

**Auditors' Report**

To  
**The Members of ABN AMRO Foundation India**

1. We have audited the attached Balance Sheet of ABN AMRO Foundation India ('the Company') as at March 31, 2008 and also the Profit and Loss account 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include a statement on the matters specified in paragraph 4 and 5 of the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956 ('the Act'), since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
4. We report that:
  - i. 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;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - v. On the basis of the written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;



**S.R. BATLIBOI & Co.**

vi. 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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008; and
- b) in the case of the profit and loss account, of the profit for the period ended on that date.

*Snsatishm*  
For S.R.BATLIBOI & Co.  
Chartered Accountants

*Vireh*

per Viren H. Mehta  
a Partner  
Membership No.: 48749

Mumbai  
July 24, 2008



ABN AMRO Foundation India

BALANCE SHEET AS AT MARCH 31, 2008

	Schedule No.	As at March 31, 2008 INR
<b>SOURCES OF FUNDS:</b>		
<b>Shareholders' Funds:</b>		
Share Capital	1	10,000
Reserves and Surplus	2	885,841
<b>Total</b>		<b>895,841</b>
<b>APPLICATION OF FUNDS:</b>		
<b>Current Assets Loans &amp; Advances</b>		
Cash and Bank	3	171,731,247
Other Current Assets		910,841
<b>(A)</b>		<b>172,642,088</b>
<b>Current Liabilities</b>		
Current Liabilities	4	171,721,247
Audit Fees		25,000
<b>(B)</b>		<b>171,746,247</b>
<b>Net Current Assets</b>	<b>(A-B)</b>	<b>895,841</b>
<b>Total</b>		<b>895,841</b>

Notes to Accounts

6

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

*S.R. Batliboi & Co.*  
For S.R.BATLIBOI & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
of ABN AMRO Foundation India

*Viren H. Mehta*

per Viren H. Mehta  
Partner

*N Sunil Kumar*

N Sunil Kumar  
Head - ABN  
AMRO Foundation  
India

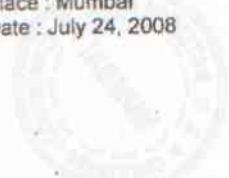
*Moumita Sensarma*

Moumita Sensarma  
Director

*Meera H Sanyal*

Meera H Sanyal  
Director

Membership No. 048749  
Place : Mumbai  
Date : July 24, 2008





# ABN AMRO Foundation India

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD FEBRUARY 17, 2007 TO MARCH 31, 2008

	Schedule No.	From February 17, 2007 to March 31, 2008 INR
<b>INCOME :</b>		
Other Income	5	910,841
<b>Total</b>		<b>910,841</b>
<b>EXPENDITURE :</b>		
Audit Fees		25,000
<b>Total</b>		<b>25,000</b>
<b>PROFIT BEFORE TAX:</b>		<b>885,841</b>
Less : Provision for tax ( Refer note 2 (d) of Schedule 6		
<b>Surplus carried to Balance Sheet</b>		<b>885,841</b>

### Notes to Accounts

6

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

*S.R. Batliboi & Co.*  
For S.R. BATLIBOI & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
of ABN AMRO Foundation India

*Viren H. Mehta*

per Viren H. Mehta  
Partner

Membership No. 048749

*N Sunil Kumar*  
N Sunil Kumar  
Head - ABN  
AMRO Foundation  
India

*Moumita Sensarma*  
Moumita Sensarma  
Director

*Meera H Sanyal*  
Meera H Sanyal  
Director

Place : Mumbai  
Date : July 24, 2008



# ABN AMRO Foundation India

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008

As at March 31, 2008  
INR

### Schedule 1 : Share Capital

**Authorized:**

10,000 Equity Shares of Rs. 10/- each.

100,000

100,000

**Issued**

1,000 Equity Shares of Rs. 10/- each,

10,000

10,000

**Subscribed and Paid Up**

1,000 Equity Shares of Rs. 10/- each, fully paid up:

10,000

10,000

### Schedule 2 : Reserve and Surplus

Balance in Profit and Loss account

885,841

885,841

### Schedule 3 : Current Assets, Loans and Advances

Cash In Hand

5,000

Balances with Scheduled Banks:

on Current Accounts

1,597,946

on Deposit Accounts

170,128,301

171,731,247



ABN AMRO Foundation India

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008

	As at March 31, 2008	
		INR
<b>Schedule 4 : Current Liabilities</b>		
ABN AMRO Bank India - Grant	50,000	
Less : Utilised	40,000	10,000
AAF Project Grant 2006	10,857,439	
Less Utilised	-	10,857,439
AAF Project Grant 2007	71,363,885	
Less Utilised	3,818,024	67,545,861
AAF Grant 2006 & 2007	2,325,140	
Less Utilised	742,193	1,582,947
AAF Project Grant 2008	91,725,000	
Less Utilised	-	91,725,000
		<b>171,721,247</b>



SCHEDULES FORMING PART OF THE PROFIT AND LOSS AS FOR THE PERIOD FEBRUARY 17, 2007 TO MARCH 31, 2008

FROM FEBRUARY 17, 2007 TO MARCH 31, 2008  
INR

Schedule 5 : Other Income

Interest Accrued on Fixed Deposits	910,841
	<u>910,841</u>





# ABN AMRO Foundation India

## SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM FEBRUARY 17, 2007 TO MARCH 31, 2008

### Schedule 6

#### 1 Nature of Operations

ABN AMRO Foundation India ('the Company') incorporated on February 17, 2007. 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 underserved / 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 respects with the Notified accounting Standard by 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) Revenue recognition

###### *Interest*

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

##### (c) 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.

##### (d) Income taxes

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





# ABN AMRO Foundation India

## 3 Grant received

The grants received from ABN AMRO Foundation, Amsterdam and ABN AMRO Bank India to be utilized to meet existing project commitments and funding new project as per the Company's objective. During the period ended March 31, 2008, the utilization has been as under :


Grant funds received during the year	INR 176,321,464
Utilized during the year	INR 4,600,217
Unutilized Grant funds	INR 171,721,247

The unutilized grant funds (classified under liabilities) of INR 171,721,247 will be utilized to meet the funding commitments of existing projects and also funds new projects. It also includes INR 7,338,000 that would be utilized to meet operating expenses for financial year 2008-09.


## 4. Previous Year Comparatives

The financials for period ending March 31, 2008 are the first financials of the Company and hence no previous year comparatives are presented in the financials.

As per our report of even date


  
For S.R.BATLIBOI & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
of ABN AMRO Foundation India

  
Viren H. Mehta  
per Partner

Membership No. 048749

Place : Mumbai  
Date : July 24, 2008

  
N Sunil Kumar  
Head - ABN  
AMRO Foundation  
India

  
Moumita Sensarma  
Director

  
Meera H Sanyal  
Director

