

## **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 31<sup>st</sup> March, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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.



# Deloitte Haskins & Sells

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

## **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 31<sup>st</sup> March, 2014; 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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).



# Deloitte Haskins & Sells

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 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)



Kalpesh J. Mehta  
Partner  
(Membership No. 48791)

MUMBAI, 18 July, 2014



# RBS FOUNDATION INDIA

Balance Sheet as at 31st March, 2014

Particulars	Notes	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	3	45,000	45,000
(b) Reserves and surplus	4	92,412,977	73,408,890
<b>2 Non-current liabilities</b>			
(a) Other Long term liabilities	5	440,821,581	382,029,075
<b>3 Current liabilities</b>			
(a) Trade payables	6	116,293	193,476
(b) Other current liabilities	7	-	13,256
<b>TOTAL</b>		<b>533,395,851</b>	<b>455,689,697</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Long-term loans and advances			
Other Loans and advances (TDS recoverable)	8	11,547,039	10,673,288
<b>2 Current assets</b>			
(a) Cash and cash equivalents	9	517,685,374	441,618,926
(b) Other current assets	10	4,163,438	3,397,483
<b>TOTAL</b>		<b>533,395,851</b>	<b>455,689,697</b>

See accompanying notes forming part to the financial statements

For Deloitte Haskins & Sells  
Chartered Accountants

Kalpesh J. Mehta

Partner

Mumbai

Date:

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

N Sunil Kumar

Director

Mumbai

Date:

Rajesh Jogi

Director

Mumbai

Date:

Pankaj Phatarphod

Director

Mumbai

Date:

RBS FOUNDATION INDIA				
INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2014				
Particulars		Notes No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I	Other income	11	34,937,616	32,317,835
	Total		34,937,616	32,317,835
II	Other expenses	12	15,933,529	8,477,813
	Total		15,933,529	8,477,813
III	Excess of Income over Expenditure		19,004,087	23,840,022
IV	Earnings per equity share: Basic [Nominal Value Per Share Rs.10/-] (Previous Year Rs.10/-)	13	4,223	5,298

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



Kalpesh J. Mehta

Partner

Mumbai

Date:



N Sunil Kumar

Director

Mumbai

Date:



Rajesh Jogi

Director

Mumbai

Date:



Pankaj Phatarphod

Director

Mumbai

Date:

## Notes to and forming part of the Accounts

### 1 Background Information

RBS Foundation India (Formerly ABN AMRO Foundation India) ("the Company") was incorporated on 17<sup>th</sup> February 2007. The Company has been registered under Section 25 of the Companies Act, 1956 with effect from 19<sup>th</sup> 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 receives funds (RBS Funds) on a periodic basis which are accounted and disclosed under Other Long Term Liabilities. The Company utilises these funds 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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable 1956.

#### (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

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### (g) Cash and cash equivalents

Cash and cash equivalents for the purpose of the Financial Statements comprises cash on hand, cash in bank and fixed deposits.

#### (h) Provision & 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'2014

### Note 3: Share Capital

	Rs.	
	2014	2013
<b>Authorized Share Capital</b>		
10,000 Equity Shares of Rs .10 Each	100,000	100,000
<b>Issued, Subscribed and Paid - Up</b>		
4500 Equity Shares of Rs .10 Each fully paid-up	45,000	45,000
<b>Total</b>	<b>45,000</b>	<b>45,000</b>

Note.3(a): 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(b): 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 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Brijesh Mehra	500	11.11 %	500	11.11 %
Mr. Gopal Singaraju	500	11.11 %	-	-
Mr. Jai Jingar	500	11.11 %	-	-
Mr. Madan Menon	-	-	500	11.11 %
Mr. N Sunil Kumar	500	11.11 %	-	-
Mr. Pankaj Phatarphod	500	11.11 %	500	11.11 %
Mr. Rajesh Jogi	500	11.11 %	500	11.11 %
Mr. Rohit Sawhney	-	-	500	11.11 %
Mr. Shivaashish Gupta	500	11.11 %	500	11.11 %
Ms. Cletus Felix Pereira	-	-	500	11.11 %
Ms. Dipali Sheth	500	11.11 %	500	11.11 %
Ms. Meera H Sanval	500	11.11 %	500	11.11 %

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

Particulars	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	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.	
Particulars	As at 31st March 2014	As at 31st March 2013
Balance in Income and Expenditure Account at the start of the year	73,408,890	49,568,868
Excess of Income over Expenditure for the Year	19,004,087	23,840,022
<b>Total</b>	<b>92,412,977</b>	<b>73,408,890</b>

**Note 5: Other Long Term Liabilities**

Rs.

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Grants</b>		
AAF Grant 2006-2008	-	8,721,670
Add : Additional Grant	-	6,578,965
Less : Utilised	-	15,300,635
	-	-
RBS Fund 2009	7,782,015	40,790,180
Less : Utilised	7,782,015	33,008,165
	-	7,782,015
RBS Fund 2010	94,659,121	94,659,121
Less : Utilised	43,059,173	-
	51,599,948	94,659,121
RBS Fund 2011	125,557,920	125,557,920
RBS Fund 2012	82,630,000	82,630,000
RBS Fund 2013	71,400,019	71,400,019
RBS Fund 2014	109,633,694	-
Supergrounds	-	146,233
Less : Utilised	-	146,233
	-	-
Donation Received from Employees	787,840	8,125
Less : Utilised	787,840	8,125
	-	-
<b>Total</b>	<b>440,821,581</b>	<b>382,029,075</b>

**Note 6: Trade Payables**

Rs.

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Trade Payables</b>		
Deloitte Haskins & Sells	116,293	96,068
Adarsha Consulting	-	13,146
B S R and Co. (KPMG)	-	84,262
<b>Total</b>	<b>116,293</b>	<b>193,476</b>

**Note 7: Other Current Liabilities**

Rs.

Particulars	As at 31st March 2014	As at 31st March 2013
TDS on Professional Fees	-	13,256
<b>Total</b>	<b>-</b>	<b>13,256</b>

**Note 8: Long-term loans and advances**

Rs.

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Other Loans and Advances - TDS recoverable (Unsecured, considered good)</b>		
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	3,235,533
TDS for F. Y. 2013-14	873,751	-
	<b>11,547,039</b>	<b>10,673,288</b>



**Note 9: Cash and Bank balances**

Particulars	Rs.	
	As at 31st March 2014	As at 31st March 2013
<b>Cash and Cash Equivalents</b>		
(i) Balances with banks in Current Account	618,733	279,156
(ii) Deposits with an original maturity of less than or equal to three months	1,000,000	6,676,000
<b>Other Bank Balances</b>		
Deposits with a residual maturity of less than twelve months	516,066,641	434,663,770
<b>Total</b>	<b>517,685,374</b>	<b>441,618,926</b>

**Note 10: Other current assets**

Particulars	Rs.	
	As at 31st March 2014	As at 31st March 2013
Interest Receivable on Bank Fixed Deposits	4,161,600	3,395,645
Other Receivables	1,838	1,838
<b>Total</b>	<b>4,163,438</b>	<b>3,397,483</b>

**Note 11: Other Income**

Particulars	Rs.	
	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>A) Interest Income</b>		
Interest on Fixed Deposits	34,937,616	32,317,835
<b>Total</b>	<b>34,937,616</b>	<b>32,317,835</b>

**Note 12: Other Expenses**

Particulars	Rs.	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Professional Fees	752,627	699,741
Bank Charges	2,183	8,113
Auditor's Remuneration (Refer Note 15)	129,214	106,742
Advertisement Charges	9,000	-
Film Making Expenses	352,000	528,000
Interest on TDS	1,006	103
Project Monitoring Charges	466,146	474,714
Membership Fee	-	50,000
<b>Administrative Exp. (Refer Note 14)</b>		
Annual maintenance Charges	14,221,353	6,610,400
<b>Total</b>	<b>15,933,529</b>	<b>8,477,813</b>

**Note 13: Earnings Per Share**

Shareholders Earnings (as per Income and Expenditure Account)

Particulars	Rs.	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Excess of Income over Expenditure (after tax) for the period (A)	19,004,087	23,840,021
Weighted average number of Equity shares outstanding (B)	4,500	4,500
Earnings per Share (Basic) (A/B)	4,223	5,298

#### 14 Administrative Expenses

The Company has paid Rs.14,221,353 (Previous Year Rs.6,610,400/-) during the current year to The Royal Bank of Scotland N.V., Indian Branches ("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.

As per the circular resolution dated 17th January, 2014 it was agreed by the Board of Directors that the Company will reimburse 100% of its administrative expenses to the Bank.

#### 15 Auditor's Remuneration

Particulars	2013-14	2012-13
Statutory audit fees	75,000	75,000
Fees for Form 10 B	20,000	20,000
FC- 6 certificate fees	10,000	-
FCRA Audit Fees	10,000	-
Service tax	14,214	11,742
<b>Total</b>	<b>129,214</b>	<b>106,742</b>

#### 16 Contingent Liabilities (to the extent no provided for)

Particulars	As at 31st March 2014	As at 31st March 2013
(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

- 17 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.
- 18 According to the records available with the Company, none of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprise Development 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.
- 19 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.
- 20 **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. Sunil Kumar

Director

  
Rajesh Jogi

Director

  
Pankaj Phatarphod

Director

