

**INDEPENDENT AUDITOR'S REPORT**

To the Members of RBS Foundation India

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of RBS Foundation India ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Income and Expenditure Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. 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 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 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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**

3. 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, issued by the Institute of Chartered Accountants of India, as 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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. An audit also includes evaluating the appropriateness of 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**

5. In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2017, its excess of expenditure over income, and its cash flows for the year ended on that date.

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RBS Foundation India  
Auditor's report for the year ended March 31, 2017

**Report on Other Legal and Regulatory Requirements**

6. 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 purpose 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, Statement of Income and Expenditure Account, and 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - 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;
  - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

*Sarvesh Warty*

per **Sarvesh Warty**  
Partner  
Membership Number: 121411  
Place of Signature: Mumbai  
Date: August 28, 2017

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RBS FOUNDATION INDIA**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of RBS Foundation India ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Auditor's report on Internal Controls Over Financial Reporting for year ended March 31, 2017  
RBS Foundation India

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

*Sarvesh Warty*

per **Sarvesh Warty**  
Partner  
Membership Number: 121411  
Place of Signature: Mumbai  
Date: August 28, 2017

**RBS Foundation India L**

414 Empire Complex,  
 Senapati Bapat Marg,  
 Lower Parel (west), Mumbai 400 013

**Trial Balance**

1-Apr-2016 to 31-Mar-2017

Particulars	RBS Foundation India L	
	1-Apr-2016 to 31-Mar-2017	
	Closing Balance	
	Debit	Credit
<b>Capital Account</b>		<b>30839746.76</b>
Reserves & Surplus		30794746.76
Equity Share Capital		45000.00
<b>Current Liabilities</b>	<b>289068479.00</b>	<b>563468160.28</b>
Statutory Liability		912494
Duties & Taxes		
Sundry Creditors		9928479.00
NGO	289068479.00	
Donation Received From Employees/Others (FCRA)		101,546.42
NABARD		562896.01
Non FCRA Fund		3960000.00
RBS Funds 2011		107009646.00
RBS Funds 2012		82630000.00
RBS Funds 2013		71400019.00
RBS Funds 2014		109633693.85
RBS Funds 2015		37302716.00
RBS Funds 2016		77335170.00
RBS Funds 2017		62691500.00
<b>Investments</b>	<b>180198192.10</b>	
Fixed Deposit with RBS		0
Fixed Deposit with SCB	180198192.10	
<b>Current Assets</b>	<b>222199916.07</b>	
Loans & Advances (Asset)	1837.00	
Bank Accounts	210906086.54	
Interest Accrued on Bank FD's	579812.62	
TAX for Earlier Years	3077699.00	
TAX for the Year 11-12	2117345.30	
TAX for the Year 13-14	873750.93	
TAX for the Year 15-16	1953311.21	
TAX for the Year 16-17	2690073.47	
<b>Indirect Incomes</b>		<b>27472374.96</b>
Interest of Fixed Deposit		26900734.96
Interest on Income Tax Refund		571640.00
<b>Indirect Expenses</b>	<b>29122358.57</b>	
Advertisement Charges	72846.00	
Audit Fees	236000.00	
Bank Charges	632.50	
Business Support Services	27620372.00	
Legal Fees Exps	6496.00	
Professional Fees	1186011.20	
Rounding Off	0.87	
Profit & Loss A/c		98808663.74
<b>Grand Total</b>	<b>720588945.74</b>	<b>720588945.74</b>

**RBS Foundation India (CIN : U45200MH2007NPL167933)**

Balance Sheet as at 31 March 2017

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
<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	127,953,429	129,603,412
<b>2 Non-current liabilities</b>			
(a) Other long term liabilities	5	263,558,707	387,652,320
<b>3 Current liabilities</b>			
(a) Trade payables	6		
(i) total outstanding dues of micro enterprises and small enterprises			
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		9,928,479	9,341,732
(b) Other current liabilities	7	912,494	850,805
<b>TOTAL</b>		<b>402,398,109</b>	<b>527,493,269</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Long-term loans and advances			
Other loans and advances (TDS recoverable)	8	10,712,180	11,702,160
(b) Other non-current assets	9	176,535,625	
<b>2 Current assets</b>			
(a) Cash and Bank Balances	10	214,568,654	510,776,133
(b) Other current assets	9	581,650	5,014,976
<b>TOTAL</b>		<b>402,398,109</b>	<b>527,493,269</b>

See accompanying notes forming part to the financial statements

In terms of our report attached

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

*Sarvesh Warty*

per Sarvesh Warty  
Partner  
(Membership Number: 121411)  
Mumbai  
Date: 28th August 2017

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

*Sunil Kumar*  
Sunil Kumar  
Director  
(DIN: 03519333)  
Mumbai

*Punit Sood*  
Punit Sood  
Director  
(DIN: 00033799)  
Mumbai

*Pankaj Phatarphod*  
Pankaj Phatarphod  
Director  
(DIN: 03031289)  
Mumbai

Date: 28th August 2017



RBS Foundation India (CIN : U45200MH2007NPL167933)

Income and Expenditure for the Year Ended 31 March 2017

Particulars	Notes No.	For the year ended	
		31 March 2017	31 March 2016
Other income	11	27,472,375	37,617,707
<b>I Total</b>		<b>27,472,375</b>	<b>37,617,707</b>
Other expenses	12	29,122,358	24,539,259
<b>II Total</b>		<b>29,122,358</b>	<b>24,539,259</b>
<b>III Excess of Income over Expenditure</b>		<b>(1,649,983)</b>	<b>13,078,448</b>
<b>IV Earnings per equity share:</b>	13		
Basic [Nominal Value Per Share Rs. 10/-] (Previous Year Rs. 10/-)		(367)	2,906

See accompanying notes forming part to the financial statements

In terms of our report attached

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

*Sarvesh Warty*

per Sarvesh Warty  
Partner  
(Membership Number :121411)  
Mumbai  
Date: 28th August 2017

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

*N* *Punit Sood* *Phatarphod*  
N-Sunil Kumar Punit Sood Pankaj Phatarphod  
-Director Director Director  
(DIN: 03519333) (DIN: 00033799) (DIN: 03031289)  
Mumbai  
Date: 28th August 2017



RBS Foundation India (CIN : U45200MH2007NPL167933)

Cash Flow Statement for the year ended 31 March 2017

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash flow from operating activities</b>		
Income and expenditure before extraordinary items and tax	(1,649,983)	13,078,448
<u>Adjustments for:</u>		
Interest income	(27,472,375)	(37,617,707)
	(27,472,375)	(37,617,707)
Operating income and expenditure before working capital changes	(29,122,358)	(24,539,259)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase)/decrease in operating assets:</u>		
Other current assets		8,372
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
Trade payables	586,747	9,112,535
Other current liabilities	61,689	849,248
Other long-term liabilities	(124,093,613)	(20,323,755)
	(123,445,177)	(10,353,600)
Cash generated from operations	(152,567,535)	(34,892,859)
Net income tax (paid)/refunds	989,980	(777,618)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(151,577,555)</b>	<b>(35,670,477)</b>
<b>B. Cash flow from investing activities</b>		
Investment in Fixed deposits	(176,535,625)	
Interest received on fixed deposit	31,334,060	34,595,050
Interest received on income tax refund	571,640	299,797
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(144,629,925)</b>	<b>34,894,847</b>
<b>C. Cash flow from financing activities</b>		
Bank Balance held for specific Project ( NABARD Grant)	217,737	(780,000)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>217,737</b>	<b>(780,000)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(295,989,743)</b>	<b>(1,555,630)</b>
Cash and cash equivalents at the beginning of the year	509,996,133	511,551,763
<b>Cash and cash equivalents at the end of the year</b>	<b>214,006,390</b>	<b>509,996,133</b>
(i) In earmarked accounts	562,264	780,000
- other earmarked accounts (for NABARD grant)	214,568,654	510,776,133
Cash and cash equivalents as at the end of the year (Refer Note 10)		

Notes:

- (i) The Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements specified under section 133 of Companies Act, 2013 as applicable.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004  
Sarvesh Warty,  
per Sarvesh Warty  
Partner  
(Membership Number :121411)  
Mumbai  
Date: 28th August 2017

For and on behalf of the Board of Directors

*[Signature]*  
Sunil Kumar  
Director  
(DIN: 03519333)  
Mumbai

*[Signature]*  
Punit Sood  
Director  
(DIN: 00033799)  
Mumbai

*[Signature]*  
Pankaj Phatarphod  
Director  
(DIN: 03031289)

Date: 28th August 2017





