

EdelGive Foundation

Financial Statements
together with Auditors' Report
for the period ended 31 March 2014

EdelGive Foundation

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B S R & Associates LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Independent Auditors' Report

To the Members of EdelGive Foundation

Report on the financial statements

We have audited the accompanying financial statements of EdelGive Foundation ('the Company') which comprise the balance sheet as at 31 March 2014, the statement of income and expenditure and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). 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.

Auditor's 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 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 Company'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 the opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.



Independent Auditors' Report (Continued)

EdelGive Foundation

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the statement of income and expenditure, of the deficit for the year ended on that date; and
- (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1 This report does not include a statement on the matters specified in paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- 2 As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, statement of income and expenditure and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, statement of income and expenditure and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of the written representations received from the directors of the Company as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as director in terms of clause (g) of sub section (1) of section 274 to the Act.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
16 May 2014

EdelGive Foundation

Balance Sheet


(Currency : Indian rupees)

	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	100,000	100,000
(b) Reserves and surplus	2.2	<u>10,194,070</u>	<u>13,622,328</u>
		10,294,070	13,722,328
Current liabilities			
(a) Trade payables	2.3	272,613	491,153
(b) Other current liabilities	2.4	<u>33,943</u>	<u>42,688</u>
		306,556	533,841
TOTAL		<u>10,600,626</u>	<u>14,256,169</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	2.5	<u>2,699</u>	<u>3,135</u>
		2,699	3,135
Current assets			
(a) Cash and bank balances	2.6	9,081,693	13,063,931
(b) Short-term loans and advances	2.7	1,450,837	1,123,706
(f) Other current assets	2.8	<u>65,397</u>	<u>65,397</u>
		10,597,927	14,253,034
TOTAL		<u>10,600,626</u>	<u>14,256,169</u>

Significant accounting policies and notes to the financial statements 1 & 2

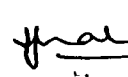
As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W

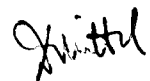


N Sampath Ganesh
Partner
Membership No: 042554

For and on behalf of the Board of Directors



Director



Director

Mumbai
16 May 2014

Mumbai
09 May 2014

EdelGive Foundation

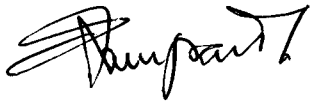
Statement of Income and Expenditure

(Currency : Indian rupees)

	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
Income			
Donations mobilized	2.9	34,144,352	56,362,810
Other income	2.10	70,000	65,397
Total income		<u>34,214,352</u>	<u>56,428,207</u>
Expenditure			
Funds deployed	2.19	35,016,997	39,295,050
Depreciation	2.5	436	506
Other expenses	2.11	2,625,177	4,906,175
Total expenditure		<u>37,642,610</u>	<u>44,201,731</u>
(Deficit) / Surplus for the year		<u>(3,428,258)</u>	<u>12,226,476</u>
Basic and diluted earnings per equity share (Face value Rs. 10 each)	2.14	(342.83)	1,222.65
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

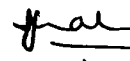
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W



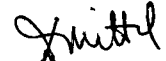
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
16 May 2014

For and on behalf of the Board of Directors



Director



Director

Mumbai
09 May 2014

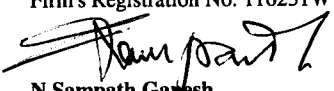
EdelGive Foundation

Cash Flow Statement

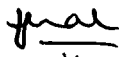
(Currency : Indian rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities		
(Deficit) /Surplus	(3,428,258)	12,226,476
<i>Adjustments</i>		
Depreciation	436	506
Operating cash flow before working capital changes	(3,427,822)	12,226,982
Add / (Less): Adjustments for working capital changes		
(Increase) in loans and advances	(327,131)	(934,982)
(Decrease) / Increase in liabilities and provisions	(227,285)	61,149
Net cash (used in) / generated from operating activities	(3,982,238)	11,353,149
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	(3,982,238)	11,353,149
Cash and cash equivalent as at the beginning of the year (Refer note 2.6)	13,063,931	1,710,782
Cash and cash equivalent as at the end of the year (Refer note 2.6)	9,081,693	13,063,931

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W

N Sampath Ganesh
Partner
Membership No: 042554

For and on behalf of the Board of Directors


Director


Director

Mumbai
16 May 2014

Mumbai
09 May 2014

EdelGive Foundation

Notes to the financial statements

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the Revised Schedule VI to the Act. The financial statements are presented in Indian rupees.

1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current or future periods.

1.3 Donations

Donations mobilized are accounted on the date of receipt. All donations received during the year are towards the objectives of the Company.

1.4 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

Depreciation is charged at the rates prescribed in the Schedule XIV to the Act, as given below:

Class of asset	Rate of depreciation
Office equipments	13.91%

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of installation.



EdelGive Foundation

Notes to the financial statements (Continued)

1.5 *Impairment of assets*

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of Income and Expenditure. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.6 *Taxation*

There is no provision for tax made in the accounts as the Company has been registered under section 12AA of the Income Tax Act, 1961.

1.7 *Provisions and contingencies*

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.8 *Foreign Currency Transactions and translations*

Foreign currency transactions are accounted at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the balance sheet date are reported using the closing rate. Gain or loss resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.



EdelGive Foundation

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital

Authorised :

2,000,000 (Previous year: 2,000,000) Equity Shares of Rs.10 each.

	As at 31 March 2014	As at 31 March 2013
	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>

Issued, Subscribed and Paid up:

10,000 (Previous year: 10,000) Equity Shares of Rs. 10 each, fully paid up
(The entire equity paid up capital is held by Edelweiss Financial Services Limited, the holding company and its nominees).

	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

Movement in share capital:

	31 March 2014		31 March 2013	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of Rs 10 each fully paid				
Outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
Edelweiss Financial Services Limited (Holding company)*	10,000	100%	10,000	100%
	<u>10,000</u>	<u>100%</u>	<u>10,000</u>	<u>100%</u>

Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
Equity Shares of Rs 10 each fully paid				
Edelweiss Financial Services Limited (Holding company)*	10,000	100%	10,000	100%
	<u>10,000</u>	<u>100%</u>	<u>10,000</u>	<u>100%</u>

* including 6 shares held by Nominees of Edelweiss Financial Services Limited

Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2 Reserves and surplus

Surplus in statement of income and expenditure
Opening balance
Add: (Deficit) / Surplus for the year

	13,622,328	1,395,852
	<u>(3,428,258)</u>	<u>12,226,476</u>
	<u>10,194,070</u>	<u>13,622,328</u>



EdelGive Foundation

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2014	As at 31 March 2013
2.3 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	272,613	491,153
	<u>272,613</u>	<u>491,153</u>
2.4 Other current liabilities		
Other payables		
Withholding tax and other taxes payable	33,943	42,688
	<u>33,943</u>	<u>42,688</u>



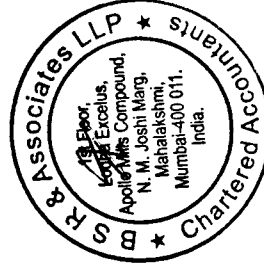
EdelGive Foundation

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.5 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2013	Additions during the year	Deductions during the year	As at 31 March 2014	Charge for the year	Deductions during the year	As at 31 March 2014	As at 31 March 2013
Tangible assets								
Office equipment	6,490	-	-	6,490	436	-	2,699	3,135
Total	6,490	-	-	6,490	436	-	2,699	3,135
Previous Year	6,490	-	-	6,490	506	-	3,355	

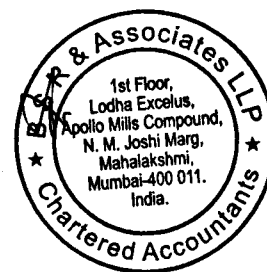


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Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2014	As at 31 March 2013
2.6 Cash and bank balances		
Cash and Cash equivalents		
Cash in hand	19,627	52,449
Cheques in hand	500,000	-
Balances with banks		
- in Current accounts	8,562,066	13,011,482
	<u>9,081,693</u>	<u>13,063,931</u>
2.7 Short-term loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	450,837	123,706
Loan to Rajasthan Shram Sarathi Association	1,000,000	1,000,000
	<u>1,450,837</u>	<u>1,123,706</u>
2.8 Other current assets		
Accrued interest on loans given	65,397	65,397
	<u>65,397</u>	<u>65,397</u>



EdelGive Foundation

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
2.9 Donations mobilized		
<i>Domestic</i>		
Corporates	24,663,351	36,886,013
Individuals and others	7,167,751	16,694,869
<i>Foreign</i>		
Corporates	2,269,750	2,507,503
Individuals and others	43,500	274,425
	<u>34,144,352</u>	<u>56,362,810</u>
2.10 Other income		
Interest income	70,000	65,397
	<u>70,000</u>	<u>65,397</u>
2.11 Other expenses		
Auditors' remuneration (refer below)	76,517	58,868
Advertising	32,249	4,938
Travelling and conveyance expenses	792,323	983,810
Seminars and conference	224,334	401,037
Postage and courier charges	1,917	-
Foreign exchange gain	(1,246)	(1,013)
Legal and professional fees	1,053,803	3,065,688
Office expenses	9,419	16,338
Repair and maintenance - others	353,110	-
Printing and stationery	4,618	272,372
Rates and taxes	9,520	2,500
Membership and Subscription	56,877	9,175
Miscellaneous expenses	11,736	92,462
	<u>2,625,177</u>	<u>4,906,175</u>
Auditors' remuneration:		
As auditor	50,000	50,000
For other services	23,146	-
For reimbursement of expenses	3,371	8,868
	<u>76,517</u>	<u>58,868</u>



EdelGive Foundation

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.12 *Segment reporting*

The primary focus of the Company is to create educational and employment opportunities for underprivileged youth. Its core functioning is to identify promising social entrepreneurs and Non Governmental Organizations for the said purpose. The Company is hence, not considered to be operating in any business segment. Since the activities of the Company are primarily concentrated in one area in India, the Company is considered to operate only in the domestic segment.

As the Company does not have any reportable business or geographic segments, the financial statements are reflective of the information required under Accounting Standard 17 – Segment Reporting prescribed by Companies (Accounting Standards) Rules, 2006.

2.13 *Related parties*

(A) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited - Holding company

(B) Fellow subsidiaries with whom transactions have taken place

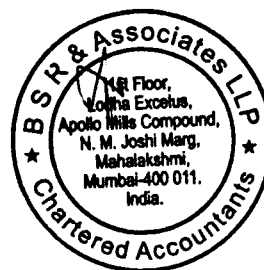
ECL Finance Limited

(C) Key management personnel

Vidya Shah

(D) Relatives of key management personnel

Rashesh Shah



EdelGive Foundation

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.13 Related parties (*Continued*)

(E) Transactions with related parties

Particulars	Holding company	Fellow subsidiary	Key management personnel	Relatives of Key management personnel
Current account transactions				
<i>Donations mobilized</i>				
ECL Finance Limited		1,80,00,000 (3,14,00,000)		
Edelweiss Financial Service Limited	- (4,00,000)			
Vidya Shah			20,000 (-)	
Rashesh Shah				20,000 (100,000)
<i>Reimbursement paid</i>				
Edelweiss Financial Service Limited	75,179 (30,179)			

Amounts in brackets represent previous year numbers



EdelGive Foundation

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.14 *Earnings per share*

In accordance with Accounting Standard 20 on earnings per share prescribed by Company (Accounting standard) Rules, 2006, the computation of earnings per share is set out below.

Particulars	2014	2013
a) Shareholders earnings (as per statement of profit and loss)	(3,428,258)	12,226,476
b) Calculation of weighted average number of Equity Shares of Re 1 each:		
– Number of equity shares outstanding at the beginning of the year	10,000	10,000
– Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	10,000	10,000
Basic and diluted earnings per share (in Rupees) (a/b)	(342.83)	1,222.65

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year ended 31 March 2014.

2.15 *Contingent liabilities and commitments*

The Company has Rs. Nil (Previous year: Rs. Nil) as capital commitments and contingent liabilities as at the balance sheet date.

2.16 *Incurrence of certain cost*

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. It has been set up by Edelweiss Financial Services Limited to play an active role towards corporate social responsibility. In order to support the endeavor of the Company, salary, rent and certain other expenses pertaining to the Company have been incurred by the holding company.

2.17 *Details of dues to micro, small and medium enterprises*

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.



EdelGive Foundation

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.18 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

	For the year ended 31 March 2014	For the year ended 31 March 2013
Expenditure incurred in foreign currency (on accrual basis)		
Membership and subscription	<u>56,877</u>	<u>9,175</u>
Total	56,877	9,175
Income earned in foreign currency		
Donations mobilized	<u>2,313,250</u>	<u>2,781,928</u>
	2,313,250	2,781,928

2.19 The funds deployed by the Company are as under:

	For the year ended 31 March 2014	For the year ended 31 March 2013
Fund deployed out of domestic contribution		
Aajeevika Bureau	1,950,500	905,000
Agastya International Foundation	1,006,399	1,020,500
Ajmer Adult Education Association	-	500,000
Chehak Trust	1,538,750	1,744,250
College of Social Work	4,019,206	3,699,593
Dhas Gramin Vikas Kendra	400,000	675,000
Educate Girls	-	214,000
Goonj	272,000	67,000
Ibtada	2,863,562	1,980,944
Isha Outreach	110,000	-
Jan Chetna Manch, Bokaro	-	210,500
JCCD-CORPUS FUND	600,000	2,400,000
Leap for Word	1,600,000	-
Light of Life Trust	-	711,085
M.C. Marykom	-	100,000
Make A Difference, Cochin	203,630	-



EdelGive Foundation

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.19 The funds deployed by the Company are as under: (Continued)

	For the year ended 31 March 2014	For the year ended 31 March 2013
<i>Fund deployed out of domestic contribution (Continued)</i>		
Manitham Charitable Trust	1,325,450	1,534,500
Masoom	-	685,750
Mumbai Mobile Creches	-	1,149,928
New Alipore Praajak Development Society	-	329,000
Olympic Gold Quest-Donation	-	3,000,000
Paragon Charitable Trust	2,800,000	2,800,000
Rajasthan Shram Sarathi Association	-	2,000,000
Sabuj Sangha	680,000	1,203,500
Salaam Bombay Foundation	700,000	-
Samaritan Help Mission	2,500,000	2,400,000
Shoshit Sewa Sangh	2,500,000	2,500,000
Shraddha Trust	925,000	-
Spandan Samaj Sewa Samiti	813,200	1,511,150
Surat Manav Seva Sangh	-	168,500
Tamilnad Kidney Research Foundation	500,000	500,000
The Aangan Trust	2,500,000	2,500,000
The Resource Allaince	4,000,000	2,000,000
<i>Fund deployed out of foreign contribution</i>		
Light of Life Trust	1,209,300	242,750
Paragon Charitable Trust	-	542,100
Total	35,016,997	39,295,050



EdelGive Foundation

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
Firm Registration No.116231W




N Sampath Ganesh
Partner

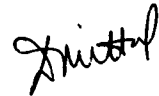
Membership No: 042554

Mumbai
16 May 2014

For and on behalf of the Board of Directors



Director



Director

Mumbai
09 May 2014