

## 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 2022, the Income and Expenditure Account, and the Receipts and Payments Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') to the extent considered relevant by Governing Body of the Trust and other accounting principles generally accepted in India, including of the state of affairs of the Trust as at 31 March 2022, its deficit of income over expenditure and its receipts and payments for the year ended on that date.

#### Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 is responsible for preparation and presentation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Trust in accordance with the Accounting Standards issued by the ICAI to the extent considered relevant by Governing Body of the Trust and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and 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 and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the financial statements, the 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 the Governing Body either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
6. The Governing Body is also 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 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 financial statements.

# Walker Chandiook & Co LLP

8. 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 an adequate internal financial controls system 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;
  - Conclude on the appropriateness of the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Restriction on distribution or use

10. The accompanying financial statements have been prepared solely for the purpose of preparation and filing of audit report in Form No. 10B pursuant to the requirement of Income-tax Act, 1961 and rules thereunder, and therefore, these 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 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: 22507892AYLNWN5057



**Place:** Gurugram  
**Date:** 06 October 2022

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

	Schedule	As at 31 March 2022	As at 31 March 2021
<b>Sources of funds</b>			
<b>Funds</b>			
Restricted fund	1	6,32,33,710	15,17,75,265
Unrestricted fund	2	2,68,11,296	4,44,07,815
		<b>9,00,45,006</b>	<b>19,61,83,080</b>
<b>Liabilities and provisions</b>			
Current liabilities	3	3,62,17,957	1,62,38,884
Provisions	4	2,37,97,700	2,28,91,328
		<b>6,00,15,657</b>	<b>3,91,30,212</b>
		<b>15,00,60,663</b>	<b>23,53,13,292</b>
<b>Applications of funds</b>			
Property, plant & equipment	5	98,26,896	97,54,869
		<b>98,26,896</b>	<b>97,54,869</b>
<b>Current assets, loans and advances</b>			
Cash and bank balances	6	9,84,84,411	19,07,77,221
Loans and advances	7	1,61,29,282	1,09,70,512
Other current assets	8	2,56,20,074	2,38,10,690
		<b>14,02,33,767</b>	<b>22,55,58,423</b>
		<b>15,00,60,663</b>	<b>23,53,13,292</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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

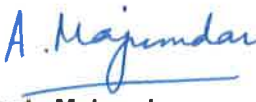
  
**Tarun Gupta**  
Partner  
Membership No.: 507892



**Place :** Gurugram  
**Date :** 6th Oct 2022

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

  
**Sourav Banerjee**  
Country Director

  
**Apala Majumdar**  
Trustee

**Place :** New Delhi  
**Date :** 6th Oct 2022

**Place :** New Delhi  
**Date :** 6th Oct 2022



**Room to Read India Trust****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
<b>Income</b>			
Grants and donation	9	55,20,83,123	49,29,93,742
Other Income	9-A	41,30,434	28,47,732
		<b>55,62,13,557</b>	<b>49,58,41,474</b>
<b>Expenditure</b>			
Program expenses	10	45,26,07,499	41,38,65,380
Personnel expenses	11	10,58,41,140	10,41,64,331
Depreciation	5	54,93,831	63,36,198
General and administrative expenses	12	2,77,94,366	2,35,35,916
		<b>59,17,36,836</b>	<b>54,79,01,825</b>
<b>Deficit for the year after depreciation</b>		(3,55,23,279)	(5,20,60,351)
Add:- Depreciation for the year transferred to capital assets fund		54,93,831	63,36,198
<b>Deficit for the year before depreciation</b>		<b>(3,00,29,448)</b>	<b>(4,57,24,153)</b>
Add:- Amount transferred to Project Fund		1,24,32,929	4,71,72,992
<b>(Deficit)/Surplus for the year transferred to General Fund</b>		<b>(1,75,96,519)</b>	<b>14,48,839</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 Income and Expenditure Account referred to in our report of even date.

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



**Tarun Gupta**  
Partner  
Membership No.: 507892



**Place : Gurugram**  
**Date : 6th Oct 2022**

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



**Sourav Banerjee**  
Country Director



**Apala Majumdar**  
Trustee

**Place : New Delhi**      **Place : New Delhi**  
**Date : 6th Oct 2022**      **Date : 6th Oct 2022**



**Room to Read India Trust****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
<b>Opening balance</b>		
Cash in hand	30,454	35,021
Cash at bank	19,07,46,767	13,71,87,631
	<b>19,07,77,221</b>	<b>13,72,22,652</b>
<b>Receipts</b>		
Donations & Grants	47,96,10,387	59,82,01,332
Interest income	29,81,178	28,24,199
Sale of property, plant and equipment	7,81,135	58,000
Miscellaneous Receipts	4,28,190	-
	<b>48,38,00,890</b>	<b>60,10,83,531</b>
<b>Payments</b>		
Program expenses	44,70,41,641	40,97,35,862
General and administrative expenses	13,25,95,688	12,76,89,216
Property, plant and equipment purchased during the year	66,65,745	41,75,017
Other (net current liabilities)/ net current assets	(1,02,09,374)	59,28,866
	<b>57,60,93,700</b>	<b>54,75,28,961</b>
<b>Closing balance</b>		
Cash in hand	25,667	30,454
Cash at bank	9,79,55,321	19,07,46,767
Fixed deposits	5,03,423	-
	<b>9,84,84,411</b>	<b>19,07,77,221</b>

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Tarun*

**Tarun Gupta**

Partner

Membership No.: 507892



**Place :** Gurugram

**Date :** 6th Oct 2022

For and on behalf of

**Room to Read India Trust**

*Sourav Banerjee*

**Sourav Banerjee**

Country Director

*A. Majumdar*

**Apala Majumdar**

Trustee

**Place :** New Delhi

**Date :** 6th Oct 2022

**Place :** New Delhi

**Date :** 6th Oct 2022



**Room to Read India Trust****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
<b>Schedule 1 - Restricted funds</b>		
<b>a) Capital assets fund</b>		
<b>Balance at the beginning of the year</b>	97,54,869	1,19,61,549
Add : Addition to property, plant and equipment (Net of disposals)	55,65,858	41,29,518
Less : Depreciation met out of capital assets fund	(54,93,831)	(63,36,198)
<b>Balance at the end of the year</b>	<b>98,26,896</b>	<b>97,54,869</b>
<b>b) Project fund</b>		
<b>Balance at the beginning of the year</b>	14,20,20,396	12,12,12,877
Add : Amounts received during the year	43,96,41,236	57,38,42,137
Add : Grant receivable at the end of the year	84,41,899	1,21,49,818
	<b>59,01,03,531</b>	<b>70,72,04,832</b>
Less : Expenditure incurred during the year	(52,42,63,788)	(47,70,22,209)
Less : Transferred to General Fund	-	(4,09,89,235)
Less : Transferred from Income & Expenditure Account	(1,24,32,929)	(4,71,72,992)
<b>Balance at the end of the year</b>	<b>5,34,06,814</b>	<b>14,20,20,396</b>
<b>Total (a)+(b)</b>	<b>6,32,33,710</b>	<b>15,17,75,265</b>
<b>Schedule 2 - Unrestricted fund</b>		
<b>General fund</b>		
<b>Balance at the beginning of the year</b>	4,44,07,815	19,69,741
Add : (Deficit)/Surplus transferred from Income & Expenditure Account	(1,75,96,519)	14,48,839
Add: Transferred from Project Fund	-	4,09,89,235
<b>Balance at the end of the year</b>	<b>2,68,11,296</b>	<b>4,44,07,815</b>
<b>Schedule 3 - Current liabilities</b>		
Salary and bonus payable	96,34,795	81,80,246
Statutory dues	80,33,295	61,84,527
Sundry creditors	1,76,00,372	34,664
Other current liabilities	9,49,495	18,39,447
	<b>3,62,17,957</b>	<b>1,62,38,884</b>
<b>Schedule 4 - Provisions</b>		
Compensated absences	2,29,96,150	2,11,63,213
Gratuity	8,01,550	17,28,115
	<b>2,37,97,700</b>	<b>2,28,91,328</b>



*Shrawan*  
*Kajimdar*



**Room to Read India Trust**  
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	35,07,589	3,12,110	(16,18,526)	22,01,173	19,85,575	1,24,969	(10,87,847)	10,22,697	11,78,476	15,22,014
Office equipment	78,65,188	1,89,779	(26,34,632)	54,20,335	46,49,647	4,34,828	(20,96,547)	29,87,928	24,32,407	32,15,541
Computers	3,36,78,220	61,63,856	(95,44,075)	3,02,98,001	2,86,60,906	49,34,034	(95,12,952)	2,40,81,988	62,16,013	50,17,314
<b>Total</b>	<b>4,50,50,997</b>	<b>66,65,745</b>	<b>(1,37,97,233)</b>	<b>3,79,19,509</b>	<b>3,52,96,128</b>	<b>54,93,831</b>	<b>(1,26,97,346)</b>	<b>2,80,92,613</b>	<b>98,26,896</b>	<b>97,54,869</b>

**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	34,59,457	48,132	-	35,07,589	18,19,136	1,66,439	-	19,85,575	15,22,014	16,40,321
Office equipment	79,20,791	71,776	(1,27,379)	78,65,188	41,83,055	5,66,044	(99,452)	46,49,647	32,15,541	37,37,736
Computers	2,96,58,972	40,55,109	(35,861)	3,36,78,220	2,30,75,480	56,03,715	(18,289)	2,86,60,906	50,17,314	65,83,492
<b>Total</b>	<b>4,10,39,220</b>	<b>41,75,017</b>	<b>(1,63,240)</b>	<b>4,50,50,997</b>	<b>2,90,77,671</b>	<b>63,36,198</b>	<b>(1,17,741)</b>	<b>3,52,96,128</b>	<b>97,54,869</b>	<b>1,19,61,549</b>

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**Room to Read India Trust****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
<b>Schedule 6 - Cash and bank balances</b>		
Cash in hand	25,667	30,454
Balances with bank		
- in savings accounts	9,66,57,523	8,43,33,633
- in current accounts	12,97,798	10,64,13,134
- in fixed deposits	5,03,423	-
	<u><u>9,84,84,411</u></u>	<u><u>19,07,77,221</u></u>
<b>Schedule 7 - Loans and advances</b>		
<i>(Unsecured, considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	60,26,120	28,70,393
Security deposits	32,63,095	26,12,545
Income-tax receivable	28,824	3,26,589
Prepaid expenses	68,11,243	51,60,985
	<u><u>1,61,29,282</u></u>	<u><u>1,09,70,512</u></u>
<b>Schedule 8 - Other current assets</b>		
Grant receivable	84,41,899	1,21,49,818
Books held for distribution	1,71,78,175	1,16,60,872
	<u><u>2,56,20,074</u></u>	<u><u>2,38,10,690</u></u>

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*Jitendra D. Mayurda*



**Room to Read India Trust****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
<b>Schedule 9 - Grant and donation</b>		
Grants	52,42,63,788	47,70,22,208
Donation	2,78,19,335	1,59,71,534
	<b>55,20,83,123</b>	<b>49,29,93,742</b>
<b>Schedule 9A - Other income</b>		
Interest income from banks	29,55,057	27,83,839
Interest on income tax refund	26,121	40,360
Gain on sale of property, plant and equipment	7,21,066	23,533
Miscellaneous Income	4,28,190	-
	<b>41,30,434</b>	<b>28,47,732</b>
<b>Schedule 10 - Program expenses</b>		
Literacy Instruction and Library Program	10,32,80,173	12,50,14,780
Girls Education Program	12,79,26,496	12,99,83,760
Book Publishing Program	1,20,81,265	90,41,486
Accelerator Program	16,38,11,532	11,81,44,631
Other Program Expenses	3,99,42,175	2,75,51,205
Property, plant and equip. purchased during the year (Net of disposals)	55,65,858	41,29,518
	<b>45,26,07,499</b>	<b>41,38,65,380</b>
<b>Schedule 11 - Personnel expenses</b>		
Salaries and other benefits	9,64,74,130	9,79,12,896
Contribution to provident and other funds	55,16,977	57,78,316
Staff welfare	38,50,033	4,73,119
	<b>10,58,41,140</b>	<b>10,41,64,331</b>
<b>Schedule 12 - General and administrative expenses</b>		
Repairs and maintenance	8,36,585	2,67,873
Conference and workshops	27,089	3,998
Communication	11,70,485	13,06,951
Marketing and design	16,43,140	92,30,711
Travel and conveyance	16,21,749	22,464
Insurance	3,76,533	8,86,819
Consultancy and professional	49,49,999	17,42,397
Printing and stationery	23,268	16,291
Postage	24,797	70,412
Electricity and water	4,82,514	4,46,815
Rent	74,29,444	60,93,700
Office Expenses	46,58,945	25,47,381
Office supplies	7,12,741	2,85,044
Recruitment	27,12,634	3,54,930
Bank charges	38,622	71,170
Loss on disposal of property, plant and equipment	10,39,818	11,031
Miscellaneous expense	46,003	1,77,929
	<b>2,77,94,366</b>	<b>2,35,35,916</b>



*Jwan D. Rajimdar*

**Room to Read India Trust**  
**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 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.

**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.



**Room to Read India Trust**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

**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 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.



*Jovan D. J. A. Agreindar*

**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.



**Room to Read India Trust**  
**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 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

  
**Tarun Gupta**  
Partner  
Membership No.: 507892




**Place:** Gurugram  
**Date:** 06 October 2022

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

  
**Sourav Banerjee**  
Country Director

**Place:** New Delhi  
**Date:** 06 October 2022

  
**Apala Majumdar**  
Trustee

**Place:** New Delhi  
**Date:** 06 October 2022

