

**AUDITORS' REPORT
TO THE MEMBERS OF
RBS FOUNDATION INDIA [formerly ABN AMRO FOUNDATION INDIA]**

1. We have audited the attached Balance Sheet of **RBS FOUNDATION INDIA** [formerly **ABN AMRO FOUNDATION INDIA**] as at 31st March, 2009 and the Income and Expenditure Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 is not applicable to the Company in terms of clause 1(2)(iii) of the Order.
4. We report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and the Income and Expenditure Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;



Deloitte Haskins & Sells

- (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and 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 Company as at 31st March, 2009; and
 - (ii) in the case of the Income and Expenditure Account, of the excess of the income over expenditure of the Company for the year ended on that date.
5. On the basis of the written representations from the directors, taken on record by the Board of Directors as on 31st March, 2009, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director under Section 274 (1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants



Z. F. Billimoria
Partner
(Membership No. 42791)

MUMBAI, 6th August, 2009
ZFB/PG

RBS Foundation India
(Formerly ABN Amro Foundation India)

Annual Financial Statements

01.04.2008 to 31.03.2009

RBS Foundation India (Formerly ABN Amro Foundation India)
Audited Financial Statements – 31st March 2009

BALANCE SHEET AS AT 31st MARCH 2009

	Schedule No.	As at 31 st March 2009 Rs.	As at 31 st March 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	10,000	10,000
Reserves and surplus	2	13,634,013	885,841
TOTAL		13,644,013	895,841
APPLICATION OF FUNDS			
Current Assets (A)			
Cash and Bank Balances	3	122,333,762	171,731,247
Other Current Assets	4	4,088,699	910,841
		126,422,461	172,642,088
Current Liabilities (B)	5	112,778,448	171,746,247
Net Current Assets (A-B)		13,644,013	895,841
TOTAL		13,644,013	895,841
Notes to and forming part of the Accounts	6		

As per our report of even date attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors of
RBS Foundation India
(formerly ABN Amro Foundation India)



Z. F. Billimoria

Partner
Place : Mumbai
Date : 6th August, 2009



N. Sunil Kumar

Head - RBS
Foundation India

Moumita Sen
Sarma

Director

Meera H. Sanyal

Director

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule No.	For the Year ended 31 st March 2009 Rs.	For the Period 17 th Feb 2007 to 31 st Mar 2008 Rs.
INCOME			
Interest on Fixed Deposit		12,767,002	910,841
[Tax Deducted at Source Rs. 3,077,700/- (Previous Period Rs. NIL)]			
TOTAL		12,767,002	910,841
EXPENDITURE			
Administrative Expenses	Refer Note 4	8,400,000	-
Professional Fees		4,835	-
Auditors' Remuneration	50,000		25,000
Add: Service Tax	8,240	58,240	
SUB TOTAL		8,463,075	25,000
Less: Grants Received	Refer Note 5	8,444,245	-
TOTAL		18,830	-
Excess of Income over Expenditure		12,748,172	885,841
Basic/Diluted Earnings Per share	Refer Note 3	12,748	886
[Nominal Value per share Rs.10/- (Previous Year Rs. 10/-)]			

Notes to and forming part of the Accounts

6

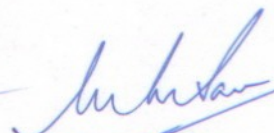
As per our report of even date attached.

For Deloitte Haskins & Sells
Chartered AccountantsFor and on behalf of the Board of Directors of RBS Foundation
India (formerly ABN Amro Foundation India)

Z. F. Billimoria

Partner
Place : Mumbai
Date : 6th August, 2009

N. Sunil Kumar

Head - RBS Foundation
IndiaMoumita Sen
Sarma

Director



Meera H. Sanyal

Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31 st March 2009 Rs.	As at 31 st March 2008 Rs.
Schedule 1: Share Capital		
<u>Authorised</u>		
10,000 Equity shares of Rs.10 each fully paid up	100,000	100,000
	100,000	100,000
<u>Issued, Subscribed and Paid Up</u>		
1,000 Equity shares of Rs.10 each fully paid up	10,000	10,000
	10,000	10,000
Schedule 2: Reserves and Surplus		
<u>Income & Expenditure Account</u>		
Opening Balance	885,841	-
Excess of Income over Expenditure during the year	12,748,172	885,841
	13,634,013	885,841
Schedule 3: Cash & Bank Balances		
Cash in Hand	-	5,000
Balances with a Scheduled Bank		
- In Deposit Account	122,092,487	170,128,301
- In Current Account	241,275	1,597,946
	122,333,762	171,731,247
Schedule 4: Other Current Assets		
Interest accrued on Fixed Deposits	1,010,999	910,841
Tax Deducted at Source	3,077,700	-
	4,088,699	910,841



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31 st March 2009		As at 31 st March 2008	
	Rs.		Rs.	
Schedule 5: Current Liabilities				
Grants				
ABN AMRO Bank India-Grant	10,000		50,000	
Less:- Utilised	<u>3,100</u>	6,900	<u>40,000</u>	10,000
AAAF Project Grant 2006	10,857,439		10,857,439	
Less: Utilised	<u>1,512,136</u>	9,345,303	<u>-</u>	10,857,439
AAAF Project Grant 2007	67,545,861		71,363,885	
Less: Utilised	<u>27,091,322</u>	40,454,539	<u>3,818,024</u>	67,545,861
AAAF Grant 2006 & 2007	1,582,947		2,325,140	
Less: Utilised	<u>155,843</u>	1,427,104	<u>742,193</u>	1,582,947
AAAF Project Grant 2008	91,725,000		91,725,000	
Less: Utilised	24,511,159			
Less: Utilised for Administration Exp. (Refer Note 5)	<u>7,338,000</u>	59,875,841	<u>-</u>	91,725,000
AAAF Grant 2008	15,936,327			
Less: Utilised	13,921,306			
Less: Utilised for Administration Exp. (Refer Note 5)	<u>1,106,245</u>	908,776		-
Employee Donation	653,314			
Less :Utilised	<u>653,314</u>	-		-
		112,018,463		171,721,247
Sundry Creditors		753,188		25,000
[(Other than Micro Small & Medium Enterprises) (Refer Note 7)]				
Other Liabilities				
TDS payable		6,797		-
		112,778,448		171,746,247

Schedule 6 : Notes to and forming part of the Accounts

1 Background Information

RBS Foundation India (Formerly ABN AMRO Foundation India) ("the Company") was incorporated on 17th February 2007. The Company has been registered U/s 25 of the Companies Act, 1956 with effect from 19th January, 2007. The Company has also procured the approval of the Ministry of Home Affairs, required under the Foreign Currency Regulation Act, 1976 for receiving foreign grants from RBS Group Communication, UK of GBP 2.7 Million. The Company provides grants for infrastructure development, promoting sustainable livelihood activities, vocational, entrepreneurial and skill enhancement training, social intermediation, providing health care, functional literacy and technical assistance and any other activity that contributes to the poverty alleviation of poor living in undeserved / backward areas and not for profit.

2 Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

(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 effect the reported amounts of asset and liabilities and disclosure of contingent liabilities at the date of financial statement and the result of the operations during the reporting period end. Although the estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates

(c) Revenue recognition

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Foreign currency transaction

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, are recognized as income or as expense in the year in which they arise.

(e) Income taxes

The Company has been granted exemption from Income tax under Section 12 AA (1) (b) (i) of the Income Tax Act, 1961. In the previous year, the Company had also been granted exemption under Section 15AA for Tax Deducted at Source on Fixed deposits.

3 Earnings per Share

In accordance with the Accounting Standard on "Earnings Per Share" (AS-20) notified under the Companies (Accounting Standards) Rules, 2006.

Particulars		Current Year	Previous Year
		Rs.	Rs.
A	Excess of Income over Expenditure during the Year	12,748,172	885,841
B	Weighted average number of Equity shares outstanding	1,000	1,000
C	Earnings per Share (Basic and Diluted) [A/B]	12,748	886

4 Administrative Expenses

The Company has paid Rs. 7,00,000/-per month during the current year to ABN Amro Bank N.V., India ("The bank") for services rendered by the bank in nature of infrastructure support services, including cost of premises, cost of human resources and other transaction processing related costs incurred on managing the dealings of the Company.

5 As per the "AAF 2007-11" Agreement, dated 1st November, 2007, 8% of the grants received under this agreement, which amounted to Rs. 8,444,245 can be utilised for overhead costs. Accordingly during the Current Year the Company has utilised the entire amount for its Administrative and Other Expenses.

6 The Company has no employees and thus no disclosure is required under the Accounting Standard on "Employee Benefits" (AS-15) notified under the Companies (Accounting Standards) Rules, 2006



RBS Foundation India (Formerly ABN Amro Foundation India)

Audited Financial Statements – 31st March 2009


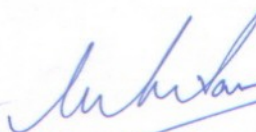
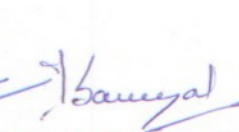
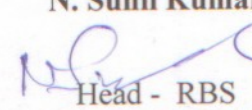
7 The Company has initiated the process of identification of 'suppliers' registered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act) by obtaining confirmation from suppliers. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under the MSMED Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the end year together with the interest paid/payable are required to be furnished

8 The Company is Small and Medium sized company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly the Company has complied with the Accounting Standards as applicable to SMCs.

9 Previous Period Comparative

Previous period figures have been regrouped & rearranged, wherever necessary. The Previous period being the first period was the period from the 17th Feb, 2007 to 31st March, 2008 and accordingly the figures for the same are not comparable with the current year.

**For and on behalf of the Board of Directors of
RBS Foundation India
(formerly ABN Amro Foundation India)**

		
N. Sunil Kumar	Moumita Sen	Meera H. Sanyal
	Sarma	
		
Head - RBS		
Foundation India	Director	Director

