

**HEAD OFFICE:**

A-6, Maharani Bagh  
New Delhi-110065  
PH.: 011-41626470-71  
Mob: 9810939245  
e-mail: info@bansalco.com

**BANSAL & CO. LLP**  
**CHARTERED ACCOUNTANTS**

**Independent Auditor's Report**

**To the Members of Governing Body of Room to Read India Trust**

**Report on the Audit of Foreign Contribution Financial Statements**

**Opinion**

1. We have audited the accompanying special purpose financial statements of **Room To Read India Trust** (the "Trust"), which comprise the Balance Sheet as at 31 March 2023, the Income and Expenditure Account, Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as 'Foreign Contribution Financial Statements'), which have been prepared by the Governing Body in accordance with the basis of accounting specified in Note 13(2)(i) to the Foreign Contribution Financial Statements, pursuant to the requirement of section 19 of the Foreign Contribution (Regulation) Act, 2010 (as amended) ('Act') read with Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) ('Rules').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Foreign Contribution Financial Statements are prepared, in all material respects, in accordance with the basis of accounting as described in Note 13(2)(i) to these Foreign Contribution Financial Statements.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Foreign Contribution Financial Statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI'), and we have fulfilled our other 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.

**Emphasis of Matter- Basis of accounting and Restriction on distribution or use**

4. Without modifying our opinion, we draw attention to Note 13(2)(i) to these Foreign Contribution Financial Statements, which describes the basis of accounting used by the Governing Body for the preparation of these financial statements. The accompanying Foreign Contribution Financial Statements have been prepared by the Governing Body solely for the purpose of enabling the Governing Body to comply with the requirements of Rule 17(5) of the Rules, which requires them to submit this report with the accompanying Foreign Contribution Financial Statements to the Ministry of Home Affairs and therefore, these Foreign Contribution Financial Statements 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 for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**BRANCH OFFICES**

**MUMBAI:** Premise No. 7 & 8 Ground Floor, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob: 9971490195

**Bhopal:** Nyaya Sangat, E-7/119, IInd Floor, Lala Lajpat Rai Society, Arera Colony, Bhopal-462016 (MP) Mob: 9810008918



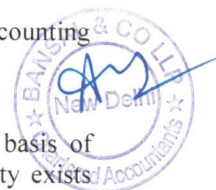
5. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of accompanying Foreign Contribution Financial Statements with the Ministry of Home Affairs. The Governing Body has also prepared complete set of financial statements for the Trust for the purpose of submission with Form No. 10B of the Income Tax Rules, 1962, in accordance with the accounting principles generally accepted in India, on which we have issued separate auditor's report dated 30 October 2023. Our opinion is not modified in respect of this matter.

#### **Responsibilities of Governing Body for the Foreign Contribution Financial Statements**

6. The Trust's members are responsible for the preparation of these Foreign Contribution Financial Statements in accordance with the basis of accounting specified in Note 13(2)(i) to the Foreign Contribution Financial Statements. This responsibility also includes design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the Foreign Contribution Financial Statements that are, in all material respects, in accordance with the basis of accounting specified in aforementioned Note 13(2)(i) and are free from material misstatement, whether due to fraud or error.
7. In preparing the Foreign Contribution Financial Statements, the Governing Body 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 Governing Body either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
8. The Governing Body of the Trust is also responsible for overseeing the Trust's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Foreign Contribution Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the Foreign Contribution Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Foreign Contribution Financial Statements.
10. As part of an audit in accordance with Standards on Auditing, 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 adequate internal financial controls with reference to financial statements 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 Governing Body; and
  - Conclude on the appropriateness of Governing Body'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.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

12. As required under Rule 17(5) of the Rules and basis the Foreign Contribution Financial Statements for the year ended 31 March 2023, we report that:
- (i) The brought forward foreign contribution at the beginning of the financial year was Rs. 57,822,450;
  - (ii) Foreign contribution worth Rs. 702,488,955 was received by the Trust during the financial year;
  - (iii) Interest received on foreign contribution and other income derived from foreign contribution or interest thereon of Rs. 1,180,372 was received by the Trust during the financial year 2022-23;
  - (iv) The balance of unutilized foreign contribution with the Trust at the end of the financial year 22-23 was Rs. 101,884,066;
  - (v) Certified that the Trust 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.
  - (vi) The information in this certificate and in the enclosed balance sheet and statement of receipt and payment is correct as checked by us.
  - (vii) The Trust has utilized the foreign contribution received for the purpose(s) it is registered under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

**For Bansal & Co. LLP**  
**Chartered Accountants**  
**FRN – 001113N/N500079**



**CA Amit Kumar Singh**  
**Partner**  
**M.No – 532180**  
**Date: November 01, 2023**  
**Place: New Delhi**  
**UDIN: 23532180BGRMCJ3732**

**Room to Read India Trust**  
**Foreign Contribution Account**  
**Balance Sheet as at 31 March 2023**

(All amounts in ₹, unless otherwise stated)

	Schedule	As at 31 March 2023	As at 31 March 2022
<b>Sources of funds</b>			
<b>Funds</b>			
Restricted fund	1	10,45,19,116	5,37,32,082
Unrestricted fund	2	1,59,04,629	62,08,220
		<b>12,04,23,745</b>	<b>5,99,40,302</b>
<b>Liabilities and provisions</b>			
Current liabilities	3	2,48,90,050	2,50,37,971
Provisions	4	2,32,67,500	2,19,83,283
		<b>4,81,57,550</b>	<b>4,70,21,254</b>
		<b>16,85,81,295</b>	<b>10,69,61,556</b>
<b>Applications of funds</b>			
Fixed Assets	5	91,45,060	85,32,191
		<b>91,45,060</b>	<b>85,32,191</b>
<b>Current assets, loans and advances</b>			
Cash and bank balances	6	10,18,84,066	5,78,22,450
Loans and advances	7	1,63,75,177	1,57,88,284
Other current assets	8	4,11,76,992	2,48,18,631
		<b>15,94,36,235</b>	<b>9,84,29,365</b>
		<b>16,85,81,295</b>	<b>10,69,61,556</b>

**Significant accounting policies and notes to the financial statements** 13-14

The schedules referred to above form an integral part of the financial statements.

This is the Balance sheet referred to in our report of even date.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm's Registration No.: **01113N/N500079**



**Amit Kumar Singh**  
Partner  
Membership No.: 532180



Place : New Delhi  
Date : 01-11-2023

For and on behalf of  
**Room to Read India Trust**

  
**Poornima Garg**  
Chief Functionary

  
**Apala Majumdar**  
Trustee

Place : New Delhi Place : New Delhi  
Date : 01-11-2023 Date : 01-11-2023

**Room to Read India Trust**  
**Foreign Contribution Account**  
**Income and Expenditure Account for the year ended 31 March 2023**  
*(All amounts in ₹, unless otherwise stated)*

	Schedule	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Grants and donation	9	65,89,85,688	46,91,64,500
Other Income	9-A	11,80,372	17,11,818
		<b>66,01,66,060</b>	<b>47,08,76,318</b>
<b>Expenditure</b>			
Program expenses	10	51,27,88,220	39,69,60,918
Personnel expenses	11	9,47,47,349	6,02,42,330
Depreciation	5	36,68,743	42,13,695
General and administrative expenses	12	4,30,85,666	2,05,25,433
		<b>65,42,89,978</b>	<b>48,19,42,376</b>
<b>Surplus/(Deficit) for the year after depreciation</b>		58,76,082	(1,10,66,058)
Add:- Depreciation for the year transferred to capital assets fund		36,68,743	42,13,695
<b>Surplus/(Deficit) for the year before depreciation</b>		<b>95,44,825</b>	<b>(68,52,363)</b>
Add:- Amount transferred from Project Fund		1,51,586	91,03,541
<b>Surplus for the year transferred to General Fund</b>		<b>96,96,411</b>	<b>22,51,178</b>
<b>Significant accounting policies and notes to the financial statements</b>	13-14		

The schedules referred to above form an integral part of the financial statements.

This is the Income and Expenditure Account referred to in our report of even date.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm's Registration No.: **01113N/N500079**



**Amit Kumar Singh**

Partner

Membership No.: 532180



Place : New Delhi

Date : 01-11-2023

For and on behalf of  
**Room to Read India Trust**

**Poornima Garg**

Chief Functionary

**Apala Majumdar**

Trustee



Place : New Delhi

Date : 01-11-2023

Place : New Delhi

Date : 01-11-2023


**Room to Read India Trust**  
**Foreign Contribution Account**  
**Receipts and Payments Account for the year ended 31 March 2023**

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening balance</b>		
Cash in hand	11,834	25,711
Cash at bank	5,73,07,193	13,21,63,849
Fixed deposits	5,03,423	-
	<b>5,78,22,450</b>	<b>13,21,89,560</b>
<b>Receipts</b>		
Donations & Grants	70,24,88,955	40,29,65,935
Bank interest	11,80,372	12,91,362
Sale of Fixed Assets	-	4,09,205
Miscellaneous receipts	-	68,460
	<b>70,36,69,327</b>	<b>40,47,34,962</b>
<b>Payments</b>		
Program expenses	50,85,06,608	39,17,35,107
General and administrative expenses	13,78,29,797	7,97,78,538
Fixed Assets purchased during the year	42,84,830	62,72,245
Other (net current liabilities)/ net current assets	89,86,475	13,16,182
	<b>65,96,07,710</b>	<b>47,91,02,072</b>
<b>Closing balance</b>		
Cash in hand	2,318	11,834
Cash at bank	10,13,51,843	5,73,07,193
Fixed deposits	5,29,905	5,03,423
	<b>10,18,84,066</b>	<b>5,78,22,450</b>

This is the Receipts & Payments Account referred to in our report of even date.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm's Registration No.: **01113N/N500079**

  
**Amit Kumar Singh**  
Partner

Membership No.: 532180

Place : New Delhi

Date : 01-11-2023



For and on behalf of  
**Room to Read India Trust**

  
**Poornima Garg**  
Chief Functionary

  
**Apala Majumdar**  
Trustee

Place : New Delhi

Date : 01-11-2023

Place : New Delhi

Date : 01-11-2023

**Room to Read India Trust**  
**Foreign Contribution Account**  
**Schedules forming part of the financial statements as at 31 March 2023**  
*(All amounts in ₹, unless otherwise stated)*

	As at 31 March 2023	As at 31 March 2022
<b>Schedule 1 - Restricted funds</b>		
<b>a) Capital assets fund</b>		
Balance at the beginning of the year	85,32,191	75,20,075
Add : Addition to Fixed Assets (Net of disposals)	42,81,612	52,25,811
Less : Depreciation met out of capital assets fund	(36,68,743)	(42,13,695)
<b>Balance at the end of the year</b>	<b>91,45,060</b>	<b>85,32,191</b>
<b>b) Project fund</b>		
Balance at the beginning of the year	4,51,99,891	12,06,47,802
Add : Amounts received during the year	68,63,30,873	39,46,40,316
Add : Grant receivable at the end of the year	1,44,62,940	76,40,456
	<b>74,59,93,704</b>	<b>52,29,28,574</b>
Less : Expenditure incurred during the year	(65,04,68,062)	(46,86,25,142)
Less : Transferred from Income and Expenditure Account	(1,51,586)	(91,03,541)
<b>Balance at the end of the year</b>	<b>9,53,74,056</b>	<b>4,51,99,891</b>
<b>Total (a)+(b)</b>	<b>10,45,19,116</b>	<b>5,37,32,082</b>
<b>Schedule 2 - Unrestricted fund</b>		
<b>General fund</b>		
Balance at the beginning of the year	62,08,218	39,57,042
Add : Surplus transferred from Income & Expenditure Account	96,96,411	22,51,178
<b>Balance at the end of the year</b>	<b>1,59,04,629</b>	<b>62,08,220</b>
<b>Schedule 3 - Current liabilities</b>		
Salary and bonus payable	1,05,78,765	89,06,891
Statutory dues	70,68,880	73,05,066
Sundry creditors	63,03,247	81,32,898
Other current liabilities	9,39,157	6,93,116
	<b>2,48,90,050</b>	<b>2,50,37,971</b>
<b>Schedule 4 - Provisions</b>		
Compensated absences	2,10,25,012	2,13,38,137
Gratuity	22,42,488	6,45,146
	<b>2,32,67,500</b>	<b>2,19,83,283</b>



*AME*

*James J.*



*A. Hazare*

**Room to Read India Trust**  
**Foreign Contribution Account**

**Schedules forming part of the financial statements as at 31 March 2023**

(All amounts in ₹, unless otherwise stated)

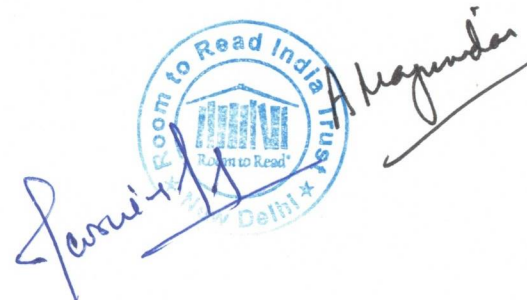
**Schedule 5 - Fixed Assets**

Particulars	Gross block				Accumulated Depreciation				Net Block	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at 01 April 2022	Depreciation for the year	Deletions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	A	B	C	D=A+B-C	E	F	G	H=E+F-G	I=D-H	J=A-E
Furniture and fittings	21,64,605	3,84,272	9,715	25,39,162	10,06,465	1,47,232	6,497	11,47,200	13,91,962	11,58,140
Office equipment	49,28,903	16,43,560	-	65,72,463	27,63,282	5,35,377	-	32,98,659	32,73,804	21,65,621
Computers	2,36,11,751	22,56,998	-	2,58,68,749	1,84,03,321	29,86,134	-	2,13,89,455	44,79,294	52,08,430
<b>Total</b>	<b>3,07,05,259</b>	<b>42,84,830</b>	<b>9,715</b>	<b>3,49,80,374</b>	<b>2,21,73,068</b>	<b>36,68,743</b>	<b>6,497</b>	<b>2,58,35,314</b>	<b>91,45,060</b>	<b>85,32,191</b>

**Comparative table for previous year**

Particulars	Gross block				Accumulated Depreciation				Net Block	
	As at 01 April 2021	Additions	Deletions/ Adjustments	As at 31 March 2022	As at 01 April 2021	Depreciation for the year	Deletions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	A	B	C	D=A+B-C	E	F	G	H=E+F-G	I=D-H	J=A-E
Furniture and fittings	34,25,303	3,12,110	15,72,808	21,64,605	19,48,731	1,20,790	10,63,056	10,06,465	11,58,140	14,76,572
Office equipment	73,18,459	1,79,779	25,69,335	49,28,903	44,38,060	3,86,145	20,60,923	27,63,282	21,65,621	28,80,399
Computers	2,44,92,767	57,80,356	66,61,372	2,36,11,751	2,13,29,663	37,06,760	66,33,102	1,84,03,321	52,08,430	31,63,104
<b>Total</b>	<b>3,52,36,529</b>	<b>62,72,245</b>	<b>1,08,03,515</b>	<b>3,07,05,259</b>	<b>2,77,16,454</b>	<b>42,13,695</b>	<b>97,57,081</b>	<b>2,21,73,068</b>	<b>85,32,191</b>	<b>75,20,075</b>

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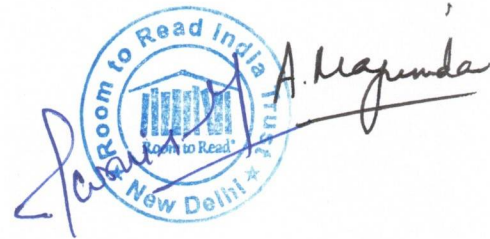
Room to Read India Trust  
Foreign Contribution Account

Schedules forming part of the financial statements as at 31 March 2023

(All amounts in ₹, unless otherwise stated)

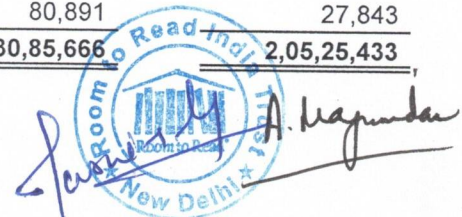
	As at 31 March 2023	As at 31 March 2022
<b>Schedule 6 - Cash and bank balances</b>		
Cash in hand	2,318	11,834
Balances with bank		
- in savings accounts	10,13,25,825	5,60,09,395
- in current accounts	26,018	12,97,798
- in fixed deposits	5,29,905	5,03,423
	<u>10,18,84,066</u>	<u>5,78,22,450</u>
<b>Schedule 7 - Loans and advances</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	75,42,278	58,97,382
Security deposits	44,87,750	28,16,195
Income-tax receivable	7,49,073	7,49,073
Prepaid expenses	35,96,076	63,25,634
	<u>1,63,75,177</u>	<u>1,57,88,284</u>
<b>Schedule 8 - Other current assets</b>		
Grant receivable	1,44,62,940	76,40,456
Books held for distribution	2,67,14,052	1,71,78,175
	<u>4,11,76,992</u>	<u>2,48,18,631</u>

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**Room to Read India Trust****Schedules forming part of the financial statements for the year ended 31 March 2023***(All amounts in ₹, unless otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Schedule 9 - Grant and donation</b>		
Grants	65,04,68,062	46,86,25,142
Donation	85,17,626	5,39,358
	<u>65,89,85,688</u>	<u>46,91,64,500</u>
<b>Schedule 9A - Other income</b>		
Interest income from banks	11,80,372	12,65,241
Interest on income tax refund	-	26,121
Gain on sale of Fixed Assets	-	3,51,996
Miscellaneous Income	-	68,460
	<u>11,80,372</u>	<u>17,11,818</u>
<b>Schedule 10 - Program expenses</b>		
Literacy Instruction and Library Program	12,51,66,371	7,76,33,826
Girls Education Program	17,60,34,458	12,72,37,315
Book Publishing Program	1,47,03,545	1,16,15,509
Custom Projects	14,55,42,808	13,96,48,989
Other Program Expenses	4,70,59,426	3,55,99,468
Fixed Assets purchased during the year (Net of disposals)	42,81,612	52,25,811
	<u>51,27,88,220</u>	<u>39,69,60,918</u>
<b>Schedule 11 - Personnel expenses</b>		
Salaries and other benefits	7,74,82,045	5,24,12,003
Contribution to provident and other funds	69,53,141	43,81,353
Staff welfare	1,03,12,163	34,48,974
	<u>9,47,47,349</u>	<u>6,02,42,330</u>
<b>Schedule 12 - General and administrative expenses</b>		
Repairs and maintenance	19,49,770	3,73,602
Conference and workshops	51,89,863	27,089
Communication	14,47,277	10,81,814
Marketing and design	33,17,589	14,24,443
Travel and conveyance	75,70,127	15,75,565
Insurance	84,359	3,76,533
Consultancy and professional	54,37,263	47,93,992
Printing and stationery	82,467	23,268
Postage	1,26,445	24,797
Electricity and water	4,91,156	2,91,446
Rent	84,26,972	18,74,532
Office Expenses	54,63,084	42,37,142
Office supplies	16,43,413	6,64,284
Recruitment	16,62,155	27,12,634
Bank charges	1,09,618	27,224
Loss on disposal of Fixed Assets	3,218	9,89,225
Miscellaneous expense	80,891	27,843
	<u>4,30,85,666</u>	<u>2,05,25,433</u>



**Room to Read India Trust**  
**Foreign Contribution Account**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

**Schedule 13: Significant accounting policies**

**I) Background**

Room to Read India Trust is a Public Charitable Trust registered under Indian Registration Act, 1908 vide no. 6896 dated 25 March 2004 in the State of Delhi and is also registered under Section 12A of the Income-tax Act, 1961.

The main objective of the Trust are as follows:

- The Trust is working in collaboration with local communities and state governments, to develop literacy skills and a habit of reading among primary school children and supports girls to complete secondary school with the relevant life skills to succeed in school and beyond by providing basic educational aids and resources, including books, materials for schools and scholarships.
- To publish books, conduct training for teachers, research and development and hold workshops on children's educational and literacy issues.

The Trust has following registrations under various acts-

- a) The Trust has been granted an exemption under section 12A of the Income-tax Act, 1961, vide reg No. AAATR7377ME20043 and valid till A.Y 2026-27. The Trust has also obtained exemption u/s 80G(5)(vi) of the Income-tax Act, 1961 vide reg No. AAATR7377MF20215 and valid till A.Y 2026-27.
- b) The Trust's registration under the Foreign Contribution (Regulation) Act, 2010/ Foreign Contribution (Regulation) Rules, 2011, for carrying out the activities of educational nature with registration number 231660864 dated 4 August 2016 for the period from 01 November 2016 to 31 October 2021 has got renewed till 31 March 2024 vide MHA's general notification dated 25<sup>th</sup> Sep 23.

**II) Significant accounting policies**

**1) Basis of preparation**

The special purpose foreign contribution financial statements have been specially prepared for the purpose of submission with the Ministry of Home Affairs, pursuant to the requirements of Section 19 of the Foreign Contribution (Regulation) Act, 2010 read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) (together referred to as "the applicable Regulations") and does not constitute complete set of general purpose of financial statements. Such special purpose financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting, in accordance with the accounting principles generally accepted in India ("Indian GAAP"), and are limited to the transactions and ledger accounts required to be reported under the applicable regulations. The accounting policies adopted in the preparation of special purpose financial statements have been consistently applied by the Trust and are consistent with those used in the previous year.

**2) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of liabilities at the date of financial statements and the reported amount of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3) Income recognition**

**a) Grants and donations**

Grants and donations are recognized to the extent that it is probable that the economic benefits will flow to the Trust, and these can be reliably measured.

The Trust has dual source of funding i.e., foreign and local. Receipts from these sources are further classified into two types – Grants (In cash & In Kind) and Donations.



**Room to Read India Trust**  
**Foreign Contribution Account**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

**i. Grants in Cash**

Grants are restricted in nature and comprise of receipts from diverse sources viz., Corporates, Non-Profit Organizations and UN Organizations. Revenue in these cases is recognized on accrual basis to the extent of expenditure incurred and only when there is reasonable assurance that the conditions attached to them will be complied and the grants will be received.

**ii. Grants in Kind**

Grants in Kind refer to the non-monetary contributions received in the form of goods or services. The fair value of the grant in kind is determined at the date of receipt. If the fair value is not readily determinable, it is estimated using the best information available.

**iii. Donations**

Donations are unrestricted in nature and comprise of receipts from individual and other donors. Revenue in such cases is recognized on receipt basis.

**b) Interest income**

Interest income is recognized using time proportion method, based on the rate implicit in the transaction.

**4) Balance in Grants receivables/Unspent grants**

The overspent/underspent balances in respect of the donors at the year-end are being recorded under the head "Grants receivables/Unspent grants".

**5) Fixed assets**

Fixed assets are stated at cost of acquisition, less accumulated depreciation. The cost of fixed assets includes the purchase cost of fixed assets and any other directly attributable costs of bringing the assets to their working condition for intended use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

**Depreciation**

Depreciation of Fixed assets is provided as per the rates and in the manner prescribed under Income -tax Act, 1961.

Depreciation on Fixed assets is charged on the Written Down Value (WDV) method, at the following rates:

Particulars	Rate of depreciation (%) as per Income-tax Act, 1961
Office Equipment	15
Computers	40
Furniture and fixtures	10

**6) Inventory**

Inventory comprises of Children Books & posters. Inventory is valued at lower of the cost or net realizable value, with cost determined under the first in first out method.

**7) Employee benefits**

**Provident fund**

The Trust makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a post-employment defined contribution plan and the contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.



### **Gratuity**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The Trust funds its gratuity with LIC of India and premium is paid every year for the period 1 January to 31 December. The liability in respect of the balance period is recognized in the balance sheet on the basis of each completed year of service based on the salary last drawn as at the balance sheet date.

### **Compensated absences**

Liability in respect of compensated absences becoming due and expected to be availed or encashed is recognized on the basis of value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees.

### **Other short-term benefits**

Expense in respect of other short-term benefits is recognized on the basis of amount accrued for the period during which services are rendered by the employees.

## **8) Funds**

### **Project fund:**

Project fund comprises of unspent restricted funds from the donors for specific activities of the Trust. Surplus of income over expenditure is transferred to this fund from Income and Expenditure Account to be carried forward under this fund for use in future periods. Deficit, if any during the year, is first adjusted against the project fund and thereafter against the general fund, if required.

### **Capital assets fund**

Capital assets fund represents capital assets purchased out of specified/ restricted funds and is represented by the net book value of such funded Fixed Assets.

### **General fund**

General fund comprises unrestricted funds and interest income, which is transferred to this fund from Income and Expenditure Account to be carried forward under this fund for use in future periods. Deficit, if any during the year, is first adjusted against the project fund and thereafter against the general fund if required.

## **9) Impairment of assets**

The Trust on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Trust estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the Income and Expenditure Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **10) Expenditure**

The Trust implements its programs for Literacy, Girls Education and Book Publication Program through projects primarily conducted by itself. Expenditure is recognized on an accrual basis.

## **11) Provisions and contingent liabilities**

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



**Room to Read India Trust  
Foreign Contribution Account**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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



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

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

**Schedule 14: Notes to the financial statements**


- The Trust is registered under section 12A read with Section 12AA(1)(b) of the Income Tax Act 1961, hence no provision for income tax and deferred tax is required to be made in the financial statements.
- Previous year figures have been rearranged wherever necessary to correspond to the current year's classification.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 01113N/N500079

  
  
**Amit Kumar Singh**  
Partner  
Membership No.: 532180

Place: Delhi  
Date: 01-11-2023

For and on behalf of the Room to Read India Trust

  
  
**Poornima Garg**  
Chief Functionary

  
**Apala Majumdar**  
Trustee

Place: New Delhi  
Date: 01-11-2023

Place: New Delhi  
Date: 01-11-2023