

## **INDEPENDENT AUDITOR'S 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 March, 2015, the Income and Expenditure Account and the Cash Flow Statement 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

# Deloitte Haskins & Sells

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 judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## 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, of the state of affairs of the Company as at 31 March, 2015, and its surplus of income over expenditure and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the Company in terms of paragraph 1(2) clause (iii) of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and 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, the Income and Expenditure Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.



# Deloitte Haskins & Sells

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies ( Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial statements. Refer Notes 2(h) and 16 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)



Rukshad N. Daruvala  
Partner  
(Membership No. 111188)

**MUMBAI**, 31 July, 2015



**RBS Foundation India**

Balance Sheet as at 31 March, 2015

Particulars	Notes	As at 31 March 2015	As at 31 March 2014
<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	116,524,964	92,412,977
<b>2 Non-current liabilities</b>			
(a) Other long term liabilities	5	407,976,075	440,821,581
<b>3 Current liabilities</b>			
(a) Trade payables	6	229,197	116,293
(b) Other current liabilities	7	1,557	-
<b>TOTAL</b>		<b>524,776,793</b>	<b>533,395,851</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Long-term loans and advances			
Other loans and advances (TDS recoverable)	8	10,924,542	11,547,039
<b>2 Current assets</b>			
(a) Cash and cash equivalents	9	511,551,763	517,685,374
(b) Other current assets	10	2,300,488	4,163,438
<b>TOTAL</b>		<b>524,776,793</b>	<b>533,395,851</b>

See accompanying notes forming part to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants



**Rukshad N. Daruvala**  
Partner

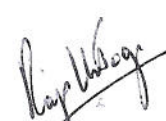
Mumbai  
Date: 31 July, 2015

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



**N Sunil Kumar**  
Director

Mumbai  
Date: 31 July 2015



**Rajesh Jogi**  
Director



**Pankaj Phatarphod**  
Director

**RBS Foundation India****Income and Expenditure for the Year Ended 31 March, 2015**

Particulars	Notes No.	For the year ended 31 March 2015	For the year ended 31 March 2014
Other income	11	41,803,585	34,937,616
<b>I Total</b>		<b>41,803,585</b>	<b>34,937,616</b>
Other expenses	12	17,691,598	15,933,529
<b>II Total</b>		<b>17,691,598</b>	<b>15,933,529</b>
<b>III Excess of Income over Expenditure</b>		<b>24,111,987</b>	<b>19,004,088</b>
<b>IV Earnings per equity share:</b>	13		
Basic [Nominal Value Per Share Rs.10/-]		5,358	4,223
(Previous Year Rs.10/-)			

See accompanying notes forming part to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants



**Rukshad N. Daruvala**  
Partner

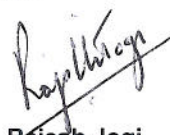
Mumbai  
Date: 31 July, 2015

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



**N Sunil Kumar**  
Director

Mumbai  
Date: 31 July 2015



**Rajesh Jogi**  
Director



**Pankaj Phatarphod**  
Director

**RBS Foundation India**
**Cash Flow Statement for the year ended 31 March, 2015**

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>A. Cash flow from operating activities</b>		
Excess of Income over Expenditure	24,111,987	19,004,088
<u>Adjustments for:</u>		
Interest income	(41,803,585)	(34,937,616)
	(41,803,585)	(34,937,616)
Operating income and expenditure before working capital changes	(17,691,598)	(15,933,528)
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets:		
Other current assets	(8,372)	-
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	112,904	(77,183)
Other current liabilities	1,557	(13,256)
Other long-term liabilities	(32,845,506)	58,792,506
	(32,739,417)	58,702,067
Cash generated from / (used in) operations	(50,431,015)	42,768,539
Net income tax (paid)/refunds	622,496	(873,750)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(49,808,519)</b>	<b>41,894,789</b>
<b>B. Cash flow from investing activities</b>		
Interest received on fixed deposit	43,493,515	34,171,659
Interest received on income tax refund	181,393	34,171,659
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>43,674,908</b>	<b>34,171,659</b>
<b>C. Cash flow from financing activities</b>		
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(6,133,611)</b>	<b>76,066,448</b>
Cash and cash equivalents at the beginning of the year (Refer Note 9)	517,685,374	441,618,926
<b>Cash and cash equivalents at the end of the year (Refer Note 9)</b>	<b>511,551,763</b>	<b>517,685,374</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants



**Rukshad N. Daruvala**  
Partner

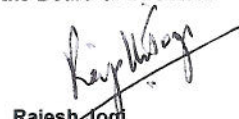
Mumbai :  
Date : 31 July, 2015

**For and on behalf of the Board of Directors**



**N Sunil Kumar**  
Director

Mumbai :  
Date : 31 July 2015



**Rajesh Jogi**  
Director



**Pankaj Phatarphod**  
Director



## Notes to and forming part of the Accounts

### 1 Background information

RBS Foundation India ("the Company") was incorporated on 17 February 2007. The Company has been registered under the erstwhile Section 25 of the Companies Act, 1956 as replaced by Section 8 of the Companies Act, 2013 with effect from 19 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 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013/ Companies Act, 1956, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in previous year.

#### (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.



## Notes to and forming part of the Accounts

**(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 excess of income over expenditure attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**(g) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances ( with original maturity of three months or less from the date of acquisition),highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(g) Cash flow statement**

Cash flows are reported using the indirect method, whereby income over expenditure before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any defferals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

**(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 31 March, 2015

#### Note 3: Share capital

	Rs.	
	As at 31 March 2015	As at 31 March 2014
<b>Authorised share capital</b>		
10,000 equity shares of Rs.10 Each	100,000	100,000
<b>Issued, subscribed and paid - up</b>		
4,500 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 shares 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 them.

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 31 March 2015		As at 31 March 2014	
	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%	500	11.11%
Mr. Jai Jingar	500	11.11%	500	11.11%
Mr. N Sunil Kumar	500	11.11%	500	11.11%
Ms. Dipali Sheth	500	11.11%	500	11.11%
Mr. Sanjay Agrawal	500	11.11%	-	0.00%
Mr. Sandeep Chopra	500	11.11%	-	0.00%
Mr. Niraj Mittal	500	11.11%	-	0.00%
Ms. Andrea Dacosta	500	11.11%	-	0.00%
Mr. Pankaj Phatarphod	-	0.00%	500	11.11%
Mr. Rajesh Jogi	-	0.00%	500	11.11%
Mr. Shivaashish Gupta	-	0.00%	500	11.11%
Ms. Meera H Sanyal	-	0.00%	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 March 2015		As at 31 March 2014	
	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 31 March 2015	As at 31 March 2014
Balance in income and expenditure account at the start of the year	92,412,977	73,408,890
Excess of income over expenditure for the year	24,111,987	19,004,087
<b>Total</b>	<b>116,524,964</b>	<b>92,412,977</b>

**RBS Foundation India****Notes Forming Part of the Balance Sheet as at 31 March, 2015****Note 5: Other long term liabilities**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<b>Grants</b>		
RBS Fund 2009	-	7,782,015
Less : Utilised	-	7,782,015
	-	-
RBS Fund 2010	51,599,948	94,659,121
Less : Utilised	51,599,948	43,059,173
	-	51,599,948
RBS Fund 2011	125,557,920	125,557,920
Less : Utilised	18,548,274	-
	107,009,646	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	109,633,694
RBS Fund 2015	37,302,716	-
Donation received from employees	-	787,840
Less: Utilised	-	787,840
	-	-
<b>Total</b>	<b>407,976,075</b>	<b>440,821,581</b>

**Note 6: Trade payables**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Deloitte Haskins & Sells	143,304	116,293
Adfactors PR Pvt. Ltd.	85,893	-
<b>Total</b>	<b>229,197</b>	<b>116,293</b>



**RBS Foundation India**

Notes Forming Part of the Balance Sheet as at 31 March, 2015

**Note 7: Other current liabilities**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
TDS on contractor	1,557	-
<b>Total</b>	<b>1,557</b>	<b>-</b>

**Note 8: Long-term loans and advances ( unsecured , considered good)**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
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
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	873,751
TDS for F. Y. 2014-15	444,520	-
	<b>10,924,542</b>	<b>11,547,039</b>

**Note 9: Cash and cash equivalents**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<b>Cash and cash equivalents</b>		
<b>Balances with Bank</b>		
(i) In current accounts	59,371	618,733
(ii) In demand deposit accounts	511,492,392	517,066,641
<b>Total</b>	<b>511,551,763</b>	<b>517,685,374</b>

**Note 10: Other current assets**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Interest accrued on bank fixed deposits	2,290,278	4,161,600
BSR & Co. (KPMG)	8,372	-
Other receivables	1,838	1,838
<b>Total</b>	<b>2,300,488</b>	<b>4,163,438</b>





**RBS Foundation India**

Notes Forming Part of the Balance Sheet as at 31 March, 2015

**Note 11: Other income**

Rs.		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>A) Interest income</b>		
Interest on fixed deposits	41,622,192	34,937,616
Interest on income tax refund	181,393	-
<b>Total</b>	<b>41,803,585</b>	<b>34,937,616</b>

**Note 12: Other Expenses**

Rs.		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Professional fees	1,143,285	752,627
Bank charges	10	2,183
Auditor's remuneration (Refer Note 15)	157,304	129,214
Advertisement charges	103,648	9,000
Printing & stationery	133,875	-
Registration fees	6,343	-
Interest on TDS	755	1,006
Film making expenses	-	352,000
Project monitoring charges	-	466,146
<b>Administrative Expenses. (Refer Note 14)</b>		
Annual maintainance charges	16,146,378	14,221,353
<b>Total</b>	<b>17,691,598</b>	<b>15,933,529</b>

**Note 13: Earnings per share**

Rs.		
<b>Shareholders earnings (as per income and expenditure account)</b>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Excess of income over expenditure (after tax) for the period (A)	24,111,987	19,004,087
Weighted average number of equity shares outstanding (B)	4,500	4,500
Earnings per share (basic) (A/B)	5,358	4,223

**14 Administrative expenses**

The Company has paid Rs.16,146,378 (Previous Year Rs.14,221,353/-) 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 17 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	For the year ended 31 March 2015	For the year ended 31 March 2014
Statutory audit fees	100,000	75,000
Fees for Form 10 B	20,000	20,000
FC- 6 certificate fees	10,000	10,000
FCRA audit fees	10,000	10,000
Service tax	17,304	14,214
<b>Total</b>	<b>157,304</b>	<b>129,214</b>

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

Particulars	As at 31 March 2015	As at 31 March 2014
(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) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium sized Company.

**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

