

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS FOUNDATION INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **RBS FOUNDATION INDIA** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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 Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Deloitte Haskins & Sells

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 31st March, 2013; and
- (b) in the case of the Income and Expenditure Account, of the surplus of income over expenditure for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. The Companies (Auditor's Report) Order, 2003 (CARO) ("the Order") 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 paragraph 1(2) clause (iii) of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS AND SELLS**

Chartered Accountants
(Registration No. 117365W)



Z. F. Billimoria
Partner

(Membership No. 42791)

MUMBAI, 12th August, 2013

| RBS FOUNDATION INDIA | | | |
|--|-------|-----------------------|-----------------------|
| Balance Sheet as at 31st March, 2013 | | | |
| Particulars | Notes | As at 31st March 2013 | As at 31st March 2012 |
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholder's Funds | | | |
| (a) Share Capital | 3 | 45,000 | 45,000 |
| (b) Reserves and surplus | 4 | 73,408,890 | 49,568,868 |
| 3 Non-current liabilities | | | |
| (a) Other Long term liabilities | 5 | 382,029,075 | 352,505,124 |
| 4 Current liabilities | | | |
| (a) Trade payables | 6 | 193,476 | 187,583 |
| (b) Other current liabilities | 7 | 13,256 | 22,799 |
| TOTAL | | 455,689,697 | 402,329,374 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Long-term loans and advances | | | |
| Other Loans and advances (TDS recoverable) | 8 | 10,673,288 | 7,437,755 |
| 2 Current assets | | | |
| (a) Cash and cash equivalents | 9 | 441,618,926 | 391,126,883 |
| (b) Other current assets | 10 | 3,397,483 | 3,764,736 |
| TOTAL | | 455,689,697 | 402,329,374 |

See accompanying notes forming part to the financial statements

For Deloitte Haskins & Sells
Chartered Accountants



Z. F. Billimoria
Partner

Mumbai
Date: 12th August, 2013

For and on behalf of the Board of
Directors of RBS Foundation India



N Sunil Kumar Meera H. Sanyal Pankaj Phatarphod
Director Director Director

Mumbai
Date: 12th August, 2013


| RBS FOUNDATION INDIA | | | | |
|--|--|-----------|---------------------------------------|---------------------------------------|
| INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2013 | | | | |
| | | | | |
| Particulars | | Notes No. | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
| I | Other income | 11 | 32,317,835 | 20,554,030 |
| | Total | | 32,317,835 | 20,554,030 |
| II | Other expenses | 12 | 8,477,813 | 1,779,909 |
| | Total | | 8,477,813 | 1,779,909 |
| III | Excess of Income over Expenditure (I-II) | | 23,840,022 | 18,774,121 |
| IV | Earnings per equity share: Basic [Nominal Value Per Share Rs.10/- (Previous Year Rs.10/-)] | 13 | 5,298 | 4,172 |


See accompanying notes forming part to the financial statements

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors
of RBS Foundation India


Z. F. Billimoria
Partner


N Sunil Kumar
Director


Meera H. Sanyal
Director


Pankaj Phatarphod
Director

Mumbai
Date: 12th August, 2013

Mumbai
Date: 12th August, 2013

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 under Section 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 Contribution (Regulation) Act, 1976 for receiving foreign grants. 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 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.

(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 asset and liabilities and disclosure of contingent liabilities at the date of financial statement and the result of the operations during the reporting period. Although the estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimate is recognised prospectively.

(c) Revenue recognition

Interest

Interest income is recognised 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 on 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 recognised 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.

(f) Earnings per share

Earnings per share is calculated by dividing the excess of Income over Expenditure for the year attributable to equity shareholders by the weighted average number of equity shares outstanding at the end the period.

(g) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes unless the outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

| RBS FOUNDATION INDIA |
|---|
| NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st Mar'2013 |

Note 3: Share Capital

| | Rs. | |
|--|---------------|---------------|
| | 2013 | 2012 |
| Authorised Share Capital | | |
| 10,000 Equity Shares of Rs.10 Each | 100,000 | 100,000 |
| Issued, Subscribed and Paid - Up | | |
| 4500 Equity Shares of Rs.10 Each fully paid-up | 45,000 | 45,000 |
| Total | 45,000 | 45,000 |

Note.3(a): Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Not Applicable

Note.3(b): The company has only one class of equity share having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the amount of shares owned by him.

Note.3(c): Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| Name of Shareholder | As at 31 March 2013 | | As at 31 March 2012 | |
|--------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Ms. Meera H Sanyal | 500 | 11.11% | 500 | 11.11% |
| Ms. Cletus Felix Pereira | 500 | 11.11% | - | - |
| Ms. Uma Ratnam Krishnan | - | - | 500 | 11.11% |
| Ms. Dipali Sheth | 500 | 11.11% | 500 | 11.11% |
| Mr. Shiv Gupta | 500 | 11.11% | 500 | 11.11% |
| Mr. Rohit Sawhney | 500 | 11.11% | 500 | 11.11% |
| Mr. Madan Menon | 500 | 11.11% | 500 | 11.11% |
| Mr. Brijesh Mehra | 500 | 11.11% | 500 | 11.11% |
| Mr. Pankaj Phatarphod | 500 | 11.11% | 500 | 11.11% |
| Mr. Rajesh Jogi | 500 | 11.11% | 500 | 11.11% |

Note.3(d): Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

| Particulars | As at 31 st March 2013 | | As at 31 st March 2012 | |
|---|-----------------------------------|--------|-----------------------------------|--------|
| | Equity Shares | | Equity Shares | |
| | Number | Rupees | Number | Rupees |
| Shares outstanding at the beginning of the year | 4,500 | 45,000 | 4,500 | 45,000 |
| Shares outstanding at the end of the year | 4,500 | 45,000 | 4,500 | 45,000 |

Note 4: Reserve & Surplus

| | Rs. | |
|--|-----------------------|-----------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Balance in Income and Expenditure Account at the start of the year | 49,568,868 | 30,794,747 |
| Excess of Income over Expenditure for the Year | 23,840,022 | 18,774,121 |
| Total | 73,408,890 | 49,568,868 |

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Note 5: Other Long Term Liabilities

| | Rs. | |
|---|-----------------------|-----------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Grants | | |
| AAF Grant 2006-2008 | 8,721,670 | 60,449,898 |
| Add : Additional Grant | 6,578,965 | - |
| Less : Utilised | 15,300,635 | 51,728,228 |
| | - | 8,721,670 |
| RBS Fund 2009 | 40,790,180 | 40,790,180 |
| Less : Utilised | 33,008,165 | - |
| | 7,782,015 | 40,790,180 |
| RBS Fund 2010 | 94,659,121 | 94,659,121 |
| RBS Fund 2011 | 125,557,920 | 136,476,000 |
| Less : Utilised for Administrative Expenses | - | 10,918,080 |
| | 125,557,920 | 125,557,920 |
| RBS Fund 2012 | 82,630,000 | 82,630,000 |
| RBS Fund 2013 | 71,400,019 | - |
| Supergrounds | 146,233 | 146,233 |
| Less : Utilised | 146,233 | - |
| | - | 146,233 |
| Donation Received from Employees | 8,125 | 244,900 |
| Less : Utilised | 8,125 | 244,900 |
| | - | - |
| Total | 382,029,075 | 352,505,124 |

Note 6: Trade Payables

| | Rs. | |
|--------------------------|-----------------------|-----------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Trade Payables | | |
| Deloitte Haskins & Sells | 96,068 | 96,572 |
| Adarsha Consulting | 13,146 | 91,011 |
| B S R and Co. (KPMG) | 84,262 | - |
| Total | 193,476 | 187,583 |

Note 7: Other Current Liabilities

| | Rs. | |
|--------------------------|-----------------------|-----------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| TDS on Professional Fees | 13,256 | 22,799 |
| Total | 13,256 | 22,799 |

Note 8: Long-term loans and advances

| | Rs. | |
|---|--------------------------|--------------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Other Loans and Advances - TDS recoverable (Unsecured, considered good) | | |
| TDS for F. Y. 2008-09 | 3,077,700 | 3,077,700 |
| TDS for F. Y. 2009-10 | 1,175,693 | 1,175,693 |
| TDS for F. Y. 2010-11 | 1,067,017 | 1,067,017 |
| TDS for F. Y. 2011-12 | 2,117,345 | 2,117,345 |
| TDS for F. Y. 2012-13 | 3,235,533 | - |
| Total | 10,673,288 | 7,437,755 |

Note 9: Cash and Bank balances

| | Rs. | |
|---|--------------------------|--------------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Cash and Cash Equivalents | | |
| (i) Balances with banks in Current Account | 279,156 | 853,668 |
| (ii) Deposits with an original maturity of less than or equal to three months | 6,676,000 | 29,000,000 |
| Other Bank Balances | | |
| Deposits with a residual maturity of less than twelve months | 434,663,770 | 361,273,215 |
| Total | 441,618,926 | 391,126,883 |

Note 10: Other current assets

| | Rs. | |
|--|--------------------------|--------------------------|
| | As at 31st March 2013 | As at 31st March 2012 |
| Interest Receivable on Bank Fixed Deposits | 3,395,645 | 3,716,399 |
| Other Receivables | 1,838 | 48,337 |
| Total | 3,397,483 | 3,764,736 |

Note 11: Other Income

| | Rs. | |
|--------------------------------------|--|--|
| | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
| A) Interest Income | | |
| Interest on Income Tax Refund | - | 546,242 |
| Interest on Fixed Deposits | 32,317,835 | 19,852,726 |
| B) Other Non-Operating Income | | |
| Miscellaneous Income | - | 155,062 |
| Total | 32,317,835 | 20,554,030 |



Note 12: Other Expenses

| | Rs. | |
|---|--|--|
| | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
| Professional Fees | 699,741 | 456,012 |
| Bank Charges | 8,113 | 10,000 |
| Auditor's Remuneration (Refer Note 16) | 106,742 | 129,363 |
| Advertisement Charges | - | 8,640 |
| Office expenses | - | 529 |
| Printing & Stationery | - | 187,637 |
| Registration Fees | - | 2,000 |
| Seminar Expenses | - | 985,610 |
| Film Making Expenses | 528,000 | - |
| Interest on TDS | 103 | 118 |
| Project Monitoring Charges | 474,714 | - |
| Membership Fee | 50,000 | - |
| Administrative Exp. (Refer Note 14 and 15) | | |
| Annual maintenance Charges | 6,610,400 | 10,918,080 |
| Less: Grant Received | - | (10,918,080) |
| Total | 8,477,813 | 1,779,909 |

Note 13: Earnings Per Share

Shareholders Earnings (as per Income and Expenditure Account)

| Particulars | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
|--|--|--|
| Excess of Income over Expenditure (after tax) for the period (A) | 23,840,021 | 18,774,121 |
| Weighted average number of Equity shares outstanding (B) | 4,500 | 4,500 |
| Earnings per Share (Basic) (A/B) | 5,298 | 4,172 |



14 Administrative Expenses

The Company has paid Rs.6,610,400 (Previous Year Rs.10,918,080/-) during the current year to RBS 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.

- 15 As per the "AAF 2007-11" Agreement entered between RBS Foundation (formerly ABN AMRO Foundation) and RBS Foundation India (formerly ABN AMRO Foundation India), dated 1st November, 2007, 8% of INR 82,630,000 the grants received (Funds received for 2012) under this agreement, which amounted to Rs.6,610,400 can be utilised for Administrative and Other Expenses paid to the Bank. Accordingly during the current year the Company has utilised Rs. 6,610,400 for its Administrative and Other Expenses. During the year Management has decided to pay the Administration Expenses from the internally generated funds and not from the grants received for the current year.

16 Auditor's Remuneration

| Particulars | 2012-13 | 2011-12 |
|------------------------|----------------|----------------|
| Statutory audit fees | 75,000 | 75,000 |
| Fees for Form 10 B | 20,000 | 40,000 |
| Out of pocket expenses | - | 500 |
| Service tax | 11,742 | 13,863 |
| Total | 106,742 | 129,363 |

17 Contingent Liabilities (to the extent no provided for)

| Particulars | As at 31st March 2013 | As at 31st March 2012 |
|--|--------------------------|--------------------------|
| (a) Claim against the Company not acknowledged as debt in respect of Demand Notice received from Income Tax Authorities. | 78,034,489 | 78,034,489 |

- 18 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.
- 19 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 confirmations 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.
- 20 The Company is Small and Medium sized company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly the Company has complied with the Accounting Standards as applicable to SMCs.
- 21 Previous Year Comparatives**
Previous year's figures have been regrouped/reclassified wherever necessary, to correspond with the current year's classification/disclosures.

For and on behalf of the Board of Directors of
RBS Foundation India




N. Sanil Kumar



Meera H. Sanyal



Pankaj Phatarphod

Director

Director

Director