and consultancy	-	1,753,100	8,989	526,940	1,998,829
Rent expenses	415,978	272,287	-	203,525	656,967
Conveyance expenses	406,480	99,378	-	14,275	101,834
Postage, telephone and communication	41,745	10,157	-	17,356	30,785
Water and electricity	28,273	86,264	1,370	30,745	119,884
Printing and stationery	51,519	34,102	-	8,099	89,566
Repairs and maintenance expenses - others	34,102	110,377	-	9,033	43,307
Brokerage Charges	16,784	-	-	9,000	9,000
Computer expenses	-	16,800	-	12,900	31,380
Staff welfare	1,228	114,746	1,697	98,421	308,238
General expenses	124,184	193,558	2,630	91,637	290,228
Salary	451,520	384,592	-	-	-
	<b>1,228</b>	<b>1,685,331</b>	<b>14,686</b>	<b>1,018,004</b>	<b>2,647,328</b>
	<b>3,263,801</b>	<b>4,950,360</b>			<b>3,680,018</b>



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**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	For the year ended 31 March, 2016			For the year ended 31 March, 2015			
	Specific fund (Rupees)	Restricted fund (Rupees)	Unrestricted fund (Rupees)	Specific fund (Rupees)	Restricted fund (Rupees)	Unrestricted fund (Rupees)	Total (Rupees)
<b>Schedule 18</b>							
<b>Administration expenses</b>							
Salaries and allowances	-	1,043,267	380,307	-	520,000	651,680	1,171,680
Staff welfare	-	49,870	221,534	-	88,896	-	88,896
Conveyance expenses	-	29,036	25,920	-	5,074	32,013	37,087
General expenses	-	85,832	37,038	-	80,146	54,846	134,992
Rent expenses	-	735,348	263,940	-	1,003,398	-	1,003,398
Postage and telephone	-	102,587	95,972	-	49,012	66,820	115,832
Water and electricity expenses	-	16,310	10,010	-	6,055	22,190	28,245
Printing and stationery	-	35,170	47,808	-	90,268	-	90,268
Professional and consultancy charges	-	307,110	344,975	-	288,953	313,500	602,453
Repairs and maintenance expenses - Others	-	31,278	96,797	-	23,371	25,664	49,035
Computer expenses	-	47,700	24,916	-	25,370	21,970	47,340
	-	<b>2,493,508</b>	<b>1,549,217</b>	-	<b>2,180,543</b>	<b>1,189,683</b>	<b>3,369,226</b>
<b>Schedule 19</b>							
<b>Teaching and learning material</b>							
Teaching and learning material	320	2,810,936	878,236	711	744,389	1,375,938	2,121,038
<b>Schedule 20</b>							
<b>Donation made</b>							
Donation made	-	-	-	-	-	1,000,000	1,000,000



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**Schedule 21 – Significant accounting policies and notes to accounts**

**1. Background**

PRATHAM DELHI EDUCATION INITIATIVE ('the Trust') was registered as a trust on 1 September, 2003. The Trust has been granted an exemption under Section 12A of the Income Tax Act, 1961, vide letter no. DIT(E)/2000-2001/P-633/2000/297 dated 28 August, 2000. The exemption has been granted with effect from 22 April, 2000. The Trust has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of social nature with registration no. 231660141 vide letter no. II/21022/83(33)/2001 – FCRA, III dated 21 June, 2001.

The main object of the Trust is to work towards the universalisation of good education primarily in the National Capital Region and adjacent areas for all children at least up to the age of fourteen.

**2. Significant accounting policies**

**a. Basis of preparation of financial statements**

The financial statements of the Trust have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles ("GAAP") in India, as applicable.

**b. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

**c. Fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenditure related to acquisition and installation.

**d. Depreciation**

Depreciation on all fixed assets is provided using the straight line method as per the estimated useful life of the assets which coincides with the rates prescribed by the Income Tax Act, 1961.

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of Purchase.

**e. Recognition of grants and donations**

**Corpus fund**

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



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Specific funds**

Specific purpose grants are received for projects funded by donors and are accounted for based on receipt as a separate fund. The expenses against such grants are charged to the fund and the unspent balance of the grant is carried forward.

**Restricted funds**

The Trust receives funds which are restricted in nature from foreign and domestic sources. Revenue from the restricted fund is recognised during the year in the Income and Expenditure Account to match the related expenditure. The balance amount is carried forward in the restricted fund for use in future periods.

**Unrestricted funds**

The Trust also receives general funds which are unrestricted in nature from foreign and domestic sources. The excess of income over expenditure during the year, being general purpose in nature is carried forward for use in future periods.

**f. Interest income**

Interest income is recognised on time proportionate basis.

**g. Foreign currency transactions**

Transactions in foreign exchange are recorded at the exchange rate prevailing on the date of the transaction.

**h. Employee benefits**

The provisions of the Payment of Gratuity Act, 1972 and provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 became applicable to the Trust during the year. Accordingly, employee benefits include provident fund and gratuity.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as and when it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, 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 amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end.



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

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**i. Expenditure**

The Trust implements its programmes for children's education through projects conducted by itself or by other local non-governmental organisations to which it disburses grants. The other organisations are also registered under the Foreign Contribution (Regulation) Act, 1976 in compliance with the said Act. Accordingly, expenditure incurred by the Trust during the year includes grants disbursed to other local agencies.

Teaching and learning material purchased is charged to the Income and Expenditure Account in the year of purchase.

**j. Leases**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

**Finance Lease**

Leases under which the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and interest component is charged to Income and Expenditure Account.

**k. Provisions and contingencies**

A provision is recognised when the Trust has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



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**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

3. The fund movement of the Specific fund is given below:

Donor name	Opening balance as at 1 April, 2015 (Rupees)	Transferred/ Adjusted during the year (Rupees)	Funds received / receivable (Rupees)	Funds Utilised during the year (Rupees)	Closing balance as at 31 March, 2016 (Rupees)
Charities Aid Foundation India	-	-	96,824	(96,824)	-
	65,532	-	414,947	(480,479)	-
<b>Total</b>	<b>65,532</b>	<b>-</b>	<b>96,824</b>	<b>(96,824)</b>	<b>-</b>
			<b>414,947</b>	<b>(480,479)</b>	<b>-</b>

Figures in italics represent previous year figures



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*Subin*

*Prithvi*  
*Prathama*



**PRATHAM DELHI EDUCATION INITIATIVE  
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

4. The fund movement of the Restricted fund at year end is given below:

Donor name	Opening balance as at 1 April, 2015 (Rupees)	Transferred/ Adjusted during the year (Rupees)	Funds received during the year (Rupees)	Funds utilised during the year (Rupees)	Closing balance as at 31 March, 2016 (Rupees)
Central Square Foundation	163,307	-	-	(163,307)	-
	237,947	(74,627)	1,220,000	(1,220,013)	163,307
Social Initiative	-	-	-	-	-
	235,177	(9,057)	-	(226,120)	-
Jameel Poverty Action Lab South Asia (J-Pal SA)	785,970	(373,787)	7,999,722	(10,179,784)	(1,767,879)
	(1,282,369)	-	6,265,345	(4,197,006)	785,970
HT Foundation For Change	(1,411,591)	6,000,000	5,000,000	(9,588,409)	-
	-	(49,678)	5,000,000	(6,361,913)	(1,411,591)
Charities Aid Foundation America	-	-	105,219	(105,219)	-
	6,563	-	282,489	(289,052)	-
Echoing Green Foundation	672,989	(11,150)	2,895,638	(3,208,613)	348,864
	-	-	2,710,575	(2,037,586)	672,989
Vso International	-	-	802,950	(802,950)	-
Inditex Trent Retail India	-	-	6,730,000	-	6,730,000
Donation Form Individuals (Ajay Krishna Uppal)	10,000	-	10,000	-	20,000
	-	-	10,000	-	10,000
<b>Total</b>	<b>220,675</b>	<b>5,615,063</b>	<b>23,543,529</b>	<b>(24,048,280)</b>	<b>5,330,987</b>
	<b>(802,682)</b>	<b>(133,362)</b>	<b>15,488,409</b>	<b>(14,331,690)</b>	<b>220,675</b>
Add: Interest Income	1,233,251	-	-	359,556	1,592,807
	937,059	-	-	296,192	1,233,251
Add: Grant receivable during the year	6,000,000	(6,000,000)	1,767,877	-	1,767,877
	1,282,369	6,000,000	(1,282,369)	-	6,000,000
Add: Capital Assets Fund	40,736	384,937	-	(75,817)	349,856
	-	133,362	-	(92,626)	40,736
<b>Total</b>	<b>7,494,662</b>	<b>6,000,000</b>	<b>25,311,406</b>	<b>(23,764,543)</b>	<b>9,041,525</b>
	<b>1,416,746</b>	<b>6,000,000</b>	<b>14,206,040</b>	<b>(14,128,124)</b>	<b>7,494,662</b>

Figures in italics represent previous year figures



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**5. Employee Benefits**

**a. Defined contribution plan**

The Trust makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Trust contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the Scheme, the Trust is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Trust recognised Rs. 425,949 (previous year Rs. Nil) for provident fund contribution in the Income and Expenditure. The contribution payable to the plan by the trust is at the rate specified in the rules to the scheme.

**b. Defined benefit plan (Gratuity Plan)**

The present value of defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Income and Expenditure Account as income or expense.

The following tables set out the funded status of the gratuity plan and amounts recognised in the trust's financial statements as at 31 March, 2016.

**i. Change in benefit obligations**

Particulars	(Amount in Rupees)	
	As at 31 March, 2016	As at 31 March, 2015 (See note 1)
Present value of obligation at the beginning of the period	-	-
Current service cost	133,175	-
Interest cost	-	-
Actuarial (gain)/loss on obligation	-	-
<b>Present value of obligation as at the end of the year</b>	<b>133,175</b>	<b>-</b>



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**ii. Change in fair value of plan assets**

Particulars	(Amount in Rupees)	
	As at 31 March, 2016	As at 31 March, 2015 (See note 1)
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	251,479	-
Fund management charges LIC	(6,778)	-
Benefits paid	-	-
Actuarial gain/(loss) on obligation	1,498	-
<b>Fair value of plan assets as at the end of the year</b>	<b>246,199</b>	<b>-</b>

**iii. Excess / (Deficit) of plan assets over obligation (net)**

Particulars	(Amount in Rupees)	
	As at 31 March, 2016	As at 31 March, 2015 (See note 1)
Fair value of plan assets at the end of the year	246,199	-
Present value of obligation as at the end of the year	(133,175)	-
<b>Excess / (Deficit) of plan assets over obligation (net)</b>	<b>113,024</b>	<b>-</b>

**iv. Expense recognised in the Income and Expenditure Account**

Particulars	(Amount in Rupees)	
	Year ended 31 March, 2016	Year ended 31 March, 2015 (See note 1)
Current service cost	133,175	-
Interest cost	-	-
Net actuarial (gain)/loss recognised in the year	(1,498)	-
<b>Expenses recognised in the Income and Expenditure Account</b>	<b>131,677</b>	<b>-</b>



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**v. Composition of the plan assets is as follows :**

Category of assets	(Amount in Rupees)	
	As at 31 March, 2016	As at 31 March, 2015 (See note 1)
Funds managed by insurer- Life Insurance Corporation of India (Amount in Rupees)	246,199	-
In percentage	100%	-

**vi. Principal actuarial assumptions**

**a) Economic assumptions**

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015 (See note 1)
Discount rate (See note 2)	8.00%	-
Future salary increase (See note 3)	7.00%	-
Expected rate of return on plan assets	-	-

**b) Demographic assumptions**

i) Retirement age (Years)	60	-
ii) Mortality table	IALM (2006- 08)	IALM(2006- 08)
iii) Ages	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
Up to 30 years	5.00	-
From 31 to 44 years	3.00	-
Above 44 years	2.00	-

**vii. Experience adjustments**

Particulars	(Amount in Rupees)	
	Year ended 31 March, 2016	Year ended 31 March, 2015
On plan liability (gain)/loss	-	-
On plan asset (loss) / gain	1,498	-

viii. The Company expects to contribute Rs. 314,450 to defined benefit plans for the year ended 31 March, 2017.

**Notes:**

- The provisions of Payment of Gratuity Act, 1972 were not applicable to the Trust during the previous year, hence no provision was made for gratuity expense as on 31 March, 2015.
- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.



**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

6. Common costs are allocated at the year end to the various projects based on the terms of the agreement with the Donors. The Trust is of the opinion that such allocation is appropriate and is in accordance with the donor agreements.

7. **Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED)**

Based on the information available with the Trust, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

8. **Payment to Auditor's\***

Particulars	Year ended 31 March, 2016 (Rupees)	Year ended 31 March, 2016 (Rupees)
Audit fee	275,000	275,000

\* Exclusive of Service Tax

9. The Trust is complying with the Accounting Standards, applicable to a Level III Entity- Small and Medium Sized Enterprise (SME), as notified in the announcement made by ICAI which is effective for all accounting periods commencing on or after 1 April, 2004. Accordingly, the Trust is not required to present the Related Party Disclosures, Cash Flow Statement, Segment reporting and Discontinuing Operations disclosures as required under the relevant Accounting Standards. Further, the Trust is not required to disclose information required by Paragraph 22 (c), (e) and (f); 25 (a), (b) and (e); 37 (a), (f) and (g); 46 (b), (d) and (e) of Accounting Standard 19 on 'Leases', Paragraph 66 and 67 of Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets' .

10. During the previous year, the Trust had revised the estimated useful life of some of its assets with effect from 1 April, 2014. The details of previously applied depreciation rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life based on SLM
Office equipment	25% / 4 years	15% / 6.67 years
Computers	25% / 4 years	60% / 1.67 years
Furniture and fixtures	25% / 4 years	10% / 10 years

The depreciation expense in the Income and Expenditure Account for the previous year was higher by Rs. 2,719 consequent to the change in the useful life of the assets.



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**PRATHAM DELHI EDUCATION INITIATIVE**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

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- 11.** Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

For and on behalf of

**PRATHAM DELHI EDUCATION INITIATIVE**



**Neerja Sharma**  
Managing Trustee

Place : New Delhi

Date : 24 September, 2016



**Vinod C Khanna**  
Trustee

Place : New Delhi

Date : 24 September, 2016



**Shailendra Sharma**  
Executive Director

Place : New Delhi

Date : 24 September, 2016



**Vijay Kumar**  
Chief Accountant

Place : New Delhi

Date : 24 September, 2016

