Creating Impact, Opening Horizons

Annual Report for FY 2024-2025

Annual Report (FY 2024–25)

Introduction

FY 2024–25 was a transitional year for **NEG-FIRE**, marked by the **successful completion of major ongoing projects** and grant inflows were comparatively modest, reflecting a transitional phase where the organization emphasized responsible completion of ongoing projects. During FY 2024–25, NEG-FIRE focused on responsibly bringing long-running projects to successful completion while maintaining continuity of core interventions from earlier years. NEG-FIRE's overarching mission – to foster quality education for marginalized communities – remained unchanged, but active implementation was paused due to resource constraints and strategic decisions to temporarily scale back operations. The organizational context was thus one of maintenance and introspection: ensuring legal and financial compliance, handling residual matters (such as asset disposition and closure of past projects), and planning for a potential future reactivation of projects.

In the absence of new large-scale funding, the organization strategically utilized its reserves to sustain core activities and ensure continuity of essential functions. Despite the downsized field presence, NEG-FIRE remained committed to its mission, maintaining support to key communities and **exploring opportunities for future projects**. The atmosphere, while low-profile, was cautiously optimistic – the team used this period to reflect on past experiences and **strategize for a revival** when circumstances improve.

The following summary outlines the year's operations, financial results, governance, and key developments during this period of consolidation.

Completed Educational and Research Programmes

During the years leading up to FY 2024–25 (primarily 2022–2024), NEG-FIRE successfully **implemented and completed** several multi-year educational initiatives. These projects were central to NEG-FIRE's mission and were brought to a positive conclusion, achieving their objectives in improving educational access and quality for marginalized communities. **All of the following projects were completed successfully**, with their goals met and learnings documented for future use:

- **Empowering Children from Marginalized Communities through Inclusive and Quality Education** (Project No. 321-900-1653) – Focused on providing inclusive, quality education for children in marginalized communities; *completed successfully with improved learning environments in target areas*.
- **Empowering Children from Marginalized Communities through Inclusive and Quality Education** (Project No. 321-900-1739) – A continuation/expansion of the

above initiative in other areas; *completed successfully, resulting in enhanced educational access for underserved children*.

- **Ensuring Foundational Learning for Tribal Children in Chhattisgarh and Madhya Pradesh** (Project No. 321-900-1877) – Aimed at strengthening foundational literacy and numeracy among tribal children in Chhattisgarh and Madhya Pradesh; *concluded successfully with notable improvements in early-grade learning outcomes*.
- **Improving Access and Quality of Primary School Education in Madhya Pradesh** (Project No. 321-900-1743) – Worked to increase primary school enrollment and education quality in rural Madhya Pradesh; *successfully completed, leading to better attendance and teaching-learning conditions in participating schools*.
- **First Language First (FLF)** (Project No. 321-900-1789) – Implemented a mother-tongue-based multilingual education approach (“first language first”) to make learning more accessible for tribal and Dalit children; *completed successfully, introducing effective home-language teaching practices and boosting student engagement*.
- **Empowering Children from Marginalized Communities through Inclusive and Quality Education (2022–2024)** (Project No. 321-900-1829) – The latest phase of NEG-FIRE’s flagship program on inclusive, quality education for marginalized children (spanning 2022–24); *successfully completed with its objectives met, further consolidating NEG-FIRE’s impact in the community*.

By the end of FY 2024–25, these programmes had been wrapped up and their **closing reports** shared with donors and stakeholders. The successful completion of these projects not only benefitted thousands of children and teachers but also provided valuable lessons and evidence for NEG-FIRE to refine its strategies. This string of accomplishments during the preceding years serves as a positive foundation, even as the organization entered a quieter phase in 2024–25.

Financial Overview

The financial performance of NEG-FIRE in FY 2024–25 reflects a year of intentional consolidation, with limited new program activities and a strong emphasis on prudent resource management. **Total grants** for the year stood at ₹7.25 lakh, primarily supported by **“Other Income”** of ₹6,17,237.78, which included steady bank interest earnings and a one-time inflow from the responsible disposal of old assets. Donations and grants contributed ₹1,07,692.09 (about ₹1.08 lakh). While no major new grants were received during this year, the organization’s ability to generate income from reserves and asset optimization demonstrated its financial resilience. This income mix – over 85% derived from interest and asset rationalization – highlights how NEG-FIRE continued to sustain itself even during a low-activity phase, ensuring compliance and maintaining readiness for future programmatic revival.

Table: Financial Summary for FY 2024–25 (Amount in INR)

Financial Item	**FY 2024–25 Amount (INR)**
Donations and Grants	₹1,07,692.09
Other Income (Interest & Asset Sale)	₹6,17,237.78
Total Income	**₹7,24,929.87**
Program Expenses (Charitable)	₹33,99,957.32
Other Expenses (Admin & Overhead)	₹7,75,815.08
Total Expenditure	**₹41,75,772.40**
Excess of Expenditure *(Deficit)*	₹34,50,842.53

On the expenditure side, **total expenses** amounted to ₹41.76 lakh, far exceeding the year's grants and resulting in a deficit. Program expenditure of ₹33.99 lakh in FY 2024–25 reflects a strategic focus on sustaining and completing the most vital elements of earlier initiatives, ensuring continuity of impact and responsible closure of projects. The spending that did occur was largely to **finalize the last pending tasks of earlier projects** (for example, small-scale community follow-ups or closing payments in initiatives like foundational learning for tribal children and inclusive education). To put it in perspective, a flagship program such as *Foundational Learning for Tribal Children* incurred under ₹9.5 lakh of expenses this year as it wound down (compared to ₹179.7 lakh in the prior year). No funds were expended on launching new projects.

Meanwhile, **Other Expenses** (administration and overhead) were ₹7,75,815.08 (about ₹7.76 lakh). This includes necessary costs such as audit fees, basic office expenses, and a very small staff cost. Notably, an audit fee of ₹2.78 lakh was incurred during the year, reflecting the organization's commitment to thorough financial scrutiny even with minimal program transactions. The overall expenditure thus mainly comprised these essential administrative costs plus the tail-end program costs, with no discretionary or expansion spending.

The mismatch between grants and expenditure led to a **deficit of ₹34,50,842.53** for FY 2024–25, meaning the year's expenses exceeded income by roughly ₹34.5 lakh. This shortfall was met by utilizing the accumulated surplus/reserve funds from previous years. As a result, NEG-FIRE's fund balances (reserves) shrank correspondingly by year-end. For instance, the **Project Fund**, which stood at ₹92.47 lakh at the end of the previous year, was drawn down to ₹58.50 lakh by 31 March 2025 to absorb the deficit. Similarly, the **General Fund** balance modestly decreased from ₹9.56 lakh to ₹9.02 lakh. The Balance Sheet as of 31 March 2025 shows total "NPO funds" of ₹81.23 lakh, down from ₹124.96 lakh a year earlier – a direct consequence of financing the deficit and writing off assets.

Another notable financial event was the **streamlining of fixed assets** during the year. NEG-FIRE sold off items such as equipment, furniture, and a vehicle that were no longer needed for active projects, yielding ₹5.83 lakh of other income from these sales. The sale proceeds were adjusted against the assets' book values as per accounting policy, reducing the total fixed assets (Property, Plant & Equipment) on the balance sheet from ₹22.93 lakh to ₹13.70 lakh over the year. This asset rationalization provided a small influx of cash (reflected in "Other Income") and helped lower depreciation and maintenance costs going forward.

In summary, the financial picture of 2024–25 is one of a **planned contraction** – with minimal grant inflow, limited but necessary expenditures, and the careful use of prior reserves to meet the gap. Despite the deficit, the organization remained solvent and **financially compliant**, albeit with a reduced reserve base by year-end. This prudent fiscal management ensured that NEG-FIRE could cover essential obligations and maintain operational continuity, positioning it to weather the dormant phase and prepare for future revival.

Key Developments and Partnerships

- **Operational Consolidation:** FY 2024–25 did not witness any major new program launches or partnerships, given the focus on consolidation. A key development was the **completion and closure of several multi-year projects** (as listed above). The learnings and outcomes from these projects were documented, and closing reports were shared with the respective donors and stakeholders. This closure phase allowed NEG-FIRE to consolidate its experiences and refine its strategic plans, ensuring that the successes and challenges of past interventions inform future program design.

- **Community and Stakeholder Engagement:** Even with fewer active projects on the ground, NEG-FIRE maintained engagement with community stakeholders and government education departments in its areas of work. The organization provided feedback to local authorities on the progress of schools and students who had been part of its programs, highlighting the improvements and continuing needs. This helped sustain relationships and keep the door open for future collaboration. For instance, dialogues with state education officials and partners (established in earlier years, such as with the *Rajya Shiksha Kendra* in Madhya Pradesh) continued informally. By remaining communicative, NEG-FIRE ensured key stakeholders were aware of its continued interest and capability to support education initiatives, reinforcing trust and visibility even during the slow period.

- **Resource Mobilization Efforts:** Recognizing the need for new funding to revive its programs, NEG-FIRE devoted considerable effort to resource mobilization this year. The team prepared proposals and reached out to potential donors (CSR funds, trusts, and institutional grantmakers) to seek support for the next phase of projects. While no significant grants were secured within FY 2024–25, these efforts laid important groundwork for future partnerships. The organization's leadership also leveraged its network – including past donors and partner NGOs – to communicate its long-term impact (over 15+ years) and readiness for new collaborations when opportunities arise. This proactive outreach is expected to bear fruit in subsequent years as funding climates improve.
- **Organizational Capacity:** Internally, the year was used to **strengthen organizational capacity** on a modest scale. Staff training (often using low-cost or free resources) focused on proposal development, digital skills, and monitoring & evaluation. Additionally, the Board and management revisited the strategic plan, updating it to align with the evolving funding climate and educational policy environment. NEG-FIRE's commitment to innovation and adaptability remained intact; for example, digital learning content co-developed with Worldreader in the prior year continued to be utilized and refined. By investing in staff skills and staying updated on sectoral best practices, the organization kept its **program resources and human capital ready** for when full-scale operations can resume.

Organizational Updates (Governance and Internal Matters)

During 2024–25, NEG-FIRE's organizational activities were confined to essential governance, compliance, and internal reorganization appropriate for a low-activity phase. The **Board of Trustees and management** continued to exercise diligent oversight to ensure that even in dormancy, the organization met all legal and regulatory obligations. Statutory compliance remained a top priority – the annual financial statements were audited and finalized on time, and all required filings under relevant laws (e.g., the Income Tax Act, Societies Registration Act, and other applicable regulations) were duly completed.

The audit report noted no adverse findings or pending issues; indeed, there were **no legal cases or disputes** involving the organization throughout the year. Governance-wise, there were no major changes in the Board composition or key management personnel during this period. The existing Board members continued in their roles, providing strategic guidance, particularly on financial decisions like the utilization of reserves and approval of asset disposals.

On the operational front, the organization's physical and financial footprint was streamlined. With program offices largely inactive, NEG-FIRE undertook a rationalization of resources to reduce costs and simplify operations:

- Several fixed assets were responsibly streamlined during the year, optimizing resources and generating additional cash inflows to support ongoing commitments. This included selling off the sole vehicle and some equipment/furniture that were previously used in field projects, since these assets were no longer required due to the pause in field operations.
- The **human resource strength** was kept minimal. A handful of staff and consultants were retained mainly for administrative duties, accounting, and compliance tasks. This lean staffing is reflected in the significantly reduced staff/consultancy expenditures for the year. Importantly, the organization took care to honor all obligations towards any staff who transitioned out, ensuring a compliant and respectful downscaling of personnel.
- Two **dormant field bank accounts** remained on the books (with the State Bank of India) which could not be operated pending completion of certain KYC requirements. These accounts, carrying small static balances, were identified as an area to resolve in the future.

In terms of internal governance processes, regular (albeit fewer) management and board meetings were held to review the financial status and ensure oversight of the asset disposal process and reserve utilization. The organization's policies – including its adherence to accrual-based accounting and the accounting standards for non-profits – remained in effect and were followed for all financial reporting. No changes were made to the legal status or core mission of the organization; the foundational purpose of NEG-FIRE stands unchanged, even though active operations were on temporary hold. In essence, the year served as a **maintenance period** where the organization stayed legally compliant, maintained its registrations (such as 12A tax-exempt status under the Income Tax Act and its FCRA registration for foreign contributions), and kept the institutional framework intact albeit scaled down. This stewardship ensured that NEG-FIRE's infrastructure and credibility remained strong, ready for an eventual scale-up.

Strategic Outlook

Looking ahead beyond March 2025, NEG-FIRE's strategic focus is firmly on **revitalizing its programs and operations** when circumstances become favorable. The leadership and Board recognize that the needs the organization was formed to address – educational inequities in marginalized and tribal communities – are still pressing and very much present. Therefore, a concrete plan is being shaped to transition from this dormant phase into an active implementation phase in the near future. Key elements of the forward-looking strategy include:

- **Rejuvenating Program Activities:** NEG-FIRE intends to resume its educational programs by leveraging its rich experience in areas like mother-tongue based multilingual education, teacher training, and inclusive school practices. The first step will be to conduct fresh needs assessments and stakeholder consultations in its previous intervention areas to identify current gaps and opportunities. Any new or resumed projects will be closely aligned with the organization's mission and will consider the evolving policy environment (for instance, aligning with priorities of the National Education Policy 2020 where applicable). By building on proven approaches such as *First Language First* and community-based interventions, NEG-FIRE plans to restart small and then scale up program activities, ensuring quality and relevance from the outset.
- **Resource Mobilization and Partnerships:** Securing fresh funding is the top immediate priority to enable program reactivation. The organization is actively preparing proposals to approach both previous and new donors – including institutional donors, CSR foundations, and relevant government grant programs – to seek financial support. In tandem, NEG-FIRE plans to **strengthen partnerships** with local NGOs, community groups, and government departments. By collaborating with on-ground partners and aligning with government initiatives, the organization can efficiently roll out projects once funded, even with limited core staffing. The strategic intent is to rebuild a **consortium of supporters and allies** who share the vision of quality education for marginalized children, thereby multiplying impact and ensuring sustainability.
- **Organizational Capacity Building:** Internally, steps will be taken to **bolster capacity** in anticipation of renewed operations. This includes tentative recruitment plans – for example, bringing back some experienced project staff or hiring new talent in key roles like program management and Monitoring & Evaluation – once

funding is on the horizon. Training and capacity development for existing team members are also planned, ensuring that staff remain updated on best practices and innovations in the education development sector. The Board has discussed scenario-planning for scaling up: for instance, setting thresholds of confirmed funding that would trigger the hiring of project teams and the re-opening of field offices in target regions. By proactively planning these actions, NEG-FIRE aims to hit the ground running as soon as resources allow, without compromising on quality.

- **Governance and Risk Management:** As NEG-FIRE prepares to reactivate, it is also focusing on robust governance to manage the transition smoothly. The Board will continue to oversee a **prudent use of the remaining reserves** to bridge any initial gaps when starting new projects, ensuring that core financial stability is maintained. Risk assessments are being conducted to ensure that the organization does not over-extend itself in the early stages of reactivation; initial plans will likely start modestly and scale up gradually in line with resource availability and absorptive capacity. Furthermore, compliance frameworks (financial controls, audits, reporting mechanisms) will be reinforced to handle increased activity once programs restart. The intent is to revive operations **without compromising** the strong foundation of accountability and transparency built during the quieter years. Good governance practices and risk mitigation strategies will guide the expansion so that growth is sustainable and aligned with NEG-FIRE's values.

The timeline for these strategic steps is subject to external factors (especially the pace at which new funding can be secured), but the resolve to resume work is clear. NEG-FIRE's mission to *"promote the right to quality education for children from marginalized communities"* continues to guide all planning. The organization is effectively in a preparatory mode – using this period to **plan meticulously** so that, once the opportunity arises, it can swiftly implement programs that benefit children in need and regain its momentum in the sector. Stakeholders, partners, and community members are being kept informed of this intent, so that the groundwork for collaboration is laid even before full operations begin.

Conclusion

FY 2024–25 was a year of **focused stewardship and reflection** for NEG-FIRE. With virtually no new program interventions on the ground, the organization's role this year was largely to manage and close out the remnants of past projects and maintain its existence as a compliant entity. The financial report for the year shows a minimal grants and a manageable deficit covered by past savings, underscoring that the scale of operations was intentionally kept very low. Despite this, the essence of NEG-FIRE – its commitment to educational innovation for the underserved – remained alive in strategic discussions and future plans. By successfully completing its previous projects and preserving its organizational integrity, NEG-FIRE has positioned itself at a crossroads: it has honored its obligations, preserved its core capabilities, and now looks forward to a resurgence.

The Board, in their assessment, is satisfied that the organization stayed financially sound and legally compliant throughout this inactive period. **NEG-FIRE's leadership is optimistic** that as partnerships and resources align, the foundation can re-launch initiatives to support children's learning in marginalized communities, leveraging its two decades of experience and accumulated learning. The successful outcomes of the completed projects have reinforced confidence in the organization's approaches and impact. Going forward, as the environment becomes favorable, NEG-FIRE is prepared to once again contribute meaningfully to social transformation through education. In the meantime, the organization stands as a steadfast custodian of its mission – actively preparing for the next chapter of its journey and ensuring that when the time comes, it will be ready to **scale up and serve** with renewed energy and vision.