

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Trustees of Pratham Delhi Education Initiative

Report on the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Pratham Delhi Education Initiative ('the Trust'), which comprise the Balance Sheet as at 31 March 2023, the Income and Expenditure Account, and 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 a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable and accounting principles generally accepted in India of the state of affairs of the Trust as at 31 March 2023, and its surplus for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. 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 Trust in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Trustees for the Financial Statements

4. The accompanying financial statements have been approved by the Board of Trustees. The Management is responsible for preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the Trust in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, to the extent applicable. This responsibility includes maintenance of adequate accounting records for safeguarding the assets of the Trust and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of 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.
5. In preparing the financial statements, the management is responsible for assessing the Trust'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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

6. 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

Chartered Accountants

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

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Walker Chandiook & Co LLP

accordance with SAs 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.

7. As part of an audit in accordance with SAs, 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, but not for the purpose of expressing an opinion on whether the Trust has in place an adequate internal financial controls system over financial reporting 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 the management.
 - Conclude on the appropriateness of management's 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 Trust'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 Trust to cease to continue as a going concern.
 - 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.
8. We communicate with the 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.

Restriction on distribution or use

9. The accompanying financial statements have been prepared solely for the information and use of the management only in accordance with the Trust Deed and accordingly may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Jyoti



Jyoti Vaish
Partner
Membership No.: 096521
UDIN: - 23096521BGYZQ4795

Place: New Delhi
Date: 16 September 2023

Pratham Delhi Education Initiative**Balance Sheet as at 31 March 2023**

(All amounts are in ₹, unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 | As at 31 March 2022 |
|--|-------|------------------------|------------------------|
| Sources of funds | | | |
| Funds | | | |
| Corpus fund | 4 | 17,24,300 | 17,24,300 |
| Restricted fund | 5 | 7,52,236 | 1,35,929 |
| General fund | 6 | 26,22,515 | 26,02,611 |
| Total | | 50,99,051 | 44,62,840 |
| Current liabilities | | | |
| Trade payables | 7 | - | - |
| Total outstanding dues of micro enterprises and small enterprises; and Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,08,000 | 1,08,000 |
| Other current liabilities | 8 | 14,613 | 2,04,806 |
| Total | | 1,22,613 | 3,12,806 |
| Application of funds | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Tangible assets | 9 | 3,71,261 | 3,54,644 |
| Total | | 3,71,261 | 3,54,644 |
| Current assets | | | |
| Cash and bank balances | 10 | 38,21,893 | 31,22,985 |
| Loans and advances | 11 | 10,28,510 | 12,98,017 |
| Total | | 48,50,403 | 44,21,002 |
| Total | | 52,21,664 | 47,75,646 |

The accompanying notes are an integral part of the financial statements

1 to 18

As per our report of even date attached.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001072ANN590013

*Jyoti***Jyoti Vaish**

Partner

Membership No.: 096521

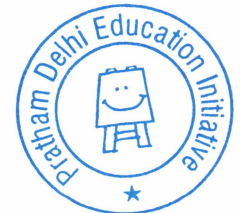
For and on behalf of the Board of Trustees of
Pratham Delhi Education Initiative*Neerja Sharma* *Divya Jalan***Neerja Sharma**
Managing Trustee**Divya Jalan**
Trustee*Jajaluddin***Jajaluddin**
Program Director*Vijay Kumar***Vijay Kumar**
Chief Accountant

Place: New Delhi

Date: 16 September 2023

Place: New Delhi

Date: 16 September 2023



Pratham Delhi Education Initiative
Income And Expenditure Account for the year ended 31 March 2023
(All amounts are in ₹, unless otherwise stated)

| Particulars | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-----------------------------------|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Donations | 12 | 96,23,894 | 47,27,240 |
| Other income | 13 | 1,24,734 | 1,99,254 |
| Total income | | 97,48,628 | 49,26,494 |
| Expenditure | | | |
| Expenses on programme initiatives | 14 | 31,07,112 | 10,35,703 |
| Employee benefit expense | 15 | 56,98,383 | 11,98,556 |
| Depreciation expense | 9 | 80,183 | 95,995 |
| Other expenses | 16 | 8,43,046 | 6,49,252 |
| Total expenditure | | 97,28,724 | 29,79,506 |
| Surplus for the year | | 19,904 | 19,46,988 |

The accompanying notes are an integral part of the financial statements

1 to 18

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants

Firm's Registration No.: 001076

Jyoti

Jyoti Vaish
Partner

Membership No.: 096521



For and on behalf of the Board of Trustees of
Pratham Delhi Education Initiative

Neerja Sharma

Neerja Sharma
Managing Trustee

Divya Jalan

Divya Jalan
Trustee

Jajaluddin

Jajaluddin
Program Director

Vijay Kumar

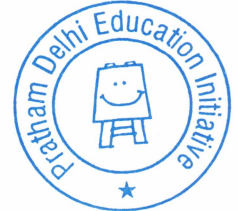
Vijay Kumar
Chief Accountant

Place: New Delhi

Date: 16 September 2023

Place: New Delhi

Date: 16 September 2023



Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless otherwise stated)

Note 1 : Background and Significant accounting policies

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. Consequently, the aforesaid certificate was renewed w.e.f. 01 April 2022 vide application No. 568542750240921 dated 2 October 2021. The Trust has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of educational nature with registration no. 231660141 vide letter no. II/21022/83(33)/2001 – FCRA, III dated 21 June 2001. Consequently, the aforesaid certificate was renewed w.e.f. 1 November 2016 vide letter No. 0300056512016 for the period of 5 years. It was further renewed w.e.f. 1 January 2022 vide letter No. 0300005172020 dated 15 December 2021 in accordance with Section 16 of The Foreign Contribution (Regulation) Act 2010 for the period of another 5 years.

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

Note 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 and Technical Guide on accounting for Not-for-Profit Organizations (NPOs) 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 results could differ from those estimates. Any revision to accounting estimates is recognized 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. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. The cost of property, plant and equipment includes taxes, duties, freight and other incidental expenditure related to acquisition and installation.

d. Depreciation

Depreciation on all property, plant and equipment is provided using the written down value 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 the time of incorporation and donation received with the direction to be included as a part of the Corpus.

Restricted funds

The Trust receives funds which are restricted in nature from foreign and domestic sources. Revenue from restricted funds is recognized 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. Grant related to depreciable assets are transferred to the capital asset fund as and when the property, plant and equipment are purchased. Depreciation of these property, plant and equipment is debited to the capital asset fund through the Income and Expenditure Account.

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.

Unrestricted funds

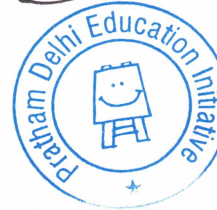
The Trust also receives donations/grants from foreign and domestic sources. These are recognised as income at the time of receipts. The excess of income over expenditure during the year, being general purpose in nature is carried forward for use in future periods and are presented as general fund in the Balance Sheet.

f. Interest income

Interest income is recognized on time proportionate basis.



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g. Foreign currency transactions

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 Trust. Foreign currency expenditure is recorded using the spot rates prevailing on the date of transaction.

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

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Trust are recognized as income or expense in the Income and expenditure account.

h. Cash and bank balances

Cash and bank balances include cash in hand, balances and demand deposits with banks.

i. Employee benefits

Defined Contribution Plans

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

Short term 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 Benefits Plan Gratuity (Funded)

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

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

j. Expenditure

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

k. 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 recognized 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 capitalized as property, plant and equipment 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.

l. Provisions and contingencies



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A provision is recognized 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 recognized where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

m. Common costs

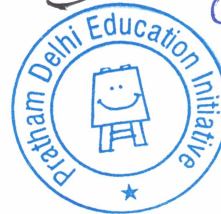
Common costs are allocated at the year end to the various projects based on the terms of the agreement with the respective Donors. The Trust is of the opinion that such allocation is appropriate and is in accordance with the donor agreements.

n. Income Tax

No provision for Income tax has been made in the books of accounts as the Trust 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.

Note 3: The Trust is complying with the Accounting Standards (AS), applicable to a Level IV 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, 2020. Pursuant to the Exemption/relaxation applicable to a SME, AS 3 - Cash Flow Statement, AS 17 - Segment Reporting, AS 18 - Related Party Disclosures and As-20 Earning Per Share is not applicable to the Trust. Further, certain disclosure requirement in AS 15 (R) - Employee Benefits, AS 19 - Leases and AS 29 - Provisions, Contingent Liabilities and Contingent Assets are also not applicable to the Trust.

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Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Note 4 : Corpus fund | | |
| Balance at the beginning of the year | 17,24,300 | 17,24,300 |
| Add: Additions during the year | - | - |
| Balance at the end of the year | 17,24,300 | 17,24,300 |
| Note 5 : Restricted fund | | |
| a) Project fund (Refer note 10) | | |
| Balance at the beginning of the year | - | - |
| Add: Amounts received during the year | 61,28,941 | - |
| Less: Revenue grants recognized in the Income and Expenditure Account | (54,89,063) | - |
| Balance at the end of the year | 6,39,878 | - |
| b) Capital assets fund | | |
| Balance at the beginning of the year | 1,35,929 | 1,69,105 |
| Less: Depreciation met out of capital assets fund | (23,571) | (33,176) |
| Balance at the end of the year | 1,12,358 | 1,35,929 |
| Total (a+b) | 7,52,236 | 1,35,929 |
| Note 6 : General fund | | |
| Balance at the beginning of the year | 26,02,611 | 6,55,623 |
| Add: Surplus for the year | 19,904 | 19,46,988 |
| Closing balance | 26,22,515 | 25,02,611 |
| Note 7 : Trade payables (Refer note below) | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,08,000 | 1,08,000 |
| | 1,08,000 | 1,08,000 |

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 Trust.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|--------------------------------|--------------------------------|
| (i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | - | - |
| (ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (iii) 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 this Act; | - | - |
| (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and | - | - |
| (v) 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. | - | - |
| Particulars | As at 31 March 2023 | As at 31 March 2022 |
| Note 8 : Other current liabilities | | |
| Statutory dues | 8,182 | 35,140 |
| Salary payable | 262 | 49,280 |
| Other liabilities | 8,169 | 1,20,386 |
| | 14,613 | 2,04,806 |

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Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Note 10 : Cash and bank balances | | |
| Balances with scheduled bank | | |
| Savings accounts (Refer note below) | 11,05,459 | 25,12,061 |
| Fixed deposit account | 27,16,434 | 6,10,924 |
| | 38,21,893 | 31,22,985 |

Note:

* ₹2,05,931 (previous year ₹ 10,14,502) lying in designated bank account for foreign contributions.

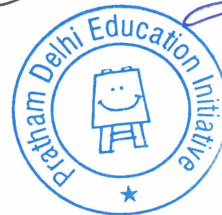
** ₹6,39,878 (previous year nil) lying in designated bank account related to project fund.

Note 11: Loans and advances



Unsecured, considered good

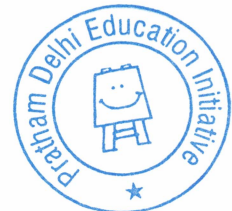
| | | |
|---|------------------|------------------|
| Advances recoverable in cash or in kind or for value to be received | 2,91,860 | 6,707 |
| Security deposits | 60,167 | 4,46,000 |
| Interest accrued on fixed deposits | 23,553 | 22,490 |
| Gratuity fund (refer note 17) | 6,50,315 | 8,01,739 |
| Tax deducted at source recoverable | 2,615 | 21,081 |
| | 10,28,510 | 12,98,017 |

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| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Schedule 12 : Income | | |
| Donations (General) | 41,11,260 | 46,94,064 |
| Revenue grants recognized in the income and expenditure account (refer note 5(a) and 5(b)) | 55,12,634 | 33,176 |
| | 96,23,894 | 47,27,240 |
| Note 13 : Other income | | |
| Interest from banks on | | |
| Fixed deposits | 57,648 | 31,631 |
| Saving accounts | 65,802 | 53,465 |
| Interest on income tax refund | 1,284 | 1,00,038 |
| Other receipts | - | 14,120 |
| | 1,24,734 | 1,99,254 |
| Note 14 : Expenses on programme initiatives | | |
| Teaching learning material | 17,47,311 | 1,310 |
| Legal and professional fees | 12,24,000 | 9,96,000 |
| Communication expense | 17,327 | 17,322 |
| Travel and conveyance expenses | 2,690 | 7,440 |
| Printing and stationery | 4,325 | 5,627 |
| Electricity and water charges | - | 135 |
| Training expenses | 66,653 | - |
| Miscellaneous expenses | 44,806 | 7,869 |
| | 31,07,112 | 10,35,703 |
| Note 15 : Employee benefit expense | | |
| Salaries and wages | 47,25,537 | 6,72,000 |
| Contribution for provident and other funds (refer Note 17) | 6,28,384 | 3,59,860 |
| Gratuity expense (refer note 17) | 2,51,424 | 1,62,794 |
| Staff welfare expenses | 93,038 | 3,902 |
| | 56,98,383 | 11,98,556 |
| Note 16 : Other expenses | | |
| Legal and professional fees | 1,67,058 | 1,90,959 |
| Rent expense | 1,89,648 | 1,80,621 |
| Audit fees (refer note below) | 1,18,000 | 1,38,598 |
| Salaries and wages | 2,14,636 | - |
| Communication expense | 71,604 | 42,642 |
| Computer expenses | 20,549 | 9,063 |
| Repair and maintenance expense | 12,000 | 32,039 |
| Printing and stationery | 12,980 | 12,049 |
| Conveyance expenses | 5,970 | 27,900 |
| Water and electricity expense | 140 | - |
| Miscellaneous expenses | 30,461 | 15,381 |
| | 8,43,046 | 6,49,252 |
| Note : Payment to auditor's | | |
| Audit fee (inclusive of goods and service tax) | 1,18,000 | 1,18,000 |
| Reimbursement of Expenses | - | 20,598 |
| | 1,18,000 | 1,38,598 |



Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless stated otherwise)

Note 17 : Employee Benefits

(i) Defined Benefit Plan - Gratuity (funded)

The Trust has a funded scheme and is investing the Gratuity liability into a Gratuity Trust, which is being managed by Life Insurance Corporation Limited. The Trust 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 recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gains and losses are recognized immediately in the Income and Expenditure Account as income or expense.

A. Amount to be recognized in balance sheet and movement in net liability :

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Present value of funded obligation | 8,61,198 | 5,19,690 |
| Fair value of plan assets | (15,11,513) | (13,21,429) |
| Net Liability/(Asset) recognized in the Balance Sheet | (6,50,315) | (8,01,739) |

B. Expenses recognized in the Income and Expenditure Account :

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Current service cost | 2,45,016 | 79,953 |
| Interest cost on defined benefit obligation | 37,210 | 2,18,218 |
| Expected return on plan assets | (92,764) | (1,79,373) |
| Net actuarial loss | 61,962 | 43,996 |
| Expense recognized in the Income and Expenditure Account | 2,51,424 | 1,62,794 |

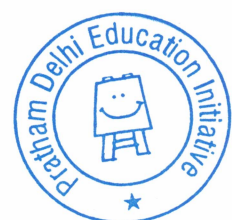
C. Reconciliation of benefit obligation :

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Present value of defined benefit obligation at the beginning of the year | 5,19,690 | 32,09,091 |
| Current service cost | 2,45,016 | 79,953 |
| Benefits paid | - | (29,26,103) |
| Interest cost | 37,210 | 2,18,218 |
| Actuarial (gain)/loss on obligation | 59,282 | (61,469) |
| Closing defined benefit obligation | 8,61,198 | 5,19,690 |

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 | 13,21,429 | 26,22,410 |
| Expected return on plan assets | 92,764 | 1,79,373 |
| Actuarial gain/(loss) on obligation | (2,680) | (1,05,465) |
| Benefits paid | - | (18,74,789) |
| Contributions by employer | 1,00,000 | 4,99,900 |
| Closing fair value of plan assets | 15,11,513 | 13,21,429 |

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Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless stated otherwise)

E. Actual return of plan assets :

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-------------------------------------|-----------------------------|-----------------------------|
| Expected return on plan assets | 92,764 | 1,79,373 |
| Actuarial loss on plan assets | (2,680) | (1,05,465) |
| Actual return on plan assets | 90,084 | 73,908 |

F. Provision at the end of the year :

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| short-term provision | 6,50,315 | 8,01,739 |
| Net asset/(liability) recognized in balance sheet | 6,50,315 | 8,01,739 |

G. Experience on actuarial Gain / (Loss) for PBO and plan assets.

| Particulars | 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 |
|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| On plan PBO | (76,507) | 37,260 | 2,23,915 | (9,74,031) | 2,17,618 |
| On plan assets | (2,680) | (1,05,465) | (5,516) | (7,487) | (9,724) |

I. Summary of actuarial assumptions:

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---------------------------------------|-----------------------------|-----------------------------|
| Discount rate (%) | 7.36% | 6.80% |
| Expected rate of return on assets (%) | 7.01% | 6.84% |
| Salary escalation rate (%) | 7.00% | 7.00% |
| Attrition rate age (years): | | |
| Upto 30 years | 5% | 5% |
| From 31 to 44 years | 3% | 3% |
| Above 44 years | 2% | 2% |
| Mortality | IALM (2023- 14) | IALM (2023- 14) |
| Retirement age | 60 years | 60 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 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-------------------------------------|-----------------------------|-----------------------------|
| Employees' State Insurance (ESI) | 41,861 | 2,71,049 |
| Provident Fund | 5,86,523 | 88,811 |
| Actual return on plan assets | 6,28,384 | 3,59,860 |



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Pratham Delhi Education Initiative

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

(All amounts are in ₹, unless stated otherwise)

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Jyoti

Jyoti Vaish
Partner

Membership No.: 096524



For and on behalf of the Board of Trustees of
Pratham Delhi Education Initiative

Neerja Sharma

Neerja Sharma
Managing Trustee

Jajaluddin

Jajaluddin
Program Director

Place: New Delhi

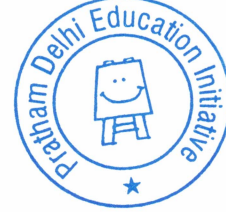
Date: 16 September 2023

Divya Jalan

Divya Jalan
Trustee

Vijay Kumar

Vijay Kumar
Chief Accountant



Place: New Delhi

Date: 16 September 2023