

Deloitte Haskins & Sells

Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS OF RBS FOUNDATION INDIA

1. We have audited the attached Balance Sheet of **RBS FOUNDATION INDIA** (formerly known as ABN Amro Foundation India) ("the Company") as at 31st March, 2010, the Income and Expenditure Account of the Company for the year ended 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 (CARO) 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 Clause 1(2)(iii) of the Order.
4. We report as follows:
 - (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, 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, the Income and Expenditure Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



Deloitte Haskins & Sells

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Income and Expenditure Account, of the excess of the income over expenditure of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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



Z. F. Billimoria
Partner
(Membership No.42791)

MUMBAI, 25th August, 2010
ZFB/PG/SB



RBS Foundation India
Annual Financial Statements
01.04.2009 to 31.03.2010



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BALANCE SHEET AS AT 31st MARCH 2010

	Schedule No.	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	45,000	10,000
Reserves and surplus	2	19,207,852	13,634,013
TOTAL		19,252,852	13,644,013
APPLICATION OF FUNDS			
Current Assets, Loans & Advances (A)			
Cash and Bank Balances	3	178,460,694	122,333,762
Interest accrued on Bank Fixed Deposits		919,624	1,010,999
Loans & Advances	4	5,069,424	3,077,700
		184,449,742	126,422,461
Current Liabilities (B)	5	165,196,890	112,778,448
Net Current Assets (A-B)		19,252,852	13,644,013
TOTAL		19,252,852	13,644,013
Notes to and forming part of the Accounts	6		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

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


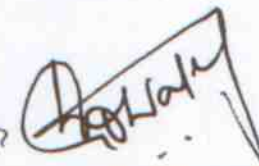


Z. F. Billimoria

Partner

Place : Mumbai

Date : 25th August, 2010

N. Sunil Kumar

Head - RBS
Foundation India

Tushar Lowalekar

Director



Meera H. Sanyal

Director




INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Schedule No.	For the Year ended 31 st March 2010 Rs.	For the Year ended 31 st March 2009 Rs.
INCOME		
Interest on Fixed Deposit [Tax Deducted at Source Rs. 1,175,692/- (Previous Year Rs. 3,077,700/-)]	8,350,074	12,767,002
TOTAL	8,350,074	12,767,002
EXPENDITURE		
Administrative Expenses Refer Note 4	9,733,841	8,400,000
Professional Fees	32,394	4,835
Auditors' Remuneration	50,000	58,240
SUB TOTAL	9,816,235	8,463,075
Less: Grants Received Refer Note 5	7,040,000	8,444,245
TOTAL	2,776,235	18,830
Excess of Income over Expenditure	5,573,839	12,748,172
Basic/Diluted Earnings Per share Refer Note 3 [Nominal Value per share Rs.10/- (Previous Year Rs. 10/-)]	2,572	12,748

Notes to and forming part of the Accounts 6

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants



Z. F. Billimoria

Partner
Place : Mumbai

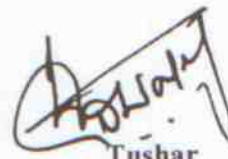
Date : 25th August, 2010

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



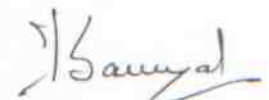
N. Sunil Kumar

Head - RBS Foundation
India



Tushar
Lowalekar

Director



Meera H. Sanyal

Director



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
Schedule 1: Share Capital		
<u>Authorised</u>		
10,000 Equity shares of Rs.10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<u>Issued, Subscribed and Paid Up</u>		
4,500 Equity shares (Previous Year 1000 Equity Shares) of Rs.10 each fully paid up	45,000	10,000
	<u>45,000</u>	<u>10,000</u>
Schedule 2: Reserves and Surplus		
<u>Income & Expenditure Account</u>		
Opening Balance	13,634,013	885,841
Excess of Income over Expenditure during the year	5,573,839	12,748,172
	<u>19,207,852</u>	<u>13,634,013</u>
Schedule 3: Cash & Bank Balances		
Balances with a Scheduled Bank		
- In Deposit Account	170,859,879	122,092,487
- In Current Accounts	7,600,815	241,275
	<u>178,460,694</u>	<u>122,333,762</u>
Schedule 4: Loans & Advances (Unsecured, Considered good)		
Advance Recoverable in Cash or in kind or value to be received	816,031	-
Tax Deducted at Source	4,253,393	3,077,700
	<u>5,069,424</u>	<u>3,077,700</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

	As at 31 st March 2010		As at 31 st March 2009	
	Rs.		Rs.	
Schedule 5: Current Liabilities				
Grants				
AAF GRANT 2006-2008	112,018,463		187,657,574	
Less :Utilised	29,886,413		67,194,866	
Less :Utilised for Admn Exp.	-	82,132,050	8,444,245	112,018,463
RBS Fund 2009	88,000,000			
Less: Utilised	8,185,992			
Less : Utilised for Admn. Exp.	7,040,000	72,774,008		-
GAYE Fund	2,930,352			
Less :Utilised	2,577,528	352,824		-
Supergrounds	1,059,640			
Less :Utilised	913,407	146,233		-
Employee Donation	-		653,314	
Less :Utilised	-	-	653,314	-
		155,405,115		112,018,463
Sundry Creditors				
Payable to RBS NV	9,733,841		700,000	
Deloitte Haskins & Sells	45,000		48,901	
RBS Business Service Pvt. Ltd.	7135		4287	
EV Bandhavgarh	6	9,785,982	-	753,188
[[Other than Micro Small & Medium Entreprises] (Refer Note 4 & 7)]				
Other Liabilities				
TDS payable		5,793		6,797
		165,196,890		112,778,448



Schedule 6 : 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 U/s 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 Currency Regulation Act, 1976 for receiving foreign grants from RBS Group Communication, UK of GBP 2.7 Million. 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 undeserved / 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. The accounting policies have been consistently applied by the Company.

(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 effect 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 end. Although the estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Revenue recognition***Interest***

Interest income is recognized 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 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.

(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.



3 Earnings per Share

In accordance with the Accounting Standard on "Earnings Per Share" (AS-20) notified under the Companies (Accounting Standards) Rules, 2006.

Particulars		Current Year	Previous Year
		Rs.	Rs.
A	Excess of Income over Expenditure during the Year	5,573,839	12,748,172
B	Weighted average number of Equity shares outstanding	2,167	1,000
C	Earnings per Share (Basic and Diluted) [A/B]	2,572	12,748

4 Administrative Expenses

The Company has accrued Rs.97,33,841 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.

- 5 As per the "AAF 2007-11" Agreement, dated 1st November, 2007, 8% of the grants received under this agreement, which amounted to Rs. 7,040,000 can be utilised for overhead costs. Accordingly during the Current Year the Company has utilised the entire amount for its Administrative and Other Expenses.
- 6 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.
- 7 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 confirmation 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.
- 8 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.

9 Previous Year Comparatives

Previous year's figures have been regrouped & rearranged, wherever necessary.

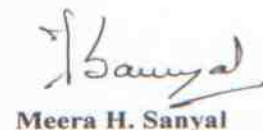
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