

# Walker Chandlok & Co LLP

**Walker Chandlok & Co LLP**  
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## Independent Auditor's Report

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

### Report on the Special Purpose Financial Statements

1. This Report is issued in accordance with the terms of our engagement letter dated 25 June 2019 with **Room to Read India Trust** (the 'Trust') registered under the Foreign Contribution (Regulation) Act, 2010 with Ministry of Home Affairs, Registration no. 231660864 dated 4 August 2016 for the period from 1 November 2016 to 31 October 2021.
2. We have audited the accompanying special purpose financial statements of the Room to Read India Trust (the 'Trust') which comprise the Balance Sheet as at 31 March 2019, the Income and Expenditure Account and the Receipts and Payment Account for the year ended 31 March 2019, and significant accounting policies and notes to the financial statements (hereinafter together referred to as 'Foreign Contribution Financial Statements') with respect to Foreign Contribution in accordance with the basis of accounting as described in schedule 13 to the Foreign Contribution Financial Statements, prepared by the Governing body of the Trust pursuant to the requirement of Section 19 of the Foreign Contribution (Regulation) Act, 2010 ('Act') read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (as amended) ('Rules').

### Management's Responsibility for the Foreign Contribution Financial Statements

3. The Governing body is responsible for preparation and presentation of the Foreign Contribution Financial Statements in accordance with the basis of accounting described in schedule 13 including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Foreign Contribution Financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Governing body is also responsible for ensuring that the Trust complies with the requirements of the Act read with relevant Rules and providing all required information to the Ministry of Home Affairs.

### Auditor's Responsibility

5. Pursuant to the requirement as stated in paragraph 2 above, it is our responsibility to provide a reasonable assurance in form of an opinion on these Foreign Contribution Financial Statements based on our audit.
6. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements





and plan and perform the audit to obtain reasonable assurance about whether the Foreign Contribution Financial Statements are free from material misstatement due to fraud or error.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Foreign Contribution Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Foreign Contribution Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Trust's preparation of the Foreign Contribution Financial Statements, in all material respects, in accordance with the basis of accounting described in Schedule 13 to these Foreign Contribution Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Governing body of the Trust, as well as evaluating the overall presentation of the Foreign Contribution Financial Statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Foreign Contribution Financial Statements.

## Opinion

9. In our opinion the accompanying Foreign Contribution Financial Statements for the year ended 31 March 2019 are prepared, in all material respects, in accordance with the basis of accounting described in schedule 13 to these Foreign Contribution Financial Statements.

## Report on Other Legal and Regulatory Requirements

10. As required under Rule 17(5) of the Foreign Contribution Rules 2011 and basis the financial statements of Foreign Contribution Account for the Financial Year ended 31 March 2019, we report that:
  - (i) The brought forward foreign contribution at the beginning of the financial year 2018-2019 was ₹59,125,594.
  - (ii) Foreign contribution of ₹465,825,214 was received by the Trust during the financial year 2018-2019.
  - (iii) Interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of ₹1,011,557 was received by the Trust during the financial year 2018-2019.
  - (iv) The balance of unutilised foreign contribution with the Trust at the end of the financial year 2018-2019 was ₹62,524,528.
  - (v) 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 the enclosed Balance Sheet and Receipts and Payments Account is correct as checked by us.
  - (vii) The Trust has utilized the foreign contribution received for the purposes it is registered under Foreign Contribution (Regulation) Act, 2010.

## Basis of accounting and restriction on distribution or use

11. 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 Trust for the purpose of submission with Form No. 10B of the Income Tax Rules, 1962.

# Walker Chandiook & Co LLP

12. The report is addressed to and provided to the Governing body of the Trust solely for the purpose of enabling them to comply with the requirements of Rule 17(5) of the Rules, which requires them to submit the report with the accompanying Foreign Contribution Financial Statements to the Ministry of Home Affairs, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, 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 Registration No.: 001076N/N500013

*Nitin Kohli*

**Nitin Kohli**  
Partner  
Membership No. 507771



**Place:** New Delhi  
**Date:** 26 September 2019

UDIN : 19507771AAAA HH2488

Room to Read India Trust  
Foreign Contribution  
Balance Sheet as at 31 March 2019

	Schedule	As at 31 March 2019 ₹	As at 31 March 2018 ₹
<b>Sources of funds</b>			
<b>Funds</b>			
Restricted fund	1	71,248,479	61,504,993
Unrestricted fund	2	354,922	13,615,868
		<u>71,603,401</u>	<u>75,120,861</u>
<b>Liabilities and provisions</b>			
Current liabilities	3	12,160,043	13,075,401
Provisions	4	12,996,947	15,046,321
		<u>25,156,990</u>	<u>28,121,722</u>
		<u>96,760,391</u>	<u>103,242,583</u>
<b>Applications of funds</b>			
Tangible assets	5	7,982,153	8,283,438
<b>Current assets, loans and advances</b>			
Cash and bank balances	6	65,453,749	59,125,594
Loans and advances	7	9,439,197	8,117,115
Other current assets	8	13,885,292	27,716,436
		<u>88,778,238</u>	<u>94,959,145</u>
		<u>96,760,391</u>	<u>103,242,583</u>
<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.

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

*Nitin Kohli*

Nitin Kohli  
Partner  
Membership No.: 507771



Place : New Delhi

Date : 26 September 2019

For and on behalf of  
Room to Read India Trust

*Sourav Banerjee*

Sourav Banerjee  
Chief Functionary

*A. Majumdar*

Apala Majumdar  
Trustee





**Room to Read India Trust**  
**Foreign Contribution**  
**Income and Expenditure Account for the year ended 31 March 2019**

	Schedule	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
<b>Income</b>			
Grants and donation	9	459,040,844	471,043,744
Other income	9A	3,940,779	3,029,964
		<b>462,981,623</b>	<b>474,073,708</b>
<b>Expenditure</b>			
Program expenses	10	350,822,309	344,967,206
Personnel expenses	11	77,256,006	75,544,013
General and administrative expenses	12	38,119,483	34,095,628
Depreciation	5	3,325,841	2,709,129
		<b>469,523,639</b>	<b>457,315,976</b>
		(6,542,016)	16,757,732
<b>Deficit for the year after depreciation</b>		<b>3,325,841</b>	<b>2,709,129</b>
Add:- Depreciation for the year transferred to capital assets fund		(3,216,175)	19,466,861
<b>Deficit for the year before depreciation</b>		<b>10,044,771</b>	<b>14,485,084</b>
Less:- Surplus for the year transferred to Project Fund		(13,260,946)	4,981,797
<b>Deficit for the year transferred to General fund</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.

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

*Nitin Kohli*  
**Nitin Kohli**  
Partner  
Membership No.: 507771



Place : New Delhi

Date : 26 September 2019

For and on behalf of  
Room to Read India Trust

*Sourav Banerjee*  
**Sourav Banerjee**  
Chief Functionary

*A. Majumdar*  
**Apala Majumdar**  
Trustee



**Room To Read India Trust**  
**Foreign Contribution**  
**Receipts and Payments Account for the year ended 31 March 2019**

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
<b>Opening balance</b>		
Cash in hand	32,591	36,295
Cash at bank	24,446,741	39,165,545
Fixed deposits	34,646,262	7,553,918
	<u>59,125,594</u>	<u>46,755,758</u>
<b>Receipts</b>		
Foreign grants	465,825,214	457,439,475
Bank interest	1,011,557	3,029,964
	<u>466,836,771</u>	<u>460,469,439</u>
<b>Payments</b>		
Program expenses	336,253,098	332,427,117
General and administrative expenses	115,375,489	109,639,640
Assets purchased during the year	3,024,556	6,032,846
Other current liabilities (net)	8,784,694	-
	<u>463,437,837</u>	<u>448,099,603</u>
<b>Closing balance</b>		
Cash in hand	20,453	32,591
Cash at bank	51,747,547	24,446,741
Fixed deposits	10,756,528	34,646,262
	<u>62,524,528</u>	<u>59,125,594</u>

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

*Nitin Kohli*  
**Nitin Kohli**  
Partner  
Membership No.: 507771



Place : New Delhi  
Date : 26 September 2019

For and on behalf of  
Room to Read India Trust

*Sourav Banerjee*  
**Sourav Banerjee**  
Chief Functionary

*Apala Majumdar*  
**Apala Majumdar**  
Trustee



Room to Read India Trust  
Schedules forming part of the financial statements as at 31 March 2019

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
<b>Schedule 1 - Restricted fund</b>		
<b>a) Capital assets fund</b>		
Balance at the beginning of the year	8,283,436	4,959,719
Add : Addition to fixed assets	3,024,556	6,032,846
Less : Depreciation met out of capital assets fund	(3,325,841)	(2,709,129)
Balance at the end of the year	<u>7,982,151</u>	<u>8,283,436</u>
<b>b) Project fund</b>		
Balance at the beginning of the year	53,221,557	38,736,494
Add : Amounts received during the year	456,417,499	469,091,910
Less : Expenditure incurred during the year	509,639,056	507,828,404
Balance at the end of the year	(446,372,728)	(454,606,847)
	<u>63,266,328</u>	<u>53,221,557</u>
<b>Total (a)+(b)</b>	<u>71,248,479</u>	<u>61,504,993</u>
<b>Schedule 2 - Unrestricted fund</b>		
<b>General fund</b>		
Balance at the beginning of the year	13,615,868	8,634,071
Add : Amounts received during the year	6,564,124	4,981,797
Less : Expenditure incurred during the year	(19,825,070)	-
Balance at the end of the year	<u>354,922</u>	<u>13,615,868</u>
<b>Schedule 3 - Current liabilities</b>		
Salary and bonus payable	6,046,061	6,544,081
Statutory dues	4,503,741	1,983,887
Sundry creditors	104,653	2,023,859
Grants payable	139,758	845,680
- TATA USAID	-	-
- TATA CmF	1,365,830	1,677,894
Other current liabilities	<u>12,160,043</u>	<u>13,075,401</u>
<b>Schedule 4 - Provisions</b>		
Leave encashment	11,689,363	13,476,605
Gratuity	1,307,584	1,569,716
	<u>12,996,947</u>	<u>15,046,321</u>

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Room to Read India Trust  
Schedules forming part of the financial statements as at 31 March 2019

Schedule 5 - Tangible assets

	As at 1 April 2018	Additions/ (Deletions)/ (Adjustments)	As at 31 March 2019	Depreciation for the year	Net block as at 31 March 2019
	₹	₹	₹	₹	₹
<b>Fixed assets</b>					
Furnitures and fittings	1,669,148	195,549	1,864,697	(176,692)	1,688,005
Office equipment	3,513,348	541,907	4,055,255	(579,452)	3,475,803
Computers	3,100,942	2,287,100	5,388,042	(2,569,697)	2,818,345
	<u>8,283,438</u>	<u>3,024,556</u>	<u>11,307,994</u>	<u>(3,325,841)</u>	<u>7,982,153</u>
Previous year	4,959,721	6,032,846	10,992,567	(2,709,129)	8,283,438

Schedule 6 - Cash and bank balances

Cash in hand		20,453	32,591
Balances with bank		47,405,061	16,938,373
- in savings accounts		4,342,486	7,508,368
- in current accounts		13,685,749	34,646,262
- in fixed deposits		<u>65,453,749</u>	<u>59,125,594</u>

Schedule 7 - Loans and advances

(Unsecured, considered good)			1,096,227
Advances recoverable in cash or in kind		1,695,471	2,135,320
or for value to be received		2,473,195	441,079
Security deposits		628,279	4,444,489
TDS receivable		4,642,252	<u>8,117,115</u>
Prepaid expenses		<u>9,439,197</u>	

Schedule 8 - Other current assets

Grant receivable		10,926,935	18,417,227
- USAID		-	-
- Unicef		2,958,357	9,299,209
Books held for distribution		<u>13,885,292</u>	<u>27,716,436</u>

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**Room to Read India Trust**  
**Schedules forming part of the financial statements for the year ended 31 March 2019**

<b>Schedule 9 - Grant and donation</b>	456,417,499	469,091,910
Grants	2,623,345	1,951,834
Donation	<u>459,040,844</u>	<u>471,043,744</u>
 <b>Schedule 9A - Other income</b>	 3,940,779	 3,029,964
Interest income from banks	-	-
Less: Interest credited to projects	<u>3,940,779</u>	<u>3,029,964</u>
 <b>Schedule 10 - Program expenses</b>	 159,868,416	 172,004,148
Literacy Instruction and Library Program	93,292,745	86,867,039
Girls Education Program	14,784,780	6,425,315
Book Publishing Program	79,851,812	73,637,858
Accelerator Program	3,024,556	6,032,846
Assets purchased during the year	<u>350,822,309</u>	<u>344,967,206</u>
 <b>Schedule 11 - Personnel expenses</b>	 70,832,031	 68,105,209
Salaries and other benefits	4,102,331	3,837,184
Contribution to provident and other funds	2,321,644	3,601,620
Staff welfare	<u>77,256,006</u>	<u>75,544,013</u>
 <b>Schedule 12 - General and administrative expenses</b>	 1,388,347	 976,609
Repairs and maintenance	932,284	148,936
Conference and workshops	2,413,738	2,865,054
Communication	3,084,980	2,667,283
Marketing and design	6,290,396	5,750,750
Travel and conveyance	206,637	23,853
Insurance	3,961,588	3,052,512
Consultancy and professional	191,929	218,467
Printing and stationery	241,152	185,562
Postage	775,476	999,305
Electricity and water	13,093,341	12,340,526
Rent	1,661,799	2,086,764
Security and other office maintenance charges	1,036,192	1,248,716
Office supplies	1,705,452	1,341,441
Recruitment	40,995	129,196
Bank charges	1,095,177	60,654
Miscellaneous expense	<u>38,119,483</u>	<u>34,095,628</u>

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