Give Foundation

Notes forming part of financial statements for the year ended 31st March 2012

1. Company Overview:

Give Foundation (registered as a not-for-profit company u/s 25 of the Companies Act, 1956) works in the area of education, medical relief and relief of poor. It provides a donation platform through its website that allows donors to support a cause of their choice from about 200 NGOs that have been scrutinized for transparency & credibility. Donors make a donation to the Foundation, earmarking them to a specific project, which is disbursed on a monthly basis. They also make an additional donation to the Foundation to help it cover the costs of carrying out all the due diligence and the post donation follow up.

2. Significant Accounting Policies:

(a) Accounting Convention

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with applicable accounting standards and provisions of the Companies Act, 1956.

(b) Grants

Grants relating to fixed assets are credited to Capital Grants in Balance Sheet. Such grants are recognised in the Statement of Income and Expenditure on a systematic and rational basis over the useful life of the fixed assets. The allocations to the income statement are made over the periods and in proportion in which depreciation on the related Fixed Assets are charged to Statement of Income and Expenditure.

Revenue grants are recognised as income in the Statement of Income and Expenditure in the same period in which the relevant expenses are charged to the Statement of Income and Expenditure.

(c) Tangible Fixed assets

Fixed assets are recorded at cost of acquisition including incidental costs related to acquisition and installation.
(d) Intangible Assets

Intangible assets viz. computer software are recorded at cost of acquisition. They are amortised on a straight-line basis over a period of 2 years.

(e) Depreciation

Depreciation has been provided on tangible fixed assets over the useful life of the assets on the written down value method, at rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

(f) Investments

Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost.

(g) Foreign Exchange Transactions

i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.

ii) Exchange differences arising on settlement of revenue transactions are recognized in the Statement of Income and Expenditure.

iii) Monetary items denominated in a foreign currency are restated using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognized in the Statement of Income and Expenditure.

iv) The difference between the forward exchange rate & the exchange rate on the date of transactions is recognized as income or expense over the life of the forward contract. The gain or loss on cancellation of forward cover is taken as income or expense in the Statement of Income and Expenditure.

(h) Retirement Benefits

i. Provident fund is a defined contribution scheme and the contributions as required by the statute made to Government Provident Fund are charged to the Statement of Income and Expenditure.

ii. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year. Actuarial gains and losses are immediately taken to the Statement of Income and Expenditure and are not deferred.
18. **Contingent Liability**

Give foundation has received a demand from Income-Tax Department for the Assessment Year 2009-10 for Rs. 1,948,370 on 30th December, 2011. The Foundation had filed a stay application against the assessment order on 27th January 2012. The Assistant Director of income-Tax had directed the Foundation to make a payment of 50% of the total demand immediately. Accordingly, the Foundation had paid Rs.325,786 on 21st March, 2012 and has made an application for adjustment of refund of Rs.648,399 for the Assessment Year 2011-12 towards the above demand. No provision has been made for the above demand of Rs.1,948,370 as the same is disputed by Give Foundation.

19. No provision for taxation for the year has been made as the Foundation is entitled to claim tax exemption u/s 11 of the Income Tax Act, 1961.

20. **Operating Leases**

The Company had taken commercial premises under cancellable operating leases in the previous year. The lease payments recognised in the Statement of Income and Expenditure is Rs. Nil (Previous Year Rs. 57,000/-).

21. The Company had not received any intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures relating to amount unpaid as at the end of the year together with interest paid/payable as required under the said Act has not been furnished and provision for interest, if any, on delayed payments, is not ascertainable at this stage.

22. The Company is a 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 a SMC.

23. **Calculation of Basic and Diluted Earnings Per Share (EPS):**

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of Income over Expenditure attributable to the Equity Shareholders (Rs.) - (A)</td>
<td>6,445,972</td>
<td>6,012,962</td>
</tr>
<tr>
<td>Nominal Value of Equity Share (Rs.)</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares for Basic EPS</td>
<td>2520</td>
<td>2520</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares for Diluted EPS</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
24. Disclosure required under AS – 15 regarding the Company's defined benefit plan in the nature of gratuity and compensated absences is as follows:

**Actuarial assumptions used**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rate</strong></td>
<td>8.5%</td>
<td>8.25%</td>
</tr>
<tr>
<td><strong>Salary escalation rate</strong></td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Expected return on plan assets</strong></td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Attrition</strong></td>
<td>5% @ younger age; reducing to 1% @ older age</td>
<td>5% @ younger age; reducing to 1% @ older age</td>
</tr>
<tr>
<td><strong>Retirement</strong></td>
<td>60 Years</td>
<td>60 Years</td>
</tr>
</tbody>
</table>

The assumption of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The company has accrued liability for gratuity based on the actuarial valuation as at the balance sheet date conducted by an independent actuary and provided for the actuarial liability of Rs.624,964/- (Previous Year Rs. 553,972/-)

The company has accrued liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary and provided for the actuarial liability of Rs.146,680/- (Previous Year Rs. 172,567/-)

25. Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2012 are summarized below:

(i) Person having control – Venkat Krishnan N.
(ii) Key Managerial Personnel - Dhaval Udani (CEO)

Particulars of related party / transactions during the year (Rupees)
<table>
<thead>
<tr>
<th>Type of Transactions</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhaval Udani (Salary)</td>
<td>23,12,544</td>
</tr>
<tr>
<td></td>
<td>(393,094)</td>
</tr>
</tbody>
</table>

**Note:** Previous year's figures are shown in brackets.

26. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.