

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CII FOUNDATION

Report on the Financial Statements

We have audited accompanying financial statements of **CII FOUNDATION** ("the Trust"), which comprise the Balance Sheet as at 31 March, 2017 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.



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, 2017; 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)



Jitendra Agarwal
Jitendra Agarwal
(Partner)
(Membership No. 87104)

Place: Gurugram

Date: 6 October, 2017

CII Foundation
Balance Sheet as at 31 March, 2017

	Note No.	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Sources of funds			
1. Corpus fund	3	40,021,000	40,021,000
2. Surplus in Income and Expenditure account	4	32,707,029	13,833,532
3. Earmarked funds	5	90,774,181	162,279,744
Total		163,502,210	216,134,276
Application of funds			
4. Fixed assets	6	16,675	41,689
5. Current assets, loans and advances			
a. Cash and bank balances	7	162,126,921	208,430,580
b. Loans and advances	8	8,811,848	8,544,895
		<u>170,938,769</u>	<u>216,975,475</u>
6. Less: Current liabilities and provisions			
Current liabilities	9	7,453,234	882,888
7. Net current assets (5-6)		163,485,535	216,092,587
Total		163,502,210	216,134,276
Notes forming part of the financial statements	1-16		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Jitendra Agarwal
JITENDRA AGARWAL
Partner

Place: Gurugram
Date: 6 October, 2017



For and on behalf of CII Foundation

Chandrajit Banerjee
CHANDRAJIT BANERJEE
Managing Trustee

Place: Gurugram
Date: 6 October, 2017

CII Foundation
Income and Expenditure Account for the year ended 31 March, 2017

	<u>Note No.</u>	<u>Year ended 31 March, 2017 (Rupees)</u>	<u>Year ended 31 March, 2016 (Rupees)</u>
1. Income			
a. Donations (refer Note No. 15.2)		29,036,656	10,113,682
b. Interest income		10,537,585	8,293,844
c. Amount appropriated from the earmarked fund for expenditure on specified projects/ activities	10	104,034,460	35,899,008
		<u>143,608,701</u>	<u>54,306,534</u>
2. Expenditure			
a. Project expenses		7,367,934	5,055,000
b. Administration and other expenses	11	5,473,337	3,317,766
c. Personnel expenses	12	7,834,459	7,057,721
d. Depreciation	6	25,014	62,534
e. Amount incurred from earmarked fund for expenditure on specified projects/activities being the appropriation from earmarked fund	10	104,034,460	35,899,008
		<u>124,735,204</u>	<u>51,392,029</u>
3. Surplus carried to schedule	4	18,873,497	2,914,505
Notes forming part of the financial statements	1-16		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Jitendra Agarwal
JITENDRA AGARWAL
Partner



Place: Gurugram
Date: 6 October, 2017

For and on behalf of CII Foundation

Chandrajit Banerjee
CHANDRAJIT BANERJEE
Managing Trustee

Place: Gurugram
Date: 6 October, 2017

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 accounting

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.

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 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 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.

2.5 Fixed Assets

Fixed assets are recognised 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 cenvat or value added tax less accumulated depreciation and impairment loss, if any.



CII Foundation
Notes forming part of the Financial Statements

2.6 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	60
Software	60

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.



CII Foundation
Notes forming part of the Balance Sheet

	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
3. Corpus Fund		
Opening Balance	40,021,000	30,021,000
Add: Addition during the year	-	10,000,000
Closing Balance	40,021,000	40,021,000
4. Surplus in the Income and Expenditure account		
Opening Balance	13,833,532	10,919,027
Add: Balance transferred from the Income and Expenditure account	18,873,497	2,914,505
Closing Balance	32,707,029	13,833,532
5. Earmarked funds (Refer Note No. 15.1)		
Opening Balance	162,279,744	72,103,298
Add: Funds received during the year	49,651,540	126,075,454
Less: Amount utilised during the year	104,034,460	35,899,008
Less: Amount transferred to the Income and Expenditure account	17,122,643	-
Closing Balance	90,774,181	162,279,744



CII Foundation
Notes forming part of the Balance Sheet

Particulars	(All amounts in Rupees)						
	As at 01.04.2016	Gross block Additions	As at 31.03.2017	As at 01.04.2016	Depreciation For the year	As at 31.03.2017	As at 31.03.2016
Tangible assets (Owned)							
Computers	136,190	-	136,190	98,057	22,880	120,937	38,133
Intangible assets (Acquired)							
Computer softwares	12,700	-	12,700	9,144	2,134	11,278	3,556
Total	148,890	-	148,890	107,201	25,014	132,215	41,689
Previous year	148,890	-	148,890	44,667	62,534	107,201	41,689



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CII Foundation
Notes forming part of the Balance Sheet

	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
7. Cash and bank balances		
Balances with scheduled banks		
- in savings account	23,719,613	77,390,806
- in savings account (FCRA)	2,614,974	21,263
- in deposit accounts	135,792,334	131,018,511
	<u>162,126,921</u>	<u>208,430,580</u>
8. Current assets, loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	2,442,178	3,092,463
Donation receivables	3,587,298	3,114,793
Income tax deducted at source	2,433,066	1,967,536
Interest accrued but not due	349,306	370,103
	<u>8,811,848</u>	<u>8,544,895</u>
9. Current liabilities and provisions		
Sundry creditors	6,507,346	863,972
Other liabilities	945,888	18,916
	<u>7,453,234</u>	<u>882,888</u>



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
10. Project expenses		
Expenses incurred for earmarked funds		
a. Anganwadi project		
i. Material distribution	1,094,250	206,252
ii. Repairs and maintenance	453,839	323,311
iii. Professional expenses	129,079	3,990
iv. Printing and stationery	30,332	135,447
v. Miscellaneous expenses	10,928	264,426
	1,718,428	933,426
b. Uttarakhand relief operation		
i. Material distribution	4,400	201,455
ii. Travelling	191,234	329,332
iii. Rehabilitation of educational institutions and others	11,297,329	18,052,317
iv. Project staff charges	791,865	1,152,860
v. Miscellaneous expenses	-	66,267
	12,284,828	19,802,231
c. Woman exemplar programme		
i. Function expenses	1,814,609	1,143,642
ii. Awards expenses	-	2,142,855
iii. Travelling	796,783	50,016
iv. Professional expenses	2,400,277	1,369,374
	5,011,669	4,705,887
d. Mission to SOS (sanitation of schools) phase I		
i. Construction of toilets	3,264,873	3,941,309
ii. Project staff charges	90,000	20,000
iii. Travelling and conveyance	66,688	-
iv. Professional expenses	994,950	-
	4,416,511	3,961,309
e. Jammu and Kashmir relief initiative		
i. Project expenses	5,764,761	4,349,976
ii. Travelling	27,365	75,179
iii. Project staff charges	666,116	180,000
iv. Miscellaneous expenses	1,850	71,194
	6,460,092	4,676,349
f. Equal opportunity employment programme		
i. Event charges	200,741	39,367
	200,741	39,367
g. Relief operation in Assam disaster		
i. Relief material	-	268,314
ii. Travelling	-	6,297
	-	274,611



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
h. Finishing school programme		
i. Professional expenses	276,000	516,000
ii. Miscellaneous expenses	25,709	55,918
	301,709	571,918
i. Fabrication skill training centre programme		
i. Training expenses	322,314	914,942
	322,314	914,942
j. Tamil Nadu flood relief and rehabilitation		
i. Project expenses	8,659,558	-
ii. Travelling	21,550	18,968
iii. Professional fees	509,667	-
iv. Miscellaneous expenses	27,980	-
	9,218,755	18,968
k. Adarsh vidyalaya		
i. Supply and installation	2,119,580	-
ii. Professional fees	29,774	-
iii. Travelling and conveyance	107,466	-
iv. Miscellaneous expenses	6,000	-
	2,262,820	-
l. Augment government blood services		
i. Travelling and conveyance	39,524	-
ii. IT expenses	160,500	-
	200,024	-
m. E-Connect program		
i. Material distribution	3,466,998	-
ii. Maintenance expenses	79,000	-
iii. Travelling and conveyance	85,693	-
iv. Miscellaneous expenses	58,418	-
	3,690,109	-
n. IRCTC swachh bhara abhiyan		
i. Toilets construction	24,538,050	-
ii. Travelling and conveyance	22,969	-
	24,561,019	-
o. Mission to SOS (sanitation of schools) phase II		
i. Construction and maintenance of toilets	6,585,824	-
ii. Project staff charges	40,050	-
iii. Travelling and conveyance	9,513	-
iv. Miscellaneous expenses	74,790	-
	6,710,177	-



CII Foundation
Notes forming part of the Income and Expenditure Account

	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
p. 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	-
q. Water resource mapping		
i. Project consultancy fees	9,128,700	-
ii. Water supply charges	138,171	-
	9,266,871	-
Total	104,034,460	35,899,008
11. Administration and other expenses		
a. Legal and professional expenses	645,349	605,359
b. Contract staff charges	3,533,276	1,958,144
c. Infrastructure costs	463,831	-
d. Recruitment charges	208,257	-
e. Statutory audit fee (including service tax)	177,000	173,390
f. Meeting expenses	75,308	22,050
g. Travelling and conveyance expenses	112,306	11,087
h. Printing and stationery expenses	91,177	308,117
i. Bank charges	3,093	2,120
j. Website maintenance expenses	106,260	198,570
k. Communication expenses	11,846	-
l. Miscellaneous expenses	45,634	38,929
	5,473,337	3,317,766
12. Personnel expenses		
a. Salaries and allowances (deputed staff cost)	7,834,459	7,057,721
	7,834,459	7,057,721



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.** The Trust is complying with the Accounting Standards, applicable to a Level II Entity- Small and Medium Sized Enterprise (SME), as notified in the announcement made by ICAI which is effective for all accounting periods commencing on or after 1 April, 2004. Accordingly, the Trust is not required to present the Related Party Disclosures, Cash Flow Statement, Segment reporting and Discontinuing Operations disclosures as required under the relevant Accounting Standards. Further, the Trust is not required to disclose information required by Paragraph 22 (C), (e) and (f); 25 (b), and (e); 37(a), (f) and (g); 46 (b), (d) and (e) of Accounting Standard 19 on 'Lease', Paragraph 117 to 123 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefit plans, as applicable. The Trust has availed an exemption in respect of the recognition and measurement principles laid down in paragraph 50 to 116 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefits plans



CII Foundation
Notes forming part of the Financial Statements

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

		(In Rupees)			
S. No.	Projects	Opening balance as at 1 April 2016	Received during the year	Utilised/transferred during the year (Refer Note No. 15.2)	Balance as at 31 March 2017
1.	Anganwadi project	1,270,071 (938,475)	4,615,677 (1,265,022)	2,022,051 (933,426)	3,863,697 (1,270,071)
2.	Maharashtra draught relief	3,449 (3,449)	200,000 (-)	203,449 (-)	- (3,449)
3.	Uttarakhand relief operation	30,413,995 (48,979,477)	- (1,236,750)	17,509,714 (19,802,231)	12,904,281 (30,413,995)
4.	Women exemplar programme	7,858,185 (1,064,072)	3,935,000 (11,500,000)	6,232,183 (4,705,887)	5,561,002 (7,858,185)
5.	Mission to SOS (sanitation of schools) phase I	6,177,368 (478,767)	- (9,659,909)	5,311,093 (3,961,309)	866,275 (6,177,368)
6.	Jammu and Kashmir relief initiative	26,565,743 (18,860,938)	- (12,381,154)	7,904,158 (4,676,349)	18,661,585 (26,565,743)
7.	Equal opportunity employment programme	448,739 (488,106)	- (-)	240,441 (39,367)	208,298 (448,739)
8.	Relief operation in Assam disaster	47,997 (322,608)	- (-)	45,847 (274,611)	2,150 (47,997)
9.	Finishing school programme	887,822 (709,740)	- (750,000)	408,098 (571,918)	479,724 (887,822)
10.	Fabrication skill training centre programme	826,628 (-)	1,164,942 (1,741,570)	596,455 (914,942)	1,395,115 (826,628)
11.	Tamil Nadu flood relief and rehabilitation	25,584,643 (-)	1,050,000 (25,603,611)	10,142,527 (18,968)	16,492,116 (25,584,643)
12.	Adarsh vidyalaya	- (-)	3,166,870 (-)	2,489,102 (-)	677,768 (-)
13.	Augment government blood services	- (-)	250,000 (-)	220,026 (-)	29,974 (-)
14.	E-Connect program	7,000,435 (-)	- (7,000,435)	4,059,120 (-)	2,941,315 (7,000,435)
15.	IRCTC swachh bharat abhiyan	27,416,250 (-)	- (27,416,250)	27,017,121 (-)	399,129 (27,416,250)
16.	Mission to SOS (sanitation of schools) phase II	15,200,000 (-)	9,936,148 (15,200,000)	7,381,195 (-)	17,754,953 (15,200,000)
17.	Nepal earthquake relief and rehabilitation	12,320,753 (-)	7,401,105 (12,320,753)	19,149,232 (-)	572,626 (12,320,753)
18.	Water resource mapping	- (-)	13,332,500 (-)	10,193,558 (-)	3,138,942 (-)



CII Foundation
Notes forming part of the Financial Statements

S. No.	Projects	Opening Balance as at 1 April 2016	Received during the year	Utilised/transferred during the year (Refer Note No. 15.2)	Balance as at 31 March 2017
19.	Odisha cyclone phailin relief	250,166 (250,166)	- (-)	25,983 (-)	224,183 (250,166)
20.	Eureka model villages programme	7,500 (7,500)	- (-)	5,750 (-)	1,750 (7,500)
21.	IT skill program for youth	- (-)	3,587,298 (-)	- (-)	3,587,298 (-)
22.	Development of handbook on employee volunteer program	- (-)	1,012,000 (-)	- (-)	1,012,000 (-)
Total		162,279,744 (72,103,298)	49,651,540 (126,075,454)	121,157,103 (35,899,008)	90,774,181 (162,279,744)

Figures in brackets indicate amounts pertaining to the previous year.

15.2 During the year, Rs. 17,122,643 has been transferred from earmarked funds towards administrative and overhead cost to the Income and Expenditure account.

16 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

(Signature)
CHANDRAJIT BANERJEE
Managing Trustee

Place: *Burugram*
Date: *6 October, 2017*