

FCRA Certificate of IDFC Foundation

For the year ended as on March 31,2018

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
IDFC Foundation
The Capital Court,
6th Floor, Olof Palme Marg,
Munirka, Delhi -110067

Auditors' Certificate

1. This certificate is issued in accordance with our terms of agreement dated December 13, 2018.
2. The accompanying Balance Sheet, Income and Expenditure Account and Receipts and Payments Account with the Schedules 1 to 5 thereon for the year ended on March 31, 2018 (the "Statements") of IDFC Foundation (the "Company") (a Company registered under section 25 of the Companies Act, 1956, bearing FCRA registration number 231661589 insofar as those pertain to its FCRA Bank Account Number 50100048554860 (the "FCRA Account") with HDFC Bank Limited, has been prepared by the Company pursuant to the Company's obligation to submit Form No. FC-4 in accordance with Section 19 of the Foreign Contribution (Regulation) Act, 2010 read with Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 (the "Requirements") as amended from time to time, to the Ministry of Home Affairs, New Delhi.

Management's Responsibility for the Statements

3. The accompanying Statements, including the preparation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company's Management is responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statements, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring the compliance of the Statements with the Requirements. The Management is also responsible for legal and statutory formalities and for providing all relevant information to Ministry of Home Affairs of India, New Delhi.

Auditors' Responsibilities

5. Pursuant to the Requirements, it is our responsibility to examine the Statements as at March 31, 2018 and certify whether the Statements are in accordance with the audited books of account of the Company for the year ended March 31, 2018.
6. The books of account referred to in paragraph 5 above, have been audited by us on which we issued an unmodified audit opinion vide our report dated July 17, 2018. Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
7. We conducted our examination, on test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. For the avoidance of doubt, our work did not include an examination of Form No. FC-4.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Conclusion

9. Based on our examination as above, and the information and explanations given to us, we certify the matters set out in the Statements as follows::

- (i) The brought forward balance of foreign contributions in the FCRA Account as at April 1, 2017 was Rs. Nil.
- (ii) The foreign contribution of Rs. 25,475,328 was received by the Company in the FCRA Account during the period April 1, 2017 to March 31, 2018.
- (iii) Interest accrued on foreign contribution and other income as derived from foreign contribution or interest thereon of Rs. 332,230 (excluding interest accrued of Rs. 182,578) was received by the Company during the period April 1, 2017 to March 31, 2018.
- (iv) The balance of unutilized foreign contribution in the FCRA Account was Rs. 13,394,033 as on March 31, 2018.
- (v) The Company has maintained the accounts of foreign contribution and records relating thereto in the manner specified in section 19 of Foreign Contribution (Regulation) Act, 2010 read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011.
- (vi) The information furnished in this certificate and in the enclosed Balance Sheet, Income and Expenditure Account, Receipts and Payments Account, read together with the Schedules 1 to 5 thereon, is accurately extracted from the books of accounts for the year ended March 31, 2018.
- (vii) The Company has utilized the foreign contribution received for the purposes it is registered under Foreign Contribution (Regulation) Act, 2010.

Restriction on Use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Requirements. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
11. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable comply with Company's obligations to submit the accompanying Statements to the Ministry of Home Affairs of India, New Delhi, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse & Co Chartered Accountants LLP,
Firm Registration Number: 304026E/E-300009



Heman Sabharwal

Partner
Membership Number: 093263

Place: Gurugram
Date: December 14, 2018

IDFC FOUNDATION
FCRA Registration Number 231661589

Statement of Receipts and Payments for the year ended March 31, 2018

		(₹)		
Receipts	Amount	Payments		Amount
Opening balance	-	Direct expenditure		
Restricted grants received	25,475,328	Project/programme expenditure	9,433,203	
Interest on bank deposits [net of withholding tax deducted at source (TDS) by bank]	332,230	Indirect (administrative) expenditure		
		Legal and professional fee	798,831	
		Establishment cost- Lease rental	2,124,000	
		Travelling, hotel and conveyance	52,915	
		Bank charges	4,576	12,413,525
		Closing balance		
		- Fixed deposit with bank	13,388,972	
		- Balance with bank	5,061	
		- Cash in hand	-	13,394,033
Total	25,807,558	Total		25,807,558

In terms of our certificate of even date attached.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

Hatharwal

Heman Sabharwal
Partner
Membership No. 093263

Place: Gurugram
Date: **December 14, 2018**

NS Rajan

For and on behalf of the Board of Directors of
IDFC FOUNDATION

NS Rajan
Chief Functionary

Place: **Delhi**
Date: **December 14, 2018**



IDFC FOUNDATION
FCRA Registration Number 231661589

Balance Sheet as at March 31, 2018

	Notes	As at March 31, 2018 (₹)
Liabilities		
a. Liability for restricted grants	3	13,576,611
TOTAL		13,576,611
Assets		
a. Cash and cash equivalents	4	13,394,033
b. Other current asset	5	182,578
TOTAL		13,576,611

See accompanying notes forming part of the financial statements 1 to 5

In terms of our certificate of even date attached.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

H Sabharwal

Heman Sabharwal
Partner
Membership No. 093263

Place: Gurugram
Date: December 14, 2018

For and on behalf of the Board of Directors of
IDFC FOUNDATION

NS Rajan

NS Rajan
Chief Functionary

Place: Delhi
Date: December 14, 2018



IDFC FOUNDATION
FCRA Registration Number 231661589

Statement of Income and Expenditure for the period ended March 31, 2018

	(₹)
	For the period ended March 31, 2018
(I) Income	
Restricted grants	12,413,525
Total income	12,413,525
(II) Expenditure	
Fee for research fellows	8,533,720
Lease rent	2,124,000
Travelling, hotel and conveyance	604,163
Printing and stationery	577,340
Other project related expenses	569,697
Bank charges	4,605
Total expenditure	12,413,525
(III) Surplus for the year [(I)- (II)]	-

See accompanying notes forming part of the financial statements 1 to 5

In terms of our certificate of even date attached.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

abhaewal

Heman Sabharwal
Partner
Membership No. 093263

Place: Gurugram
Date: *December 14, 2018*

For and on behalf of the Board of Directors of
IDFC FOUNDATION

NS Rajan
NS Rajan
Chief Functionary

Place: *Delhi*
Date: *December 14, 2018*



IDFC FOUNDATION

FCRA Registration Number 231661589

Notes forming part of the FCRA Financial Statements for the year ended March 31, 2018

1 Company overview

IDFC Foundation ("the Company"), is a not for profit company, within the meaning of Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956), was incorporated in India on March 4, 2011.

The Company is a wholly-owned subsidiary of IDFC Limited. The primary focus of the Company is to contribute to the development of infrastructure through engagement in policy research and advocacy, programme support (for economic benefits to society) and in developing social infrastructure (education and healthcare).

Pursuant to the enactment of Companies Act, 2013 and Section 135 of the Companies Act, 2013, the Company, as an implementing agency, has been carrying out Corporate Social Responsibility ("CSR") activities as per CSR policy adopted by IDFC Limited and its group Companies in line with the Schedule VII of the Companies Act, 2013. The Company primarily focuses on CSR activities as well defined projects or programmes that includes promoting and development of (a) livelihoods, (b) rural development projects, (c) promoting healthcare including preventive health care, (d) education, (e) community engagement/development, (f) environmental sustainability, (g) disaster relief, (h) research and studies in all or any of the activities mentioned in Schedule VII and (i) Others.

The Company has received a certificate of registration (No. 231661589 dated May 14, 2015) under Section 11(1) of the Foreign Contribution (Regulation) Act, 2010 ("FCRA") read with Rule 9 of the Foreign Contribution (Regulation) Rules, 2011 ("FCRR") to receive foreign contributions for carrying out economic, education and social activities.

2 Summary of significant accounting policies

2.1 Basis of preparation

These FCRA financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these FCRA financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] to the extent applicable and relevant for the purpose these financial statements have been prepared by the management.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash in bank and demand deposits with banks. Cash equivalents are short-term balances (with an 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.

2.4 Revenue recognition

- (a) Restricted grants received for which there are stipulations as to use are recognized in the Statement of Income and Expenditure Account as income in the year of utilization and the unutilized amount is shown as 'Liability for restricted grants' under liabilities as on balance sheet date. Restricted grants are subject to certain restrictions as set out by the donor and agreed to by the Company when accepting the grant. If income generated from assets pertaining to restricted grants is also subject to the same restrictions as the grant, then the same is also credited to restricted grants and is recognized in the Statement of Income and Expenditure Account as income in the year of utilization.

- (b) Interest income on savings bank accounts and fixed deposits are accounted on accrual basis.



Notes forming part of the FCRA Financial Statements for the year ended March 31, 2018

2.5 Income tax

The Company is registered under Section 12A read with Section 12AA of the Income Tax Act, 1961 in India vide Commissioner of Income Tax's communication reference letter no NQ.DIT(E)12012-13/DEL-IR22385-27092012/803 ("Approval Letter") and accordingly, is exempt from paying income taxes on excess of revenue over expenses subject to compliance with the conditions as stipulated in aforesaid Approval Letter. The Company is also registered under section 80G of the Income Tax Act, 1961.

2.6 Operating leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Income and Expenditure, on a straight-line method, over the lease term in accordance with Accounting Standard 19 on 'Leases'. Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

2.7 Foreign currency transactions and translations

Transactions in foreign currencies of the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items outstanding at the Balance Sheet date are reported using the closing rate. Gain or loss resulting from the settlement of such transactions and translations of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Expenditure.

2.8 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



IDFC FOUNDATION

FCRA Registration Number 231661589

Notes forming part of the FCRA Financial Statements for the year ended March 31, 2018

3 Liabilities

	(₹)
	For the period ended March 31, 2018
Liability for restricted grants	
(i) Opening balance	-
(ii) Restricted grants received during the year	25,475,328
(iii) Interest income on fixed deposits with bank received during the year	332,230
(iv) Accrued Interest income on fixed deposits with bank	182,578
(v) Restricted grants utilised during the year [see note (a)]	12,413,525
Total	13,576,611
(a) Restricted grants utilised	
Direct expenditure	
Project/programme expenditure	9,433,203
Indirect (administrative) expenditure	
Legal and professional fee	798,831
Establishment cost- Lease rental	2,124,000
Travelling, hotel and conveyance	52,915
Bank charges	4,576
Total	12,413,525

4 Cash and cash equivalents

	(₹)
	For the period ended March 31, 2018
Cash and cash equivalents	
Cash on hand	-
Balances with banks:	
- In savings accounts	5,061
- In demand deposit accounts	13,388,972
Total	13,394,033

5 Other assets

	(₹)
	For the period ended March 31, 2018
Interest accrued on fixed deposits	182,578
Total	182,578

