

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 2022, 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.
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



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in India, on which we have issued separate auditor's report dated 06 October 2022. 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 is 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.



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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 2022, we report that:

- (i) The brought forward foreign contribution at the beginning of the year ended 31 March 2022 was ₹ 132,189,560;
- (ii) Foreign contribution was received by the Trust during the year ended 31 March 2022; ₹ 402,965,935;
- (iii) Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of ₹ 17,69,027 was received by the Trust during the year ended 31 March 2022;
- (iv) The balance of unutilised foreign contribution with the Trust as at 31 March 2022 is ₹ 57,822,450;
- (v) The Trust has maintained the accounts of foreign contribution and records relating thereto in the manner specified in Section 19 of the Act read with Rule 17 of the Rules;
- (vi) The information in the enclosed Balance Sheet, Income and Expenditure Account and Receipts and Payments Account is correct as checked by us; and
- (vii) The Trust has utilised the foreign contribution received for the purpose(s) it is registered/granted prior permission under the Act.

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

Danish Ahmed

Danish Ahmed
Partner
Membership No. 522144
UDIN: 22522144BFJKEN8493



Place: Gurugram
Date: 12 December 2022

Room to Read India Trust
Foreign Contribution Account
Balance Sheet as at 31 March 2022
(All amounts in ₹, unless otherwise stated)

| | Schedule | As at 31 March 2022 | As at 31 March 2021 |
|---|----------|------------------------|------------------------|
| Sources of funds | | | |
| Funds | | | |
| Restricted fund | 1 | 5,37,32,082 | 12,81,67,877 |
| Unrestricted fund | 2 | 62,08,220 | 39,57,042 |
| | | 5,99,40,302 | 13,21,24,919 |
| Liabilities and provisions | | | |
| Current liabilities | 3 | 2,50,37,971 | 1,57,00,205 |
| Provisions | 4 | 2,19,83,283 | 2,14,18,819 |
| | | 4,70,21,254 | 3,71,19,024 |
| | | 10,69,61,556 | 16,92,43,943 |
| Applications of funds | | | |
| Property, plant and equipment | 5 | 85,32,191 | 75,20,075 |
| | | 85,32,191 | 75,20,075 |
| Current assets, loans and advances | | | |
| Cash and bank balances | 6 | 5,78,22,450 | 13,21,89,560 |
| Loans and advances | 7 | 1,57,88,284 | 1,00,87,174 |
| Other current assets | 8 | 2,48,18,631 | 1,94,47,134 |
| | | 9,84,29,365 | 16,17,23,868 |
| | | 10,69,61,556 | 16,92,43,943 |

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

For and on behalf of
Room to Read India Trust


Danish Ahmed
Partner
Membership No.: 522144




Sourav Banerjee
Chief Functionary


Apata Majumdar
Trustee

Place : Gurugram
Date : 12 December 2022

Place : New Delhi
Date : 12 Dec 2022

Place : New Delhi
Date : 12 Dec 2022



Room to Read India Trust
Foreign Contribution Account
Income and Expenditure Account for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

| | Schedule | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|----------|-----------------------------|-----------------------------|
| Income | | | |
| Grants and donation | 9 | 46,91,64,500 | 43,58,49,301 |
| Other Income | 9-A | 17,11,818 | 11,95,772 |
| | | 47,08,76,318 | 43,70,45,073 |
| Expenditure | | | |
| Program expenses | 10 | 39,69,60,918 | 35,50,52,545 |
| Personnel expenses | 11 | 6,02,42,330 | 9,30,91,759 |
| Depreciation | 5 | 42,13,695 | 46,59,196 |
| General and administrative expenses | 12 | 2,05,25,433 | 2,24,76,515 |
| | | 48,19,42,376 | 47,52,80,015 |
| | | (1,10,66,058) | (3,82,34,942) |
| Deficit for the year after depreciation | | | |
| Add:- Depreciation for the year transferred to capital assets fund | | 42,13,695 | 46,59,196 |
| Deficit for the year before depreciation | | (68,52,363) | (3,35,75,746) |
| Add:- Amount transferred to Project Fund | | (91,03,541) | (3,63,21,879) |
| Surplus for the year transferred to General Fund | | 22,51,178 | 27,46,133 |

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

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

Danish Ahmed
Danish Ahmed
Partner
Membership No.: 522144



Place : Gurugram
Date : 12 December 2022

For and on behalf of
Room to Read India Trust

Sourav Banerjee
Sourav Banerjee
Chief Functionary

A. Majumdar
Apala Majumdar
Trustee

Place : New Delhi Place : New Delhi
Date : 12 Dec 2022 Date : 12 Dec 2022

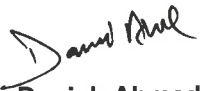


Room to Read India Trust
Foreign Contribution Account
Receipts and Payments Account for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Opening balance | | |
| Cash in hand | 25,711 | 20,413 |
| Cash at bank | 13,21,63,849 | 8,32,76,550 |
| | 13,21,89,560 | 8,32,96,963 |
| Receipts | | |
| Donations & Grants | 40,29,65,935 | 52,02,45,711 |
| Bank interest | 12,91,362 | 11,72,239 |
| Sale of property, plant and equipment | 4,09,205 | 58,000 |
| Miscellaneous receipts | 68,460 | - |
| | 40,47,34,962 | 52,14,75,950 |
| Payments | | |
| Program expenses | 39,17,35,107 | 35,36,55,109 |
| General and administrative expenses | 7,97,78,538 | 11,55,57,243 |
| Property, plant and equipment purchased during the year | 62,72,245 | 14,42,934 |
| Other (net current liabilities)/ net current assets | 13,16,182 | 19,28,067 |
| | 47,91,02,072 | 47,25,83,353 |
| Closing balance | | |
| Cash in hand | 11,834 | 25,711 |
| Cash at bank | 5,73,07,193 | 13,21,63,849 |
| Fixed deposits | 5,03,423 | - |
| | 5,78,22,450 | 13,21,89,560 |

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

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


Danish Ahmed
Partner
Membership No.: 522144



Place : Gurugram
Date : 12 December 2022

For and on behalf of
Room to Read India Trust


Sourav Banerjee
Chief Functionary


Apala Majumdar
Trustee

Place : New Delhi
Date : 12 Dec 2022

Place : New Delhi
Date : 12 Dec 2022



Room to Read India Trust
Foreign Contribution Account

Schedules forming part of the financial statements as at 31 March 2022

(All amounts in ₹, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Schedule 1 - Restricted funds | | |
| a) Capital assets fund | | |
| Balance at the beginning of the year | 75,20,075 | 1,07,81,835 |
| Add : Addition to property, plant and equipment (Net of disposals) | 52,25,811 | 13,97,436 |
| Less : Depreciation met out of capital assets fund | (42,13,695) | (46,59,196) |
| Balance at the end of the year | 85,32,191 | 75,20,075 |
| b) Project fund | | |
| Balance at the beginning of the year | 12,06,47,802 | 7,28,28,367 |
| Add : Amounts received during the year | 39,46,40,316 | 51,06,53,992 |
| Add : Grant receivable at the end of the year | 76,40,456 | 77,86,262 |
| | 52,29,28,574 | 59,12,68,621 |
| Less : Expenditure incurred during the year | (46,86,25,142) | (43,42,98,940) |
| Less : Transferred from Income and Expenditure Account | (91,03,541) | (3,63,21,879) |
| Balance at the end of the year | 4,51,99,891 | 12,06,47,802 |
| Total (a)+(b) | 5,37,32,082 | 12,81,67,877 |
| Schedule 2 - Unrestricted fund | | |
| General fund | | |
| Balance at the beginning of the year | 39,57,042 | 12,10,909 |
| Add : Surplus transferred from Income & Expenditure Account | 22,51,178 | 27,46,133 |
| Balance at the end of the year | 62,08,220 | 39,57,042 |
| Schedule 3 - Current liabilities | | |
| Salary and bonus payable | 89,06,891 | 80,39,510 |
| Statutory dues | 73,05,066 | 58,99,097 |
| Sundry creditors | 81,32,898 | 32,375 |
| Other current liabilities | 6,93,116 | 17,29,223 |
| | 2,50,37,971 | 1,57,00,205 |
| Schedule 4 - Provisions | | |
| Compensated absences | 2,13,38,137 | 1,98,38,228 |
| Gratuity | 6,45,146 | 15,80,591 |
| | 2,19,83,283 | 2,14,18,819 |







Room to Read India Trust
Foreign Contribution Account
Schedules forming part of the financial statements as at 31 March 2022
(All amounts in ₹, unless otherwise stated)



Schedule 5 - Property, plant & equipment

| 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 |
| Total | 3,52,36,529 | 62,72,245 | (1,08,03,515) | 3,07,05,259 | 2,77,16,454 | 42,13,695 | (97,57,081) | 2,21,73,068 | 85,32,191 | 75,20,075 |

Comparative table for previous year

| Particulars | Gross block | | | Accumulated Depreciation | | | Net Block | | | |
|------------------------|------------------------|------------------|---------------------------|--------------------------|------------------------|------------------------------|---------------------------|------------------------|------------------------|------------------------|
| | As at 01 April 2020 | Additions | Deletions/ Adjustments | As at 31 March 2021 | As at 01 April 2020 | Depreciation for the year | Deletions/ Adjustments | As at 31 March 2021 | As at 31 March 2021 | As at 31 March 2020 |
| | A | B | C | D=A+B+C | E | F | G | H=E+F+G | I=D-H | J=A-E |
| Furniture and fittings | 33,77,171 | 48,132 | - | 34,25,303 | 17,87,340 | 1,61,391 | - | 19,48,731 | 14,76,572 | 15,89,831 |
| Office equipment | 73,74,062 | 71,776 | (1,27,379) | 73,18,459 | 40,30,611 | 5,06,901 | (99,452) | 44,38,060 | 28,80,399 | 33,43,451 |
| Computers | 2,32,05,601 | 13,23,026 | (35,860) | 2,44,92,767 | 1,73,57,048 | 39,90,904 | (18,289) | 2,13,29,663 | 31,63,104 | 58,48,553 |
| Total | 3,39,56,834 | 14,42,934 | (1,63,240) | 3,52,36,529 | 2,31,74,999 | 46,59,196 | (1,17,741) | 2,77,16,454 | 75,20,075 | 1,07,81,835 |

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

Schedules forming part of the financial statements as at 31 March 2022

(All amounts in ₹, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|--------------------------------|--------------------------------|
| Schedule 6 - Cash and bank balances | | |
| Cash in hand | 11,834 | 25,711 |
| Balances with bank | | |
| - in savings accounts | 5,60,09,395 | 2,57,50,715 |
| - in current accounts | 12,97,798 | 10,64,13,134 |
| - in fixed deposits | 5,03,423 | - |
| | <u>5,78,22,450</u> | <u>13,21,89,560</u> |
| Schedule 7 - Loans and advances (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 58,97,382 | 24,54,679 |
| Security deposits | 28,16,195 | 21,65,645 |
| Income-tax receivable | 7,49,073 | 7,48,692 |
| Prepaid expenses | 63,25,634 | 47,18,158 |
| | <u>1,57,88,284</u> | <u>1,00,87,174</u> |
| Schedule 8 - Other current assets | | |
| Grant receivable | 76,40,456 | 77,86,262 |
| Books held for distribution | 1,71,78,175 | 1,16,60,872 |
| | <u>2,48,18,631</u> | <u>1,94,47,134</u> |

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Suman Datta
A. Rajimdar

A blue circular stamp with the text "ROOM TO READ INDIA TRUST" around the perimeter and a star symbol at the bottom center. The stamp is partially obscured by a signature.


Room to Read India Trust
Foreign Contribution Account

Schedules forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Schedule 9 - Grant and donation | | |
| Grants | 46,86,25,142 | 43,42,98,940 |
| Donation | 5,39,358 | 15,50,361 |
| | <u>46,91,64,500</u> | <u>43,58,49,301</u> |
| Schedule 9A - Other income | | |
| Interest income from banks | 12,91,362 | 11,72,239 |
| Gain on sale of property, plant and equipment | 3,51,996 | 23,533 |
| Miscellaneous Income | 68,460 | - |
| | <u>17,11,818</u> | <u>11,95,772</u> |
| Schedule 10 - Program expenses | | |
| Literacy Instruction and Library Program | 7,76,33,826 | 9,59,73,656 |
| Girls Education Program | 12,72,37,315 | 12,13,72,568 |
| Book Publishing Program | 1,16,15,509 | 90,00,319 |
| Accelerator Program | 13,96,48,989 | 10,41,11,162 |
| Other Program Expenses | 3,55,99,468 | 2,31,97,404 |
| Property, plant and equip. purchased during the year (Net of disposals) | 52,25,811 | 13,97,436 |
| | <u>39,69,60,918</u> | <u>35,50,52,545</u> |
| Schedule 11 - Personnel expenses | | |
| Salaries and other benefits | 5,24,12,003 | 8,71,31,943 |
| Contribution to provident and other funds | 43,81,353 | 54,86,697 |
| Staff welfare | 34,48,974 | 4,73,119 |
| | <u>6,02,42,330</u> | <u>9,30,91,759</u> |
| Schedule 12 - General and administrative expenses | | |
| Repairs and maintenance | 3,73,602 | 2,34,235 |
| Conference and workshops | 27,089 | 3,998 |
| Communication | 10,81,814 | 12,99,241 |
| Marketing and design | 14,24,443 | 92,09,227 |
| Travel and conveyance | 15,75,565 | 21,444 |
| Insurance | 3,76,533 | 8,86,819 |
| Consultancy and professional | 47,93,992 | 14,81,985 |
| Printing and stationery | 23,268 | 16,291 |
| Postage | 24,797 | 58,517 |
| Electricity and water | 2,91,446 | 4,46,815 |
| Rent | 18,74,532 | 60,66,850 |
| Office Expenses | 42,37,142 | 18,56,088 |
| Office supplies | 6,64,284 | 2,82,409 |
| Recruitment | 27,12,634 | 3,54,364 |
| Bank charges | 27,224 | 69,272 |
| Loss on disposal of property, plant and equipment | 9,89,225 | 11,031 |
| Miscellaneous expense | 27,843 | 1,77,929 |
| | <u>2,05,25,433</u> | <u>2,24,76,515</u> |





ROOM TO READ INDIA TRUST
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Room to Read India Trust
Foreign Contribution Account
Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

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 has renewed the registration under the Foreign Contribution (Regulation) Act, 2010/ Foreign Contribution (Regulation) Rules, 2011, for carrying out activities of educational nature with registration number 231660864 dated 4 August 2016 for the period from 01 November 2016 to 31 October 2021 which has been extended till 31 March 2023 through MHA's general notification.

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. from foreign sources and local sources. Receipts from these sources are further classified into two types – Grants 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 2022

I. Grants

Grants are restricted in nature and comprise of receipts from diverse sources viz., Corporates, Foundations, 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. 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) Property, plant and equipment and Intangible assets and depreciation

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

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

Depreciation on property, plant and equipment 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 | 60 |
| Furniture and fixtures | 10 |

6) 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 01 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 encased 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.



Jonan D. A. Rajimdar

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

Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

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.

7) 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 property, plant and equipment.

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.

8) 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.

9) 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.

10) 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.

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

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



Jovan D. A. Majumdar
A handwritten signature in blue ink, "Jovan D. A. Majumdar", is written over a circular blue stamp. The stamp contains the text "ROOM TO READ INDIA TRUST" and a star at the bottom.

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

Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

Schedule 14: Notes to the financial statements

- 1) 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.
- 2) **Previous year figures**

Previous year figures have been rearranged wherever necessary to correspond to the current year's classification.

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

Danish Ahmed

Danish Ahmed
Partner
Membership No.: 522144



Place: Gurugram

Date: 12 December 2022

For and on behalf of the Room to Read India Trust

Sourav Banerjee

Sourav Banerjee
Chief Functionary

A. Majumdar

Apala Majumdar
Trustee

Place: New Delhi

Date: 12 Dec 2022

Place: New Delhi

Date: 12 Dec 2022

