
Walker Chandiook & Co LLP
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Independent Auditor's Report

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

Opinion

1. We have audited the accompanying financial statements of Room to Read India Trust ('the Trust'), which comprise the Balance Sheet as at 31 March 2021 and the Income and Expenditure Account for the year then ended, and significant accounting policies and notes to the financial statements.
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') by the Governing Body of the Trust, of the financial position of the Trust as at 31 March 2021 and its deficit 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 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 Governing Body for the Financial Statements

4. The Governing Body of the Trust 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 considered relevant by the Governing Body of the Trust. 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.



Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

5. In preparing the financial statements, the Governing Body of the Trust 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 Governing Body of the Trust either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
6. The Governing Body of the Trust are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Governing Body.
 - 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.
 - 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.
9. 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.



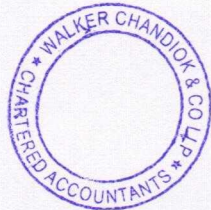
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Restriction on distribution or use

10. The accompanying financial statements have been prepared solely for information and use of governing body of the Trust only in accordance with the Trust Deed and also for the purpose of submission with Form No. 10B of the Income Tax Rules, 1962 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

Tarun



Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AAAAAF7232

Place: Gurugram
Date: 28 December 2021

Room to Read India Trust
Balance Sheet as at 31 March 2021
(All amounts in ₹, unless otherwise stated)

	Schedule	As at 31 March 2021	As at 31 March 2020
Sources of funds			
Funds			
Restricted funds	1	15,17,75,265	13,31,74,426
Unrestricted fund	2	4,44,07,815	19,69,744
		19,61,83,080	13,51,44,170
Liabilities and provisions			
Current liabilities	3	1,62,38,884	1,99,42,133
Provisions	4	2,28,91,328	2,18,81,436
		3,91,30,212	4,18,23,569
		23,53,13,292	17,69,67,739
Applications of funds			
Property, plant and equipment			
Tangible assets	5	97,54,869	1,19,61,549
Current assets, loans and advances			
Cash and bank balances	6	19,07,77,221	13,72,22,652
Loans and advances	7	1,09,70,513	1,08,14,070
Other current assets	8	2,38,10,690	1,69,69,468
		22,55,58,423	16,50,06,190
		23,53,13,292	17,69,67,739

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892



For and on behalf of
Room to Read India Trust

Sourav Banerjee

Sourav Banerjee
Country Director

A. Majumdar

Apala Majumdar
Trustee

Place : Gurugram
Date : 28th Dec 2021

Place : New Delhi **Place** : New Delhi
Date : 28th Dec 2021 **Date** : 28th Dec 2021



Room to Read India Trust**Income and Expenditure Account for the year ended 31 March 2021***(All amounts in ₹, unless otherwise stated)*

	Schedule	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Grants and donations	9	49,29,93,742	57,46,58,537
Other income	9A	28,47,732	68,25,689
		49,58,41,474	58,14,84,226
Expenditure			
Program expenses	10	41,38,65,380	40,46,84,604
Personnel expenses	11	10,41,64,331	11,11,27,408
Depreciation	5	63,36,198	68,07,612
General and administrative expenses	12	2,35,35,916	4,35,86,252
		54,79,01,825	56,62,05,876
Surplus/(deficit) for the year after depreciation		(5,20,60,351)	1,52,78,350
Add:- Depreciation for the year transferred to capital assets fund		63,36,198	68,07,612
Surplus/(deficit) for the year before depreciation		(4,57,24,153)	2,20,85,962
Less:- Deficit for the year transferred to project fund		(4,71,72,992)	(2,34,84,640)
Surplus/(Deficit) for the year transferred to general fund		14,48,839	(13,98,678)

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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of

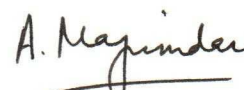
Room to Read India Trust**Tarun Gupta**

Partner

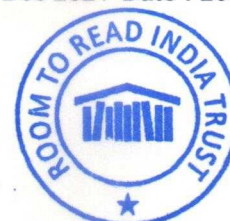
Membership No.: 507892

**Sourav Banerjee**

Country Director

**Apala Majumdar**

Trustee

Place : Gurugram**Date** : 28th Dec 2021**Place** : New Delhi**Date** : 28th Dec 2021**Place** : New Delhi**Date** : 28th Dec 2021

Room to Read India Trust**Schedules forming part of the financial statements as at 31 March 2021***(All amounts in ₹, unless otherwise stated)*

	As at 31 March 2021	As at 31 March 2020
Schedule 1 - Restricted funds		
a) Capital assets fund		
Balance at the beginning of the year	1,19,61,549	90,22,892
Add : Addition to tangible assets	41,29,518	97,46,269
Less : Depreciation met out of capital assets fund	(63,36,198)	(68,07,612)
Balance at the end of the year	<u>97,54,869</u>	<u>1,19,61,549</u>
b) Project fund		
Balance at the beginning of the year	12,12,12,877	9,77,28,237
Add : Amounts received during the year	57,38,42,137	57,17,34,110
	69,50,55,014	66,94,62,347
Less : Expenditure incurred during the year	(51,20,45,383)	(54,82,49,470)
Less : Transferred to general fund	(4,09,89,235)	
Balance at the end of the year	<u>14,20,20,396</u>	<u>12,12,12,877</u>
Total (a)+(b)	<u>15,17,75,265</u>	<u>13,31,74,426</u>
Schedule 2 - Unrestricted fund		
General fund		
Balance at the beginning of the year	19,69,744	33,68,422
Add : Amounts received during the year	1,88,19,266	97,50,116
Add : Transferred from project fund	4,09,89,235	-
	6,17,78,244	1,31,18,538
Less : Expenditure incurred during the year	(1,73,70,429)	(1,11,48,794)
Balance at the end of the year	<u>4,44,07,815</u>	<u>19,69,744</u>
Schedule 3 - Current liabilities		
Salary and bonus payable	81,80,246	89,74,187
Statutory dues	61,84,527	53,63,595
Sundry creditors	34,664	33,59,129
Unspent grants		
- UNICEF	-	10,03,044
Other current liabilities	18,39,447	12,42,178
	<u>1,62,38,884</u>	<u>1,99,42,133</u>
Schedule 4 - Provisions		
Compensated absences	2,11,63,213	1,99,57,692
Gratuity	17,28,115	19,23,744
	<u>2,28,91,328</u>	<u>2,18,81,436</u>



A. Majumdar
[Signature]

Room to Read India Trust**Schedules forming part of the financial statements as at 31 March 2021***(All amounts in ₹, unless otherwise stated)***Schedule 5 - Tangible assets**

Particulars	WDV As at 1 April 2020	Additions/ (Deletions)/ (Adjustments)	As at 31 March 2021	Depreciation for the year	WDV as at 31 March 2021
Furniture and fittings	16,40,321	48,132	16,88,453	(1,66,439)	15,22,014
Office equipment	37,37,736	43,849	37,81,585	(5,66,044)	32,15,541
Computers	65,83,492	40,37,537	1,06,21,029	(56,03,715)	50,17,314
	1,19,61,549	41,29,518	1,60,91,067	(63,36,198)	97,54,869

Previous year

Particulars	WDV As at 1 April 2019	Additions/ (Deletions)/ (Adjustments)	As at 31 March 2020	Depreciation for the year	WDV as at 31 March 2020
Furniture and fittings	17,36,631	81,424	18,18,055	(1,77,734)	16,40,321
Office equipment	37,62,145	5,99,858	43,62,003	(6,24,267)	37,37,736
Computers	35,24,116	90,64,987	1,25,89,103	(60,05,611)	65,83,492
	90,22,892	97,46,269	1,87,69,161	(68,07,612)	1,19,61,549

Schedule 6 - Cash and bank balances

Cash in hand	30,454	35,021
Balances with bank		
- in savings accounts	8,43,33,633	5,49,90,565
- in current accounts	10,64,13,134	8,21,97,066
	19,07,77,221	13,72,22,652

Schedule 7 - Loans and advances*(Unsecured, considered good)*

Advances recoverable in cash or in kind

or for value to be received

Security deposits

Income-tax receivables

Prepaid expenses

	28,70,394	16,96,372
	26,12,545	29,96,595
	3,26,589	10,62,419
	51,60,985	50,58,684
	1,09,70,513	1,08,14,070

Schedule 8 - Other current assets

Grants receivable

Books held for distribution

	1,21,49,818	93,90,706
	1,16,60,872	75,78,762
	2,38,10,690	1,69,69,468



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Room to Read India Trust**Schedules forming part of the financial statements for the year ended 31 March 2021***(All amounts in ₹, unless otherwise stated)*

	Year ended 31 March 2021	Year ended 31 March 2020
Schedule 9 - Grant and donation		
Grants	47,70,22,208	57,17,34,110
Donation	1,59,71,534	29,24,427
	<u>49,29,93,742</u>	<u>57,46,58,537</u>
Schedule 9A - Other income		
Interest income from banks	27,83,839	67,65,147
Interest on income tax refund	40,360	60,542
Miscellaneous income	23,533	-
	<u>28,47,732</u>	<u>68,25,689</u>
Schedule 10 - Program expenses		
Literacy instruction and library program	12,50,14,780	16,31,58,755
Girls education program	12,99,83,760	12,89,37,165
Book publishing program	90,41,486	1,01,14,319
Accelerator program	11,81,44,631	9,27,28,096
Tangible assets purchased during the year	41,29,518	97,46,269
Other program expenses	2,75,51,205	-
	<u>41,38,65,380</u>	<u>40,46,84,604</u>
Schedule 11 - Personnel expenses		
Salaries and other benefits	9,79,12,896	10,13,84,271
Contribution to provident and other funds	57,78,316	58,88,992
Staff welfare	4,73,119	38,54,145
	<u>10,41,64,331</u>	<u>11,11,27,408</u>
Schedule 12 - General and administrative expenses		
Repairs and maintenance	2,67,873	8,68,954
Conference and workshops	3,998	5,77,040
Communication	13,06,951	26,87,714
Marketing and design	92,30,711	14,41,152
Travel and conveyance	22,464	91,61,548
Insurance	8,86,819	1,25,833
Consultancy and professional	17,42,397	57,43,265
Printing and stationery	16,291	2,29,927
Postage	70,412	2,74,307
Electricity and water	4,46,815	11,89,735
Rent	60,93,700	1,55,14,907
Office expenses	25,47,381	25,30,688
Office supplies	2,85,044	14,09,062
Recruitment	3,54,930	15,58,063
Bank charges	71,170	1,69,650
Foreign exchange fluctuation	-	1,766
Miscellaneous expenses	1,88,960	1,02,641
	<u>2,35,35,916</u>	<u>4,35,86,252</u>



A. Majumdar
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Room to Read India Trust

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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 letter number DIT (E)/2004-2005/R-585/04/915, 15 April 2004 which has been renewed 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 order number DIT(E)2007-2008/R-585/04/025, 8 August 2007 for the period from 1 April 2007 to 31st March 2010. The above exemption under section 80G(5)(vi) of the Income-tax Act, 1961 has been extended from the period from April 2010 till it is rescinded vide order number DIT (E) 2010-2011/R-585/77, 16 April 2010 which has been renewed 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 1 November 2016 to 31 December 2021.

II) Significant accounting policies

1) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis. The accounting policies 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.



A. Majumdar
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Room to Read India Trust

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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.

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 depreciation

Tangible assets

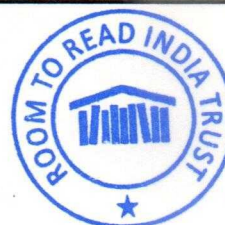
Tangible assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

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

Depreciation on tangible 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	60
Furniture and fixtures	10



A. Majumdar
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Room to Read India Trust

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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 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.

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 tangible 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.



A. Majumdar
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Room to Read India Trust

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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 and in a few cases by other partner organizations to which it disburses grants. Expenditure is recognized on an accrual basis.

10) Provisions and contingent liabilities

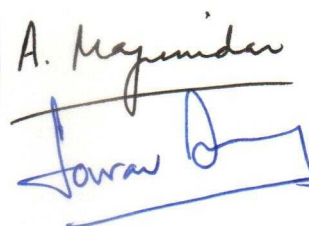
The Trust makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

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.



A. Majumdar


Room to Read India Trust

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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) Spread of COVID-19 has affected the economic activity across the Globe, including India. Government of India has taken significant measures to curb the spread of the infection including imposing mandatory lockdowns and restrictions in activities. The governing body of the Trust believes that it has taken into account all the possible impacts of known events arising from the COVID-19 pandemic on the financial statements including its assessment of the Trust's liquidity and recoverable value of its assets. However, given the uncertainties in the economic environment, the management's impact assessment is subject to significant estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these financial statements. The Trust will continue to monitor any material changes to the future economic conditions and consequential impact on its functions.
- 3) **Previous year figures**

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification. The balance as at 31 March 2020 as per the audited financial statements, regrouped and/or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

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


Tarun Gupta
Partner
Membership No.: 507892



For and on behalf of the Room to Read India Trust


Sourav Banerjee
Country Director


Apala Majumdar
Trustee

Place : Gurugram
Date : 28 December 2021

Place : New Delhi
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