



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Sarojini House, 6 Bhagwan Das Road, New Delhi – 110001
Tel. (011) 4474 4643 / 4515 0845; e-mail: newdelhi@vsa.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KATHA

1. Opinion

We have audited the financial statements of **KATHA** ("Society"), which comprise the Balance Sheet as at 31st March, 2025 and the statement of Income and Expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read with other notes given thereto, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Society as at 31st March, 2025; and
- ii) in the case of the Statement of Income and Expenditure, of the deficit for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by 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 Society in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethic. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw attention to the matter relating to denial of renewal of the Society's registrations under Foreign Contribution (Regulation) Act, 2010 and Rules made thereunder by the Ministry of Home Affairs (MHA). The Society is in the process of addressing the concerns of the MHA. Till renewal of registration by MHA, the Foreign Contribution funds, presently kept deposited in savings accounts and fixed deposits, stands frozen by the MHA and cannot be utilized by the Society (refer note no. 31 of the financial statements).

Our opinion is not modified in respect of the above matter.

4. Responsibilities of management for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance, of the Society in accordance with the accounting principles generally accepted in India, including the accounting standards issued by ICAI, to the extent applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Society and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Society's financial reporting process.

5. Auditors' responsibility for the audit of the financial statements

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. Misstatement 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.

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 the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Society'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 Society 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



6. Other matters

We report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account have been kept by the Society so far as appears from our examination of those books; and
- c) The Balance Sheet and Statement of Income and Expenditure dealt with by this report are in agreement with the books of accounts;

For V. Sankar Aiyar & Co.
Chartered Accountants
(ICAI Firm Registration No.: 109208W)



Place: New Delhi
Dated: 17th October, 2025

Karthik Srinivasan

KARTHIK SRINIVASAN
Partner
Membership No: 514998
ICAI UDIN: 25514998BMLGOE5570

KATHA

(Registered under the Societies Registration Act, 1860)

BALANCE SHEET AS AT 31st MARCH, 2025

Particulars	Note no.	(Amount in ₹)	
		As at 31 st March, 2025	As at 31 st March, 2024
Sources of Funds			
Restricted funds			
Capital fund	3	52,85,467	61,90,487
Corpus fund	4	31,70,000	31,70,000
Resources for educating a child fund (REACH fund)	5	16,48,271	38,20,270
Founder's reserve	6	1,70,62,879	1,68,38,879
Specific purpose funds	7	2,56,53,047	3,16,56,367
Unrestricted funds			
General fund	8	(1,06,27,223)	(81,62,161)
Current liabilities and provisions			
Trade payables	9	66,30,812	61,98,830
Other current liabilities	10	1,03,50,557	54,74,860
Short-term provisions	11	18,25,987	19,04,358
		6,09,99,797	6,70,91,890
Application of Funds			
Non-current assets			
Property, plant and equipment and intangible assets			
-Property, plant and equipment	12	52,76,905	61,79,071
-Intangible assets	13	8,562	11,416
Other non-current assets	14	11,04,000	6,87,500
Current assets, loans and advances			
Inventory	15	35,67,743	22,76,087
Trade receivables	16	29,17,069	26,15,742
Cash and bank balances	17	4,61,15,895	5,47,95,340
Short-term loans and advances	18	19,01,746	4,10,735
Other current assets	19	1,07,877	1,15,999
		6,09,99,797	6,70,91,890
Summary of significant accounting policies	2		
Accompanying notes form part of financial statements			

As per annexure to our report

For V. Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.: 109208W

Kanthik Srinivasan

Kanthik Srinivasan

Partner

Membership No.: 514998

Place: New Delhi

Date: 17/10/2025

For and on behalf of Katha

R Balasubramanian

Vice President

Ms. Sashwati Banerjee

Governing Council Member



Φ KATHA

(Registered under the Societies Registration Act, 1860)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	Note no.	(Amount in ₹)	
		For the year ended 31 st March 2025	For the year ended 31 st March 2024
I. Incomes			
Grants received	20	6,80,80,238	6,22,80,494
Distribution of publications		81,70,578	62,18,492
Other incomes	21	47,23,169	31,26,221
		<u>8,09,73,985</u>	<u>7,16,25,207</u>
II. Expenditures			
Programme expenses	22	2,84,06,267	3,05,43,626
(Increase)/decrease in inventory	23	(12,91,656)	(22,76,087)
Employees benefits expenses	24	5,19,04,365	3,94,84,801
Administrative and other expenses	25	65,92,071	42,42,769
Depreciation	26	13,04,120	16,66,639
Less: Adjusted against capital fund		<u>(13,04,120)</u>	<u>(16,66,639)</u>
		<u>8,56,11,047</u>	<u>7,19,95,109</u>
(Deficit)/surplus for the year (I-II)		(46,37,062)	(3,69,902)
Transfer to resources for educating a child fund (REACH fund)		21,72,000	1,73,262
Transfer to general fund		<u>24,65,062</u>	<u>1,96,640</u>
		<u>-</u>	<u>-</u>
Summary of significant accounting policies	2		

Accompanying notes form part of financial statements

As per annexure to our report

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.:109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No.: 514998

Place: New Delhi

Date: 17/10/2025



For and on behalf of Katha

R Balasubramanian
Vice President

Sashwati Banerjee
Governing Council Member



☐ KATHA

(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

1 General information:

Katha ('the Society') is registered under the Societies Registration Act, 1860; vide registration certificate no.S-20336 dated 8th September 1989. The Society has been granted registration under section 12A of the Income Tax Act, 1961. The Society has been approved under section 80G (5) (VI) of the Income Tax Act, 1961. The Society is registered under the Foreign Contribution (Regulation) Act, 1976, (FCRA) (since replaced by FCRA 2010) for carrying out activities of social nature with registration no.231650637. The Society Permanent Account Number is AAATK2702M.

Started in 1988, Katha is dedicated to enhancing the joy of reading and fostering a deep love for books among children and communities. The organisation actively works in Delhi and National Capital Region, as well as Tamil Nadu, through community book fairs, libraries, and educational outreach programs, promoting literacy and storytelling in local languages. Katha integrates STEM (Science, Technology, Engineering, and Mathematics) learning into its programs, equipping children with essential 21st-century skills. Aligned with the National Education Policy (NEP) 2020, Katha emphasises innovative pedagogy, experiential learning, and inclusive education to bridge social and economic divides. This holistic approach nurtures children's creativity, problem-solving abilities, and confidence, preparing them for a knowledge-driven future.

2 Significant accounting policies

a) Basis of accounting

The financial statements have been prepared and presented on the accrual basis under historical cost convention. The accounting standards issued by the Institute of Chartered Accountants of India (ICAI) are applicable to non-profit entities, only if any part of the activities of the entity is considered to be commercial, industrial or business in nature. The Society is not carrying on any activity in the nature of commercial, industrial or business. Therefore, the accounting standards are not mandatory and have been followed to the extent practicable or relevant. The accounting policies have been consistently applied by the Society.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The Society is following mercantile basis of accounting.

c) Revenue recognition

Grants

Grants are recognized when there is reasonable certainty that the Society will comply with the conditions attached to them.

Grants relating to depreciable assets are credited to capital fund which is recognized in the statement of income and expenditure by way of a depreciation charge.

The Society receives funds which are restricted in nature from foreign and Indian sources. Revenue from restricted fund is recognised during the year in the statement of income and expenditure to match the related expenditure. The balance amount is carried forward in the restricted fund for use in future periods.

Interest income

Interest on fixed deposits is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

d) Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation.

Depreciation on property, plant and equipment is charged on written down value method at the following rates and in accordance with the rates prescribed under the Income Tax Act, 1961.

Particulars	Rates of depreciation
Building	10%
Furniture and fixtures	10%
Computer equipment	40%
Office equipment	15%
Trade mark	25%
Electrical Equipment	15%
Vehicle	15%
Software	25%

e) Inventory of books are valued at 50% discounted on M.R.P. for moving inventory and plus 35% discounted on M.R.P. for slow moving inventory.



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Notes form part of financial statements for the year 2024-25

f) General funds

The surplus / deficit from statement of income and expenditure is transferred to general fund, which is unrestricted in nature and is available for furtherance of the objective of the Society in future periods.

g) Expenditure

The Society implements programmes for children's education and its other objects by itself and no programmes are sublet to any other organization. Accordingly, expenditure incurred by the Society during the year to implement their projects are charged to the statement of income and expenditure.

h) Provisions and contingent liability

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

i) Employee benefits

The Society makes regular contribution towards Government Provident Fund.

The Society has entered into an arrangement with Life Insurance Corporation (LIC) towards accruing liability for future payment of gratuity. Provision for leave encashment has been made on actual calculation.

j) Leases

Lease payments in respect of operating lease are recognized as an expense in the statement of income and expenditure on a straight line basis over the period of lease.

h) Kalpavriksham

This is a Centre for sustainable learning. This also includes expenditure among others, on the following:

- i) Kathashala school expenses (Katha Lab School) situated at Govindpuri (Delhi) where various programmes are run including a full time school.
- ii) Quality enhancement and reading programme in various Municipal schools and community.
- iii) Teachers education and training programme.

i) Katha Vilasam

This is a resource centre for research, development and production of educational content (Books and teaching learning material) in print and digital formats and dissemination thereof.



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Notes form part of financial statements for the year 2024-25

(Amount in ₹)

Particulars	As at 31 st March,2025	As at 31 st March,2024
3. Capital fund		
Property,plant and equipment of previous years	61,90,487	50,55,478
Add: Property,plant and equipment out of grant during the year	2,43,450	28,01,648
Add: Property,plant and equipment out of general fund	1,55,650	-
Less: Depreciation for the year adjusted	13,04,120	16,66,639
	<u>52,85,467</u>	<u>61,90,487</u>
4. Corpus fund		
As per last balance sheet	31,70,000	31,70,000
Add: Received during the year	-	-
Less: Utilised during the year	-	-
	<u>31,70,000</u>	<u>31,70,000</u>
5. Resources for educating a child fund (REACH fund)		
Opening balance	38,20,270	39,93,532
Add/ less: Transfer from income and expenditure account	(21,72,000)	(1,73,262)
	<u>16,48,270</u>	<u>38,20,270</u>
6. Founder's reserve		
Opening balance	1,68,38,879	1,68,38,879
Add: Founder 's contribution to projects	2,24,000	-
	<u>1,70,62,879</u>	<u>1,68,38,879</u>



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(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

(Amount in ₹)

Particulars	As at	
	31 st March,2025	31 st March,2024
8. General fund		
Opening balance	(81,62,161)	(79,65,521)
Add: Excess of income over expenditure	(24,65,062)	(1,96,640)
	<u>(1,06,27,223)</u>	<u>(81,62,161)</u>

9. Trade Payables

Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	66,30,812	61,98,830
	<u>66,30,812</u>	<u>61,98,830</u>

Disclosure relating to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") based on the information available with the Society:

Particulars	31 st March, 2025	31 st March, 2024
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

10. Other current liabilities

Loan from Dharmarajan's Family	99,57,428	52,40,838
Other liabilities	3,93,129	2,34,022
	<u>1,03,50,557</u>	<u>54,74,860</u>

11. Short-term provisions

Employees' benefits		
-Gratuity	18,25,987	19,04,358
	<u>18,25,987</u>	<u>19,04,358</u>



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(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

7. Specific purpose funds

Sr. no.	Projects	Balances as on 01-04-2024	Grant receipts during the year	Utilized during the year		Total	Balance as on 31-03-2025
				Revenue expenditure	Capital expenditure		
	A. General						
1	Bata India Limited	-	10,52,855	10,52,855	-	10,52,855	-
2	HCL Foundation	1,23,948	1,60,45,178	1,59,71,975	-	1,59,71,975	1,97,151
3	British Asian India Foundation- support for purchase of Digital Device	2,43,450			2,43,450	2,43,450	-
4	Active Securities Limited	-	5,00,000	5,00,000	-	5,00,000	-
5	Divya Modi Tongya	-	36,00,000	36,00,000	-	36,00,000	-
6	GT- Bharat	5,53,411		5,53,411	-	5,53,411	-
7	Amazon Development Centre (India) Private Limited	2,83,13,757	1,60,00,000	2,53,12,247	-	2,53,12,247	1,90,01,510
8	Bharat Petroleum Ltd.	61,010	8,00,000	8,61,010	-	8,61,010	-
9	SIDBI Swavlamban Foundation	(1,23,753)	19,50,000	22,76,247	-	22,76,247	(4,50,000)
10	British Asian India Foundation	60,85,000	76,16,066	60,85,000	-	60,85,000	76,16,066
11	Foxcons International Holding	(31,00,776)	38,00,000	6,99,224	-	6,99,224	-
12	NTPC Tamilnadu Energy Company Limited		66,06,490	66,06,490	-	66,06,490	-
	Total (A)	3,21,56,047	5,79,70,589	6,35,18,459	2,43,450	6,37,61,909	2,63,64,727
	B. Foreign contribution						
13	Dalyan Foundation	(4,99,680)		2,12,000	-	2,12,000	(7,11,680)
	Total (B)	(4,99,680)	-	2,12,000	-	2,12,000	(7,11,680)
	Grand total (A) + (B)	3,16,56,367	5,79,70,589	6,37,30,459	2,43,450	6,39,73,909	2,56,53,047

Notes: 1) Figures in bracket indicate debit balance.

2) Closing balance is bifurcated as under:

a) ₹ 11,61,680 Dr.

b) ₹ 2,44,91,367 Cr.



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Notes form part of financial statements for the year 2024-25

12. Property, plant and equipment

Particulars	Rate of depreciation (%)	Written down value as at 1 st April, 2024	Addition during the year		Total additions	Deduction (sales/ written off)	Balance as at 31 st March, 2025	Depreciation for the year	Written down value as on 31 st March, 2025
			180 days or more	Less than 180 days					
Tangible assets									
Books	40	61,922	-	-	-	-	61,922	24,769	37,153
Building	10	3,50,285	-	-	-	-	3,50,285	35,029	3,15,256
Furniture and fixtures	10	21,47,830	25,606	46,020	71,626	-	22,19,456	2,19,645	19,99,811
Computers	40	14,50,938	2,68,450	-	2,68,450	-	17,19,388	6,87,755	10,31,633
Office equipment	15	11,58,222	59,024	-	59,024	-	12,17,246	1,82,587	10,34,659
Electrical equipments	15	6,60,712	-	-	-	-	6,60,712	99,107	5,61,605
Vehicle	15	3,49,162	-	-	-	-	3,49,162	52,374	2,96,788
Total		61,79,071	3,53,080	46,020	3,99,100	-	65,78,171	13,01,266	52,76,905

Total previous year		50,40,256	27,57,968	43,680	28,01,648	-	78,41,904	16,62,833	61,79,071
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Notes:

Tangible assets include property, plant and equipment received in kind.

13. Intangible assets

Particulars	Rate of depreciation (%)	Written down value as at 1 st April, 2024	Addition during the year		Total additions	Deduction (sales/ written off)	Balance as at 31 st March, 2025	Depreciation for the year	Written down value as on 31 st March, 2025
			180 days or more	Less than 180 days					
Trade mark	25	11,416	-	-	-	-	11,416	2,854	8,562
Total		11,416	-	-	-	-	11,416	2,854	8,562
Total previous year		15,222	-	-	-	-	15,222	3,806	11,416



ØKATHA

(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

Particulars	(Amount in ₹)	
	As at 31 st March,2025	As at 31 st March,2024
14. Other non-current assets		
Security deposits	11,04,000	6,87,500
	<u>11,04,000</u>	<u>6,87,500</u>
15. Inventory		
Books	59,53,744	46,62,088
Less: Provision for slow moving stock	23,86,001	23,86,001
	<u>35,67,743</u>	<u>22,76,087</u>
16. Trade receivables		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Unsecured considered good	29,17,069	26,15,742
	<u>29,17,069</u>	<u>26,15,742</u>
17. Cash and bank balances		
Cash in hand	-	-
Balance with scheduled banks in:		
- saving banks account	3,19,58,895	4,07,08,030
- fixed deposits	1,41,57,000	1,40,87,310
	<u>4,61,15,895</u>	<u>5,47,95,340</u>
18. Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	2,85,876	23,925
TDS receivable	1,06,731	2,48,805
Prepaid expenses	15,09,139	1,38,005
	<u>19,01,746</u>	<u>4,10,735</u>
19. Other current assets		
Interest accrued but not due	1,07,877	1,15,999
	<u>1,07,877</u>	<u>1,15,999</u>



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(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

(Amount in ₹)

Particulars	For the year ended 31 st March,2025	For the year ended 31 st March,2024
20. Grants received		
Specific purpose funds (refer note no.7)	6,37,30,459	5,79,45,496
Grant received from Dharmarajan's Family	20,33,410	22,93,469
General grant	23,16,369	20,41,529
	6,80,80,238	6,22,80,494
21. Other incomes		
Interest on fixed deposits	9,96,270	10,30,616
Interest on saving bank accounts	22,18,973	17,49,257
Interest on income tax refund	14,215	8,660
Credit balances written back	69,011	2,00,277
Bad debt of earlier years recovered	8,19,585	-
Miscellaneous	6,05,115	1,37,411
	47,23,169	31,26,221
22. Programme expenditure		
Education material development	55,54,931	73,66,560
Consultant fee and expenses	41,85,064	1,17,13,764
Project implementation expenses (refer note no. 22.1)	1,86,66,272	1,14,63,302
	2,84,06,267	3,05,43,626
22.1 Project implementation expenses		
Security expenses	9,98,707	9,42,578
Rent and licence fees	32,85,000	28,49,696
Accreditation charges	57,541	96,915
Printing and stationery	4,14,005	8,38,832
AMC on computer, website renewal, development and maintenance and others	24,03,201	16,69,525
Setting up MCD school and Kathashala-repair and maintenance (refer note no. 29)	63,12,665	21,31,530
Workshop expenses	32,83,940	6,14,334
Books and kits	2,97,340	7,94,473
Other creative service and expenses	16,13,873	15,25,419
	1,86,66,272	1,14,63,302
23. Changes in inventory of books		
Inventories at the beginning of the year	22,76,087	-
Inventories at the end of the year	35,67,743	22,76,087
	(12,91,656)	(22,76,087)



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ΦKATHA

(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

(Amount in ₹)

Particulars	For the year ended 31 st March,2025	For the year ended 31 st March,2024
24. Employees benefits		
Salary and wages	4,70,55,891	3,52,53,900
Gratuity	3,47,582	3,41,267
Provident fund	40,21,848	35,06,747
Employees' state insurance	50,368	50,833
Leave encashment	2,11,038	2,34,533
Mediclaim Expenses	1,98,532	87,988
Staff welfare	19,106	9,533
	<u>5,19,04,365</u>	<u>3,94,84,801</u>
25. Administrative and other expenses		
Bank charges	1,801	9,370
Communication	3,34,005	5,04,325
Electricity and water	15,41,576	14,05,190
Sales and distribution cost	10,59,917	5,39,862
Insurance	1,51,369	35,291
Legal and professional	3,80,644	3,86,734
Payments to auditor*	2,48,100	2,25,000
Printing and stationary	26,888	23,516
Interest on late deposit on TDS	2,14,737	13,081
Repair and maintenance	2,72,397	2,74,041
Travelling and conveyance	5,77,552	4,66,982
Balance written off	14,88,672	-
Miscellaneous expenses	2,94,413	3,59,377
	<u>65,92,071</u>	<u>42,42,769</u>
*Payments to auditor		
Audit fees	1,25,000	1,25,000
Fees for tax audit or other services	1,00,000	1,00,000
Reimbursement	23,100	-
	<u>2,48,100</u>	<u>2,25,000</u>
26. Depreciation and amortisation		
Depreciation(refer note no.12)	13,01,266	16,62,833
Amortisation (refer note no.13)	2,854	3,806
	<u>13,04,120</u>	<u>16,66,639</u>



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ΦKATHA

(Registered under the Societies Registration Act, 1860)

Notes form part of financial statements for the year 2024-25

(Amount in ₹)

Particulars	For the year ended 31 st March,2025	For the year ended 31 st March,2024
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27. Distribution of publications

The amount of ₹81,70,578/- shown in the books of account towards distribution of publications is exclusive of project distributions amounting to ₹10,16,430/-.

28. The Founder and President, Ms. Geeta Dharmarajan, has expressed her wish not to receive any personal benefit for the services rendered by her. However, the Governing Body resolved that the value of her creative services should be recognized by transferring an equivalent amount to the "Founder's Reserve." During the year, the Society has been received the amount ₹ 2,24,000/- (net of tax) from founder in respect of service rendered by her in previous year.

29. During the year 2024-25, an amount of ₹63,12,665 was incurred towards the set-up of a project for the benefit of beneficiaries at the HCL Foundation Noida Centre. The project, funded and run by Katha, has been considered as a project set-up cost. These assets are to be retained at the project site upon completion of the project.

30. HDFC Bank saving account has been in a dormant status and was blocked due to prolonged inactivity. On 28/02/2025, an amount of ₹27,799.29 was transferred to the Unclaimed Account to RBI DEAF Account, in accordance with the guidelines of the Reserve Bank of India.

31. The Society was registered under the Foreign Contribution (Regulation) Act, 2010 (FCRA), vide registration number 231650637 dated 15.05.1992. The renewal application filed by the Society on 20th July, 2021 was denied by the Ministry of Home Affairs (MHA) vide their letter dated 8th July, 2024. Following this, based on legal advice, the Society is addressing the concerns of the MHA. After meeting with the MHA, based on their recommendations, the society has filed a fresh application on 09-05-2025. Further, clarification submitted on 09-06-2025. During this period, since the denial, the Society has not made any transactions in the FCRA SBI main account or other FCRA utilisation bank accounts.

32. The Society has regrouped/ reclassified previous year figures, whenever necessary, to conform to current year classification.

Accompanying notes form part of financial statements

As per annexure to our report

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.:109208W

For and on behalf of Katha

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No.: 514998

Place: New Delhi

Date: 17/10/2025



R Balasubramanian
Vice President

Ms. Sashwati Banerjee
Governing Council Member

