Give Foundation

Notes forming part of the financial statements for the year ended 31st March 2013

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 the poor. It provides a donation platform through its website that allows donors to support a cause of their choice from 170 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 preparation of financial statements in conformity with Generally Accepted Accounting Principles requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management’s evaluation of the relevant facts and circumstances as on the date of financial statements. All information on key policies and the basis of the estimates and the major sources of uncertainties have been disclosed along with the respective note. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognized in the period in which the results are known / materialize.

(b) Grants

Donations given by donors, to cover the costs of carrying out all the due diligence and the post donation follow up, are recognized as income in the year of receipt and is disclosed as “Donations received for covering Administrative costs” in the Statement of Income and Expenditure.

Grants relating to fixed assets are credited to Capital Grants in Balance Sheet. Such grants are recognized 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.

(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 amortized 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. On-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.

(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.

iii. The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. Actuarial gains and losses are immediately taken to the Statement of Income and Expenditure and are not deferred.

(i) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(j) Operating Leases:

Assets acquired on leases, where a significant portion of the risks and rewards incidental to ownership is retained by the lessors, are classified as operating lease.
18. **Contingent Liability:**

Give foundation had received a demand from Income-Tax Department for the Assessment Year 2009-10 for Rs. 19,48,370 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. There is no change in the status of the demand as on 31st March 2013. No provision has been made for the above demand of Rs.1,948,370 as the same is disputed by Give Foundation.

Further, for the Assessment Year 2010-11 the Foundation has received demand of Rs.45,36,510/- on 28th February 2013. The foundation has filed an appeal against the said assessment order. The Deputy Director of Income Tax has directed the Foundation to make payment of 50% of the total demand immediately. Accordingly payment of Rs. 22,68,255 was paid on 15th July 2013. No provision has been made for the above demand of Rs.45,36,510/- 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. 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.

21. 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.
22. 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>(1,305,808)</td>
<td>6,445,972</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>2,520</td>
<td>2520</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares for Diluted EPS</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</td>
<td>(518.18)</td>
<td>2557.93</td>
</tr>
</tbody>
</table>

23. 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, 2013</th>
<th>March 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Salary escalation rate</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Attrition</td>
<td>5% @ younger age; reducing to 1% @ older age</td>
<td>5% @ younger age; reducing to 1% @ older age</td>
</tr>
<tr>
<td>Retirement</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.7,93,433 /-(Previous Year Rs. 624,964/-)

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. 200,106/- (Previous Year Rs. 146,680/-)
Annual Contribution made to Provident Fund Rs.289,703 (previous year Rs.335548) recognized as expense in Statement of Income and Expenditure.

24. Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2013 are summarized below:

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

<table>
<thead>
<tr>
<th>Type of Transactions</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhaval Udani (Salary)</td>
<td>28,17,160</td>
</tr>
<tr>
<td></td>
<td>(23,12,544)</td>
</tr>
</tbody>
</table>

Note: Previous year’s figures are shown in brackets.

25. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For GIVE Foundation

N Vaghul
Chairman

Venkat K N.
Director

Place: Mumbai
Date: July 25, 2013