

# Walker Chandlok & Co LLP

## Independent Auditor's Report pursuant to the requirements of Rule 17(5) of the Foreign Contribution (Regulation) Rules, 2011 (as amended)

To,  
The Trustees  
Room to Read India Trust  
D21, Corporate Park, Office No. 210E(B)  
2nd Floor, Sector-21, Dwarka  
Near Sector 8 Metro,  
New Delhi - 110075

Walker Chandlok & Co LLP  
(Formerly Walker, Chandlok & Co)  
6th Floor, Plot No. 19A,  
Sector 16A, Noida 201301  
India

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1. This Report is issued in accordance with the terms of our engagement letter dated 26 March 2018 with Room to Read India Trust (the 'Trust').
2. We have audited the accompanying special purpose financial statements of the Trust which comprise the Balance Sheet as at 31 March 2018, the Income and Expenditure Statement and Receipts and Payment Account for the year ended 31 March 2018, and a summary of the significant accounting policies and notes to the financial statements (hereinafter together referred to as 'Foreign Contribution Financial Statements') with respect to the Foreign Contribution and accompanying Annexure A in accordance with the basis of preparation as described in note 14 to the Foreign Contribution Financial Statements. The Management of the Trust is responsible for the preparation and presentation of these Foreign Contribution Financial Statements and Annexure A in accordance with the basis of preparation as described in note 14 to the Foreign Contribution Financial Statements 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'). The accompanying Annexure A has been initialled by us for identification purpose only.

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

3. The Management is responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Foreign Contribution Financial Statements and Annexure A and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances in accordance with the basis of preparation described in note 14 to the Foreign Contribution Financial Statements. This responsibility also includes maintenance of adequate accounting records and other records in accordance with the provisions of the Act and rules made thereunder relevant to the preparation and presentation of the Foreign Contribution Financial Statements and Annexure A in accordance with the basis of preparation described in note 14.
4. The Management 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 in the prescribed Form FC-4.

### Auditor's Responsibility

5. Our responsibility is to express an opinion on these Foreign Contribution Financial Statements and Annexure A 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 and Annexure A are free from material misstatement.



# Walker Chandiok & Co LLP

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Foreign Contribution Financial Statements and Annexure A. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Foreign Contribution Financial Statements and Annexure A, 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 and Annexure A, in all material respects, in accordance with the basis of preparation described in note 14 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 Management of the Trust, as well as evaluating the overall presentation of the Foreign Contribution Financial Statements and Annexure A.
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 and Annexure A.

## Opinion

9. In our opinion, the accompanying Foreign Contribution Financial Statements and Annexure A for the year ended 31 March 2018 are prepared, in all material respects, in accordance with the basis of preparation described in note 14 to these Foreign Contribution Financial Statements.

## Basis of accounting and restriction on distribution or use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of Form FC-4 along with the accompanying Foreign Contribution Financial Statements and Annexure A with the Ministry of Home Affairs. The Management has also prepared complete set of financial statements for Trust for the purpose of submission with Form 10B of the Income Tax Rules, 1962.
11. The report is addressed to and provided to the Trustees 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 and Annexure A 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.

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

*Lalit Kumar*  
**Lalit Kumar**  
Partner  
Membership No. 095256



Place: Noida  
Date: 31 August 2018



**Room to Read India Trust**

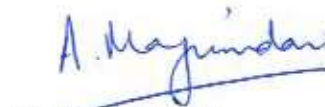
**Annexure A to the Foreign Contribution Account financial statements for the year ended 31 March 2018**

Basis the financial statements of Foreign Contribution Account for the financial year ended 31 March 2018 we confirm that:

- (i) The brought forward foreign contribution at the beginning of the financial year 2017-2018 was ₹ 46,755,758.
- (ii) Foreign contribution of ₹457,439,475 was received by the Trust during the financial year 2017-2018.
- (iii) Interest accrued on foreign contribution of ₹3,029,964 was received by the Trust during the financial year 2017-2018.
- (iv) The balance of unutilised foreign contribution with the Trust at the end of the financial year 2017-2018 was ₹ 59,125,594.
- (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.

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

  
Sourav Banerjee  
Country Director

  
Apala Majumdar  
Trustee

Place: New Delhi  
Date: 31 August 2018



SIGNED FOR  
IDENTIFICATION  
PURPOSE ONLY



Room to Read India Trust  
Foreign Contribution  
Balance Sheet as at 31 March 2018

	Schedule	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>Sources of funds</b>			
<b>Funds</b>			
Restricted fund	1	61,504,993	43,696,213
Unrestricted fund	2	13,615,868	8,634,071
		<u>75,120,861</u>	<u>52,330,284</u>
<b>Liabilities and provisions</b>			
Current liabilities	3	13,075,401	12,413,530
Provisions	4	15,046,321	10,745,016
		<u>28,121,722</u>	<u>23,158,546</u>
		<u>103,242,583</u>	<u>75,488,830</u>
<b>Applications of funds</b>			
Tangible assets	5	8,283,438	4,959,721
<b>Current assets, loans and advances</b>			
Cash and bank balances	6	59,125,594	46,755,758
Loans and advances	7	8,117,115	6,292,404
Other current assets	8	27,716,436	17,480,947
		<u>94,959,145</u>	<u>70,529,109</u>
		<u>103,242,583</u>	<u>75,488,830</u>
Significant accounting policies and notes to the financial statements	14-15		

The schedules referred to above form an integral part of these foreign contribution financial statements.

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

*Lalit Kumar*

Lalit Kumar  
Partner  
Membership No.: 095256

Place : New Delhi  
Date : 31 August 2018



For and on behalf of  
Room to Read India Trust

*Sourav Banerjee*  
Sourav Banerjee  
Country Director

*A. Majumdar*  
Apala Majumdar  
Trustee



Room to Read India Trust  
Foreign Contribution  
Income and Expenditure Account for the year ended 31 March 2018

	Schedule	Year ended	Year ended
		31 March 2018	31 March 2017
		₹	₹
<b>Income</b>			
Grants and donation	9	471,043,744	332,663,914
Other income	10	3,029,964	2,896,066
		<b>474,073,708</b>	<b>335,559,980</b>
<b>Expenditure</b>			
Program expenses	11	344,967,206	246,718,072
Personnel expenses	12	75,544,013	58,325,011
General and administrative expenses	13	34,095,628	23,321,336
Depreciation	5	2,709,129	2,084,511
		<b>457,315,976</b>	<b>330,448,930</b>
<b>Surplus for the year after depreciation</b>		16,757,732	5,111,050
Add: Depreciation for the year transferred to capital assets fund		2,709,129	2,084,511
<b>Surplus for the year before depreciation</b>		<b>19,466,861</b>	<b>7,195,561</b>
Less: Surplus for the year transferred to Project Fund		14,485,064	3,109,175
<b>Surplus for the year transferred to General fund</b>		<b>4,981,797</b>	<b>4,086,386</b>

Significant accounting policies and notes to the financial statements 14-15

The schedules referred to above form an integral part of these foreign contribution financial statements.

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

*Lalit Kumar*  
Lalit Kumar  
Partner  
Membership No.: 095256

Place : New Delhi  
Date : *31 August 2018*



For and on behalf of  
Room to Read India Trust

*Sonrav Banerjee*      *A. Majumdar*  
Sonrav Banerjee      Apala Majumdar  
Country Director      Trustee



Room To Read India Trust  
Foreign Contribution  
Receipts and Payments Account for the year ended 31 March 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>Opening balance</b>		
Cash in hand	36,295	28,271
Cash at bank	39,165,545	5,627,241
Fixed deposits	7,553,918	23,785,745
Other current assets (net)	-	10,733,746
	<b>46,755,758</b>	<b>40,175,003</b>
<b>Receipts</b>		
Foreign grants	457,439,475	333,922,690
Bank interest	3,029,964	2,896,066
	<b>460,469,439</b>	<b>336,818,756</b>
<b>Payments</b>		
Program expenses	332,427,117	246,523,151
General and administrative expenses	109,639,640	81,646,347
Assets purchased during the year	6,032,846	2,068,503
	<b>448,099,603</b>	<b>330,238,001</b>
<b>Closing 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
	<b>59,125,594</b>	<b>46,755,758</b>

*Walker Chandiok & Co LLP*

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

*Lalit Kumar*

Lalit Kumar  
Partner  
Membership No.: 095256

Place : New Delhi

Date : 31 Aug 2018



For and on behalf of  
Room to Read India Trust

*Sourav Banerjee*

Sourav Banerjee  
Country Director

*A. Majumdar*

Apala Majumdar  
Trustee





Room to Read India Trust  
Foreign Contribution  
Schedules forming part of the financial statements as at 31 March 2018

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>Schedule 1 - Restricted fund</b>		
<b>a) Capital assets fund</b>		
Balance at the beginning of the year	4,959,719	4,975,727
Add : Addition to fixed assets	6,032,846	2,068,503
Less : Depreciation met out of capital assets fund	(2,709,129)	(2,084,511)
Balance at the end of the year	<u>8,283,436</u>	<u>4,959,719</u>
<b>b) Project fund</b>		
Balance at the beginning of the year	38,736,494	35,627,319
Add : Amounts received during the year	469,091,910	331,473,594
	<u>507,828,404</u>	<u>367,100,913</u>
Less : Expenditure incurred during the year	(454,606,847)	(328,364,419)
Balance at the end of the year	<u>53,221,557</u>	<u>38,736,494</u>
<b>Total (a)+(b)</b>	<u><u>61,504,993</u></u>	<u><u>43,696,213</u></u>
<b>Schedule 2 - Unrestricted fund</b>		
<b>General fund</b>		
Balance at the beginning of the year	8,634,071	4,547,685
Add: Surplus for the year transferred from Income and Expenditure Account	4,981,797	4,086,386
Balance at the end of the year	<u>13,615,868</u>	<u>8,634,071</u>
<b>Schedule 3 - Current liabilities</b>		
Salary and bonus payable	6,544,081	5,606,634
Statutory dues	1,983,887	4,146,824
Sundry creditors	2,023,859	890,913
Grants payable		
TATA USAID	845,680	1,061,912
TATA CmF		
Unicef		
Other current liabilities	1,677,894	707,247
	<u>13,075,401</u>	<u>12,413,530</u>
<b>Schedule 4 - Provisions</b>		
Leave encashment	13,476,605	9,335,606
Gratuity	1,569,716	1,409,410
	<u>15,046,321</u>	<u>10,745,016</u>

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Room to Read India Trust  
Foreign Contribution Account  
Schedules forming part of the financial statements as at 31 March 2018

Schedule 5 - Fixed assets

	As at 1 April 2017	Additions/ (Deletions)/ (Adjustments)	As at 31 March 2018	Depreciation for the year	Net block as at 31 March 2018
	₹	₹	₹	₹	₹
<b>Tangible assets</b>					
Furnitures and fittings	1,572,432	267,730	1,840,162	(171,014)	1,669,148
Office equipment	2,267,275	1,743,432	4,010,707	(497,359)	3,513,348
Computers	1,120,014	4,021,684	5,141,698	(2,040,756)	3,100,942
	<u>4,959,721</u>	<u>6,032,846</u>	<u>10,992,567</u>	<u>(2,709,129)</u>	<u>8,283,438</u>
Previous year	4,975,729	2,068,503	7,044,232	(2,084,511)	4,959,721

Schedule 6 - Cash and bank balances

Cash in hand		32,591		36,295
Balances with bank				
- in savings accounts			16,938,373	36,112,514
- in current accounts			7,508,368	3,053,031
- in fixed deposits			34,646,262	7,553,918
			<u>59,125,594</u>	<u>46,755,758</u>

Schedule 7 - Loans and advances

(Unsecured, considered good)

Advances recoverable in cash or in kind  
or for value to be received

Security deposits			1,096,227	571,859
TDS receivable			2,135,320	2,116,320
Prepaid expenses			441,079	312,229
			<u>4,444,489</u>	<u>3,291,996</u>
			<u>8,117,115</u>	<u>6,292,404</u>

Schedule 8 - Other current assets

Grant receivable

- USAID			18,417,227	5,029,189
- Unicef			-	-
Books held for distribution			9,299,209	12,451,758
			<u>27,716,436</u>	<u>17,480,947</u>

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Room to Read India Trust  
Foreign Contribution Account  
Schedules forming part of the financial statements for the year ended 31 March 2018

**Schedule 9 - Grant and donation**

Grants	469,091,910	331,473,594
Donation	1,951,834	1,190,320
	<b>471,043,744</b>	<b>332,663,914</b>

**Schedule 10 - Other income**

Interest income from banks	3,029,964	2,896,066
	<b>3,029,964</b>	<b>2,896,066</b>

**Schedule 11 - Program expenses**

Literacy Instruction and Library Program	172,004,148	138,855,817
Girls Education Program	86,867,039	58,154,085
Book Publishing Program	6,425,315	4,738,282
Accelerator Program	73,637,858	42,901,385
Assets purchased during the year	6,032,846	2,068,503
	<b>344,967,206</b>	<b>246,718,072</b>

**Schedule 12 - Personnel expenses**

Salaries and other benefits	68,187,334	51,945,293
Contribution to provident and other funds	3,755,059	2,323,436
Staff welfare	3,601,620	4,056,282
	<b>75,544,013</b>	<b>58,325,011</b>

**Schedule 13 - General and administrative expenses**

Repairs and maintenance	976,609	1,186,150
Conference and workshops	148,936	1,456,210
Communication	2,865,054	2,188,214
Marketing and design	2,667,283	526,320
Travel and conveyance	5,750,750	5,349,874
Insurance	23,853	137,195
Consultancy and professional	3,052,512	1,718,820
Printing and stationery	218,467	174,946
Postage	185,562	191,887
Electricity and water	999,305	493,477
Rent	12,340,526	6,558,763
Security and other office maintenance charges	2,086,764	1,649,639
Office supplies	1,248,716	810,990
Recruitment	1,341,441	769,414
Bank charges	129,196	60,069
Miscellaneous expenses	60,654	49,368
	<b>34,095,628</b>	<b>23,321,336</b>

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