

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CII FOUNDATION

Report on the Financial Statements

We have audited the accompanying financial statements of **CII FOUNDATION** ("the Trust"), which comprise the Balance Sheet as at 31 March, 2018 and 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 Trust's Management is responsible for the preparation of these financial statements 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 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 control relevant to the Trust'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 Trust'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 of the Trust dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India 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 Trust as at 31 March, 2018; and
- (b) In the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Pramod B. Shukla
(Partner)
(Membership No. 104337)

Place: Gurugram


Date: 20 September 2018

CII Foundation
Balance Sheet as at 31 March, 2018

	<u>Note No.</u>	<u>As at 31 March, 2018 (Rupees)</u>	<u>As at 31 March, 2017 (Rupees)</u>
Sources of funds			
1. Corpus fund	3	40,021,000	40,021,000
2. Surplus in Income and Expenditure Account	4	38,628,536	32,707,029
3. Earmarked funds	5	87,243,851	90,774,181
Total		<u>165,893,387</u>	<u>163,502,210</u>
Application of funds			
4. Fixed assets	6	331,059	16,675
5. Current assets, loans and advances			
a. Cash and bank balances	7	157,159,343	162,126,921
b. Loans and advances	8	<u>10,630,206</u>	<u>8,811,848</u>
		167,789,549	170,938,769
6. Less: Current liabilities and provisions			
Current liabilities	9	<u>2,227,221</u>	<u>7,453,234</u>
7. Net current assets (5-6)		<u>165,562,328</u>	<u>163,485,535</u>
Total		<u>165,893,387</u>	<u>163,502,210</u>
Notes forming part of the financial statements	1-17		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants


Pramod B. Shukla
Partner

Place: Gurugram
Date: 20 September 2018



For and on behalf of CII Foundation


CHANDRAJIT BANERJEE
Managing Trustee


Place: Gurugram
Date: 20 September 2018

CII Foundation
Income and Expenditure Account for the year ended 31 March, 2018

	<u>Note No.</u>	<u>Year ended 31 March, 2018 (Rupees)</u>	<u>Year ended 31 March, 2017 (Rupees)</u>
1. Income			
a. Donations (refer note no. 14.2, 14.3 and 15)		20,315,892	29,036,656
b. Interest income		6,965,992	10,537,585
c. Amount appropriated from the earmarked fund for expenditure on specified projects/ activities	10	52,241,620	104,034,460
		<u>79,523,504</u>	<u>143,608,701</u>
2. Expenditure			
a. Project expenses		6,792,477	7,367,934
b. Administration and other expenses (refer note no. 15)	11	9,508,830	5,473,337
c. Personnel expenses (refer note no. 15)	12	4,961,221	7,834,459
d. Depreciation	6	97,849	25,014
e. Amount incurred from earmarked fund for expenditure on specified projects/activities being the appropriation from earmarked fund	10	52,241,620	104,034,460
		<u>73,601,997</u>	<u>124,735,204</u>
3. Surplus carried to schedule	4	5,921,507	18,873,497
Notes forming part of the financial statements	1-17		

In terms of our report attached

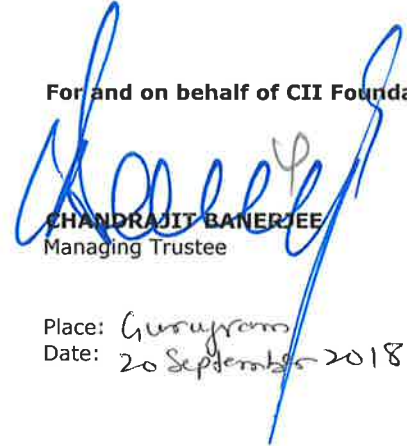
For **DELOITTE HASKINS & SELLS**
Chartered Accountants


Pramod B. Shukla
Partner

Place: Gurugram
Date: 20 September 2018



For and on behalf of CII Foundation


CHANDRAJIT BANERJEE
Managing Trustee

Place: Gurugram
Date: 20 September 2018

CII Foundation
Notes forming part of the Financial Statements

1. Background

CII Foundation ("the Trust") was set up in New Delhi on 7 April, 2011 as an independent Public Charitable Trust. The Trust was set up for the purpose of carrying out public welfare activities including provision of assistance and educational facilities to the deprived members, for providing medical relief and rehabilitation to people in stress and all other permitted charitable activities.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) to the extent applicable. The Trust follows the mercantile basis of accounting and recognises all income, expenses, assets and liabilities on the accrual basis.

The Trust is a Level II Enterprise as defined by the Institute of Chartered Accountants of India. Accordingly, the Trust has complied with the Accounting Standards as applicable to Level II Enterprises.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates.

2.3 Recognition of grants and donations

Donations

Amount received as donations towards general objects of the Trust are considered as income for the year/period and is credited to the Income and Expenditure Account.

Corpus fund

Corpus fund relates to funds contributed by the Trustees at incorporation of the Trust and donation received with the direction to be included as a part of the Corpus.

Earmarked funds

Amounts collected against specific projects with a stipulation that expenses are to incurred only against these projects are considered as earmarked funds. Expenses incurred against the specific projects are adjusted from the said funds. Expenses includes amount disbursed to other organisation as contribution/ grant.

2.4 Interest Income

Interest income is recognised on time proportionate basis.

2.5 Provisions & contingencies

A provision is recognised when the Trust has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



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CII Foundation
Notes forming part of the Financial Statements

2.6 Fixed Assets

Fixed assets are recognized at cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use, net of tax credit less accumulated depreciation and impairment loss, if any.

Depreciation on fixed assets (Tangibles and Intangibles)

Depreciation on fixed assets is provided on the written down value of the fixed assets as per the rates mentioned in the Income tax Act, 1961 based on the management estimate of the useful lives of the assets, as follows:

<u>Depreciation</u>	<u>Depreciation(%)</u>
Computers	40
Software	40

2.7 Income Tax

The Trust is registered under Section 12A of the Income tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Act.



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CII Foundation
Notes forming part of the Balance Sheet

	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
3. Corpus Fund		
Opening Balance	40,021,000	40,021,000
Add: Addition during the year	-	-
Closing Balance	40,021,000	40,021,000
4. Surplus in the Income and Expenditure Account		
Opening Balance	32,707,029	13,833,532
Add: Balance transferred from the Income and Expenditure Account	5,921,507	18,873,497
Closing Balance	38,628,536	32,707,029
5. Earmarked Funds (Refer Note No. 14.1 and 14.2)		
Opening Balance	90,774,181	162,279,744
Add: Funds received during the year	55,340,483	49,651,540
Less: Amount utilised during the year	52,241,620	104,034,460
Less: Amount transferred to Income and Expenditure Account	6,629,193	17,122,643
Closing Balance	87,243,851	90,774,181



CII Foundation
Notes forming part of the Balance Sheet

6. Fixed assets

Particulars	(All amounts in Rupees)						
	As at 01.04.2017	Gross block Additions	As at 31.03.2018	As at 01.04.2017	Depreciation For the year	As at 31.03.2018	As at 31.03.2017
Tangible assets (Owned)							
Computers	136,190	412,233	548,423	120,937	97,280	330,206	15,253
Intangible assets (Acquired)							
Computer softwares	12,700	-	12,700	11,278	569	853	1,422
Total	148,890	412,233	561,123	132,215	97,849	331,059	16,675
Previous year	148,890	-	148,890	107,201	25,014	16,675	



CII Foundation
Notes forming part of the Balance Sheet

	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
7. Cash and bank balances		
Cheque in hand	4,132,920	-
Balances with scheduled banks		
- in savings account	29,013,560	23,719,613
- in savings account (FCRA)	73,110	2,614,974
- in deposit accounts	123,939,753	135,792,334
	<u>157,159,343</u>	<u>162,126,921</u>
8. Current assets, loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	4,494,538	2,442,178
Donation receivables	685,400	3,587,298
Income tax deducted at source	3,066,270	2,433,066
Interest accrued but not due	2,363,899	349,306
Prepaid expenses	20,099	-
	<u>10,630,206</u>	<u>8,811,848</u>
9. Current liabilities and provisions		
Sundry creditors	1,177,291	6,507,346
Statutory dues	1,049,930	945,888
	<u>2,227,221</u>	<u>7,453,234</u>



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CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2018 (Rupees)	Year ended 31 March, 2017 (Rupees)
10. Project expenses		
Expenses incurred for earmarked funds		
a. Anganwadi project		
i. Material distribution	941,128	1,094,250
ii. Repairs and maintenance	1,600,919	453,839
iii. Project staff charges	317,374	129,079
iv. Miscellaneous expenses	39,856	41,260
	2,899,277	1,718,428
b. Uttarakhand relief operation		
i. Material distribution	-	4,400
ii. Travelling and conveyance	196,489	191,234
iii. Rehabilitation of educational institutions and others	3,808,233	11,297,329
iv. Project staff charges	713,227	791,865
v. Miscellaneous expenses	63,749	-
	4,781,698	12,284,828
c. Woman exemplar program		
i. Function expenses	904,701	1,814,609
ii. Travelling and conveyance	-	796,783
iii. Professional expenses	-	2,400,277
	904,701	5,011,669
d. Mission to SOS (sanitation of schools) phase I		
i. Construction of toilets	-	3,264,873
ii. Project staff charges	-	90,000
iii. Travelling and conveyance	5,845	66,688
iv. Professional expenses	860,430	994,950
	866,275	4,416,511
e. Jammu and Kashmir relief initiative		
i. Project expenses	2,147,650	5,764,761
ii. Travelling and conveyance	50,578	27,365
iii. Project staff charges	732,728	666,116
iv. Miscellaneous expenses	7,004	1,850
	2,937,960	6,460,092
f. Equal opportunity employment program		
i. Event charges	-	200,741
	-	200,741



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2018 (Rupees)	Year ended 31 March, 2017 (Rupees)
g. Finishing school program		
i. Professional expenses	333,360	276,000
ii. Miscellaneous expenses	2,653	25,709
	336,013	301,709
h. Fabrication skill training centre program		
i. Training expenses	1,253,256	322,314
	1,253,256	322,314
i. Tamil Nadu flood relief and rehabilitation		
i. Project expenses	4,306,328	8,659,558
ii. Travelling and conveyance	124,646	21,550
iii. Project staff charges	902,836	509,667
iv. Miscellaneous expenses	9,365	27,980
	5,343,175	9,218,755
j. Adarsh vidyalaya		
i. Supply and installation	506,000	2,119,580
ii. Professional expenses	221,226	29,774
iii. Travelling and conveyance	83,233	107,466
iv. Miscellaneous expenses	45,885	6,000
	856,344	2,262,820
k. Augment government blood services		
i. Travelling and conveyance	64,916	39,524
ii. IT expenses	104,076	160,500
iii. Miscellaneous expenses	9,552	-
	178,544	200,024
l. E-Connect program		
i. Material distribution	-	3,466,998
ii. Maintenance expenses	316,827	79,000
iii. Travelling and conveyance	25,599	85,693
iv. Miscellaneous expenses	23,322	58,418
	365,748	3,690,109
m. IRCTC swachh bhara abhiyan		
i. Toilets construction	-	24,538,050
ii. Travelling and conveyance	-	22,969
	-	24,561,019



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2018 (Rupees)	Year ended 31 March, 2017 (Rupees)
n. Mission to SOS (sanitation of schools) phase II		
i. Construction and maintenance of toilets	7,569,768	6,585,824
ii. Project staff charges	97,000	40,050
iii. Travelling and conveyance	7,798	9,513
iv. Miscellaneous expenses	26,388	74,790
	7,700,954	6,710,177
o. Nepal earthquake relief and rehabilitation		
i. Construction of health clinic	-	17,329,934
ii. Travelling and conveyance	-	35,369
iii. Miscellaneous expenses	-	43,090
	-	17,408,393
p. Water resource mapping		
i. Project consultancy fees	6,795,900	9,128,700
ii. Water supply charges	-	138,171
iii. Travelling and conveyance	16,786	-
	6,812,686	9,266,871
q. IT skills program for youth		
i. Professional expenses	3,261,270	-
	3,261,270	-
r. Development of handbook on employee volunteer program		
i. Professional expenses	452,720	-
	452,720	-
s. UP social development		
i. Travelling and conveyance	73,451	-
ii. Miscellaneous expenses	11,800	-
	85,251	-
t. Phenk mat Mumbai		
i. Professional expenses	3,400,000	-
ii. Travelling and conveyance	24,777	-
	3,424,777	-
u. MSME awareness program		
i. Professional expenses	8,460,971	-
	8,460,971	-
v. Social tranformation Aurangabad		
i. Professional expenses	1,320,000	-
	1,320,000	-
Total	52,241,620	104,034,460



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2018 (Rupees)	Year ended 31 March, 2017 (Rupees)
11. Administration and other expenses		
a. Legal and professional expenses	725,716	645,349
b. Contract staff charges	5,666,262	3,533,276
c. Infrastructure costs	1,947,682	463,831
d. Recruitment charges	74,970	208,257
e. Statutory audit fee (including indirect tax)	281,725	177,000
f. Meeting expenses	94,815	75,308
g. Travelling and conveyance expenses	442,598	112,306
h. Printing and stationery expenses	107,957	91,177
i. Bank charges	4,387	3,093
j. Website maintenance expenses	99,837	106,260
k. Communication expenses	45,775	11,846
l. Miscellaneous expenses	17,106	45,634
	9,508,830	5,473,337
12. Personnel expenses		
a. Salaries and allowances (deputed staff cost)	4,961,221	7,834,459
	4,961,221	7,834,459



CII Foundation
Notes forming part of the Financial Statements

13. Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED)

Based on the information available with the Trust, the balance due to Micro & Small Enterprises as defined under the MSMED Act., 2006 is Rs. Nil (previous year Rs. Nil) and no interest has been paid or is payable under the terms of MSMED Act, 2006.

14.1 The fund movement of the earmarked funds is given below:

(In Rupees)

S.No	Projects	Opening Balance as at 1 April 2017	Received during the year	Utilised/transferred during the year (Refer Note No. 14.2 and 14.3)	Closing Balance as at 31 March 2018
1.	Anganwadi project	3,863,697 (1,270,071)	6,953,770 (4,615,677)	3,189,205 (2,022,051)	7,628,262 (3,863,697)
2.	Maharashtra draught relief	- (3,449)	- (200,000)	- (203,449)	- (-)
3.	Uttarakhand relief operation	12,904,281 (30,413,995)	- (-)	5,248,768 (17,509,714)	7,655,513 (12,904,281)
4.	Women exemplar program	5,561,002 (7,858,185)	- (3,935,000)	1,502,163 (6,232,183)	4,058,839 (5,561,002)
5.	Mission to SOS (sanitation of schools) phase I	866,275 (6,177,368)	- (-)	866,275 (5,311,093)	- (866,275)
6.	Jammu and Kashmir relief initiative	18,661,585 (26,565,743)	- (-)	3,221,956 (7,904,158)	15,439,629 (18,661,585)
7.	Equal opportunity employment program	208,298 (448,739)	- (-)	208,298 (240,441)	- (208,298)
8.	Relief operation in Assam disaster	2,150 (47,997)	- (-)	2,150 (45,847)	- (2,150)
9.	Finishing school program	479,724 (887,822)	300,000 (-)	369,614 (408,098)	410,110 (479,724)
10.	Fabrication skill training centre program	1,395,115 (826,628)	- (1,164,942)	1,395,115 (596,455)	- (1,395,115)
11.	Tamil Nadu flood relief and rehabilitation	16,492,116 (25,584,643)	3,475,239 (1,050,000)	5,877,493 (10,142,527)	14,089,862 (16,492,116)
12.	Adarsh vidyalaya	677,768 (-)	1,357,130 (3,166,870)	941,978 (2,489,102)	1,092,920 (677,768)
13.	Augment government blood services	29,974 (-)	250,000 (250,000)	279,974 (220,026)	- (29,974)
14.	E-Connect program	2,941,315 (7,000,435)	- (-)	402,323 (4,059,120)	2,538,992 (2,941,315)
15.	IRCTC swachh bhara abhiyan	399,129 (27,416,250)	- (-)	- (27,017,121)	399,129 (399,129)
16.	Mission to SOS (sanitation of schools) phase II	17,754,953 (15,200,000)	1,923,344 (9,936,148)	8,471,049 (7,381,195)	11,207,248 (17,754,953)
17.	Nepal earthquake relief and rehabilitation	572,626 (12,320,753)	- (7,401,105)	572,626 (19,149,232)	- (572,626)
18.	Water resource mapping	3,138,942 (-)	4,503,000 (13,332,500)	7,641,942 (10,193,558)	- (3,138,942)
19.	Odisha cyclone phailin relief	224,183 (250,166)	- (-)	- (25,983)	224,183 (224,183)
20.	Eureka model villages program	1,750 (7,500)	- (-)	1,750 (5,750)	- (1,750)
21.	IT skill program for youth	3,587,298 (-)	- (3,587,298)	3,587,298 (-)	- (3,587,298)



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CII Foundation
Notes forming part of the Financial Statements

S.No	Projects	(In Rupees)			
		Opening Balance as at 1 April 2017	Received during the year	Utilised/transferred during the year (Refer Note No. 14.2 and 14.3)	Closing Balance as at 31 March 2018
22.	Development of handbook on employee volunteer program	1,012,000 (-)	- (1,012,000)	497,992 (-)	514,008 (1,012,000)
23.	UP social development	- (-)	9,650,000 (-)	93,776 (-)	9,556,224 (-)
24.	Phenk mat Mumbai	- (-)	3,740,000 (-)	3,740,000 (-)	- (-)
25.	MSME awareness program	- (-)	9,988,000 (-)	9,307,068 (-)	680,932 (-)
26.	Social transformation Aurangabad	- (-)	13,200,000 (-)	1,452,000 (-)	11,748,000 (-)
Total		90,774,181 (162,279,744)	55,340,483 (49,651,540)	58,870,813 (121,157,103)	87,243,851 (90,774,181)

Figures in brackets indicate amounts pertaining to the previous year.

- 14.2** During the year, Rs. 5,578,418 (previous year Rs. 171,22,643) has been transferred from Earmarked Funds towards administrative and overhead cost to the Income and Expenditure Account.
- 14.3** During the year, Rs. 1,050,775 has been transferred from Earmarked Funds to Surplus in the Income and Expenditure Account on closure of earmarked projects as per management evaluation.
- 15** Donation includes support from Confederation of Indian Industry for meeting (i) manpower cost (including contract staff charges) Rs. 10,627,483 (previous year Rs. 11,367,735) and (ii) administrative cost Rs. 1,947,682 (previous year Rs. 463,831) of the Trust.
- 16** There are no related party relationships and transactions as defined in Accounting Standard on Related Party Disclosures (AS 18) issued by the Institute of Chartered Accountants of India.
- 17** Previous period figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.



For and on behalf of CII Foundation

Chandrasit Banerjee
CHANDRASIT BANERJEE
Managing Trustee

Place: Gungyram
Date: 20 September 2018