

**IFMR FINANCE
FOUNDATION**

**Financial Statements
for the year ended
31st March 2015**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IFMR FINANCE FOUNDATION

Report on the Financial Statements

We have audited the accompanying financial statements of **IFMR FINANCE FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

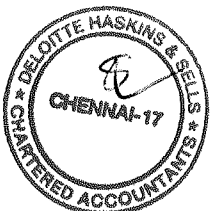
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes



evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

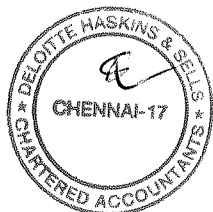
Emphasis of Matters

1. We draw attention to Note No 5 of the financial statements, regarding the utilisation of the corpus funds of Rs.100,000,000 towards disbursement of grants and other administration expenses, in accordance with the grant sanction letter of the donor.
2. We draw attention to Note No 17 of the financial statements, regarding the preparation of the financial statements on a going concern basis despite the erosion of net worth of the Company, based on the commitment towards providing continued operational and financial support by the controlling entity, IFMR Trust and grants received for various projects, which are executed by the entity.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. The requirements of Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act are not applicable to the Company.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



Deloitte Haskins & Sells

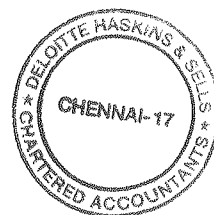
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note 18 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)



Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

CHENNAI, 12 June 2015



IFMR FINANCE FOUNDATION
Balance Sheet as on March 31, 2015

(Amount in INR)

	Particulars	Note No.	As on 31st March 2015	As on 31st March 2014
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share Capital	3	100,000	100,000
	Reserves & Surplus	4	(35,165,432)	(27,767,274)
			(35,065,432)	(27,667,274)
	Corpus Funds	5	21,678,822	21,678,822
	Non current Liabilities			
	Long-term Provision	6	1,283,730	517,700
			1,283,730	517,700
	Current Liabilities			
	Trade Payables	7	17,181,524	9,890,550
	Other Current liabilities	8	253,380	304,385
			17,434,904	10,194,935
	TOTAL		5,332,024	4,724,183
II.	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	9	180,668	169,607
	Intangible assets		16,230	72,583
	Long-term loans and Advances	10	2,681,530	2,556,532
			2,878,428	2,798,722
	Current assets			
	Trade receivables	11	100,000	
	Cash and cash equivalents	12	1,003,422	1,585,794
	Short-term loans and advances	13	1,350,174	339,667
			2,453,596	1,925,461
	TOTAL		5,332,024	4,724,183

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Bhavani Balasubramanian

Bhavani Balasubramanian

Partner

For and on behalf of the Board

Bindu Ananth

Bindu Ananth

Director

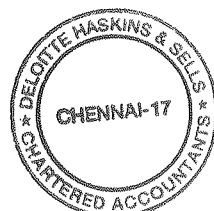
Anand Sahasranaman

Anand Sahasranaman

Director

Place: Chennai

Date: 12 June 2015



Statement of Profit & Loss for the Year ended March 31, 2015

(Amount in INR)

Particulars	Note No.	For the Year ended 31st March 2015	For the year ended 31st March 2014
Grants	19	17,423,155	8,798,286
Other Income	14	187,352	87,938
TOTAL REVENUE (I)		17,610,507	8,886,224
EXPENSES			
Employee benefits expense	15	12,978,623	8,458,483
Depreciation	9	286,184	128,099
Administrative & Other expenses	16	11,743,858	4,303,583
TOTAL EXPENSES (II)		25,008,665	12,890,165
Loss for the year before tax (I) - (II)		(7,398,158)	(4,003,941)
Tax Expenses			
Current tax		-	-
Deferred Tax		-	-
		-	-
Loss for the year		(7,398,158)	(4,003,941)
Earnings per share (of INR.10 each)	23		
(a) Basic		(739.82)	(400.39)
(b) Diluted		(739.82)	(400.39)

See accompanying notes forming part of the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian

Bhavani Balasubramanian
Partner

For and on behalf of the Board

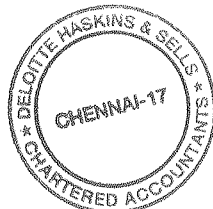
Bindu Ananth

Bindu Ananth
Director

Anand Sahasranaman

Anand Sahasranaman
Director

Place: Chennai
Date: 12 June 2015



IFMR Finance Foundation
Cash flow statement for the year ended 31st March 2015

(Amount in INR)


	Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Loss for the year before Tax	(7,398,158)	(4,003,941)
	<u>Adjustments for:</u>		
	Depreciation	286,184	128,099
	Interest received	(34,881)	(46,835)
	Provision for Gratuity	766,030	262,610
	Operating Loss before working capital changes	(6,380,825)	(3,660,067)
	<u>Changes in working capital:</u>		
	<u>Adjustments for (increase)/decrease in operating assets</u>		
	Trade Receivables	(100,000)	-
	Long Term Loans and Advances	(124,999)	(167,928)
	Short term Loans & Advances	(1,010,508)	58,082
	<u>Adjustments for increase/(decrease) in operating Liabilities</u>		
	Trade Payables	7,290,976	3,717,294
	Other Current Liabilities	(51,005)	120,749
	Cash (used in) / generated from operations	(376,361)	68,130
	Net income taxes paid	-	-
	Net cash (used in) / generated from operations (A)	(376,361)	68,130
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Capital expenditure on fixed assets, including capital advances	(240,892)	(340,488)
	Interest Received	34,881	46,835
	Net cash used in Investing activities (B)	(206,011)	(293,653)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Net cash generated from financing activities	-	-
	Net Decrease in cash and cash equivalents (A+B+C)	(582,372)	(225,523)
	Cash & Cash Equivalents at the beginning of the year	1,585,794	1,811,317
	Cash & Cash Equivalents at the end of the year	1,003,422	1,585,794
	Reconciliation of cash and cash equivalents:		
	Cash and Cash Equivalents as per Balance sheet (Refer Note 12)	1,003,422	1,585,794
	Cash and cash equivalents at the end of the year *		
	* Comprises:		
	Balances with banks		
	- in Current account	1,001,155	1,584,150
	- in Cash	2,267	1,644

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

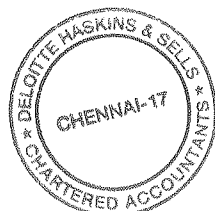


Bhavani Balasubramanian

Partner

Place: Chennai

Date: 12 June 2015



For and on behalf of the Board



Bindu Ananth
Director



Anand Sahasranaman
Director

IFMR FINANCE FOUNDATION

Notes forming part of Financial Statements:

1. Corporate Information

IFMR Finance Foundation (IFF) is a Section 25 company incorporated on 4th August 2008 under the Companies Act 1956, as a wholly owned subsidiary of IFMR Trust and is also registered under Section 12AA of the Income Tax Act, 1961. During the previous year, the company was registered under the Foreign Contribution Regulation Act, 2010.

2. Significant accounting policies

2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The Financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires the management estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the year. 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.

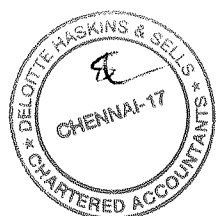
2.3 Grants:

- (i) Grants received towards corpus are treated as capital receipts and taken to corpus fund.
- (ii) Other grants received are being treated as revenue receipts.
- (iii) Grants received towards specific research projects are treated as revenue grants in accordance with the terms of the agreement with the grantors.
- (iv) Grants disbursed during the year to various grantees are accounted on cash basis.

2.4 Depreciation & Amortization:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.



IFMR FINANCE FOUNDATION

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.5 Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.6 Employee benefits:

Defined contribution plan:

Provident Fund

The Company's contribution to provident fund is included in compensation and paid to the employees together with the compensation.

Defined benefit plans(Long term employee benefits)

Gratuity

The Company accounts for its liability for future gratuity benefits based on the actuarial valuation, as at the balance sheet date, determined by an Independent Actuary using the Projected Unit Credit method and is provided for. The company's gratuity plan is non-funded.

Actuarial gains and losses are recognized in the Statement of Profit and Loss account in the year in which they occur.

There is no policy of giving benefits for compensated absences.



IFMR FINANCE FOUNDATION

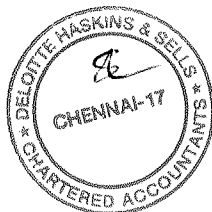
2.7 Taxes on income:

The company is registered under Section 12AA of the Income Tax Act. Accordingly grants received and other income of the company is fully exempt from tax under Section 12AA of the said Act subject to the conditions specified in the said provisions. Therefore, provision for current tax is not required to be made as at the balance sheet date.

As the income is exempt from tax, deferred tax will not apply to this company.

2.8 Provisions, contingent liabilities and contingent assets:

A provision is recognised when the Company has a present or legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent asset are not recognised in the financial statements .

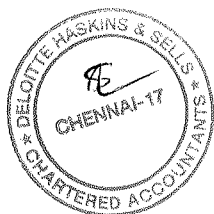


IFMR FINANCE FOUNDATION

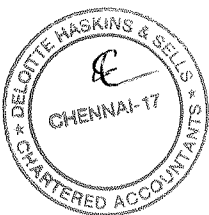
Notes forming part of Financial Statements as at March 31, 2015

(Amount in INR)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Note 3 - Share Capital			
Authorised				
20,000 (Previous Year - 20,000 Shares) Equity Shares of INR 10 each with voting rights.		200,000		200,000
Total		200,000		200,000
Issued, Subscribed and Fully Paid up				
10,000 (Previous Year-10,000 shares) Equity Shares of INR 10 each with voting rights		100,000		100,000
Total		100,000		100,000
Details of shares held by each shareholder more than 5% shares				
Name of the Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
IFMR Trust (Controlling Entity) and its nominee	10,000	100	10,000	100
The Company has issued one class of equity share at a par value of INR 10 per share. Each holder of Equity share is entitled to one vote per share.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Movement in Equity shares				
Particulars	As at 31st March 2015		As at 31st March 2014	
	No. of shares	Amount In (INR)	No. of shares	Amount In (INR)
Opening Balance	10,000	100,000	10,000	100,000
Shares issued during the year	-	-	-	-
Closing Balance	10,000	100,000	10,000	100,000



Particulars	As on 31st March 2015	As on 31st March 2014
Note 4: Reserves & Surplus		
Deficit in Statement of Profit & loss		
Opening balance	(27,767,274)	(23,763,333)
Add: Loss for the year	(7,398,158)	(4,003,941)
Closing balance	(35,165,432)	(27,767,274)
Note 5: Corpus Funds		
Grants Received (Refer Note below)	100,000,000	100,000,000
Less: Grant Utilized	(78,321,178)	(78,321,178)
Balance Available for utilisation	21,678,822	21,678,822
<p>Note: An amount of INR 190 Million was received from ICICI Foundation for Inclusive Growth in 2008-09, out of which INR 100,000,000 was towards corpus and INR 90,000,000 towards non-specific revenue grants. The revenue grants received have been utilised in entirety within 31st March 2010. Therefore, the Company has, in accordance with the grant sanction letter of the Donor, utilised the unutilised amounts of the corpus of INR 100,000,000 towards disbursement of grants and to meet other administration expenses.</p>		
Note 6: Long-term Provision		
Provision for Employee Benefits (Refer Note 20)	1,283,730	517,700
Total	1,283,730	517,700
Note 7: Trade Payables		
Sundry creditors *	3,149,457	2,294,870
Advance from Related Parties (Refer Note 22)	14,032,067	7,595,680
Total	17,181,524	9,890,550
<p>*In accordance with the Notification No. GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate affairs, certain disclosures are required to be made relating to Micro Small and Medium Enterprises as defined under the Micro Small and Medium Enterprises Development Act 2006. As represented by the management, there are no amounts payable / or claims from suppliers in accordance with the provisions of the Act, and therefore, no disclosures have been made in the financial statements.</p>		
Note 8: Other current liabilities		
Statutory remittances	216,543	204,528
Other Liabilities	36,837	99,857
Total	253,380	304,385



IFMR Finance Foundation
Notes forming part of Financial statements as at March 31, 2015

Note 9: Fixed Assets

Asset	Gross Block				Depreciation				Net Block	
	As on 1st April 2014	Additions	Deletions	As on 31st March 2015	As on 1st April 2014	For the year (Refer Note below)	On Deletions	As on 31st March 2015	As on 31st March 2014	As on 31st March 2014
Tangible Assets										
Computers (Previous Year)	552,648 (338,557)	234,422 (214,091)	-	787,070 (552,648)	383,041 (308,756)	228,920 (74,285)	-	175,109 (169,607)	169,607 (29,801)	
Office Equipment (Previous Year)	-	6,470	-	6,470	-	911	-	5,559	-	
Intangible Assets										
Software (Previous Year)	126,397	-	-	126,397	53,814	56,353 (53,814)	-	16,230 (72,583)	72,583	
Total	679,045 (338,557)	240,892 (340,488)	-	919,937 (679,045)	436,855 (308,756)	286,184 (128,099)	-	196,898 (242,190)	242,190 (29,801)	

Note:

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 01, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life and the revised useful lives for the various asset categories are as follows:

Asset	Previous depreciation method	Previous depreciation rate (%) / useful life	Revised useful life based on WDV
Computers and Software	WDV	60% / 5 years	3 years
Office Equipments	WDV	15% / 18 years	5 years

Consequent to the above change in the useful life of the assets, the depreciation expense in the statement of Profit and Loss for the year is higher by INR. 50,683/- which includes an amount of INR. 10,110/- relating to transition adjustment made to the carrying value of assets, net of residual value, where the remaining useful life of these assets was determined to be nil as on April 01, 2014



Amount in INR

Particulars	Amount in INR	
	As on 31st March 2015	As on 31st March 2014
Note 10: Long Term Loans and Advances		
Advance Taxes and tax deducted at source (Net of provision for tax - NIL (PY INR NIL))	2,681,530	2,556,532
Total	2,681,530	2,556,532
Note 11: Trade receivables		
Other Trade receivables		
Unsecured, considered good	100,000	-
Total	100,000	-
Note 12: Cash and Cash Equivalents		
Cash and cash equivalents as defined in AS-3		
Cash on hand	2,267	1,644
Balance in Current account	1,001,155	1,584,150
Total	1,003,422	1,585,794
Note 13: Short-term loans and advances		
Security Deposits for Employees	610,000	210,000
Other Deposits	25,000	25,000
Prepaid Expenses	-	19,981
Balances with Government Authorities	639,889	81,744
Advances recoverable in cash or in kind or for value to be received	75,285	2,942
Total	1,350,174	339,667



IFMR Finance Foundation

Notes forming part of Financial statements as at March 31, 2015

(Amount in INR)

Particulars	For the year ended 31st		For the year ended 31st	
	March 2015		March 2014	
Note 14: Other Income				
Other Interest Income		34,881		46,835
Provision for bonus no longer required written back		152,471		40,258
Other Income		-		845
Total		187,352		87,938
Note 15: Staff Costs				
Salaries, Allowances and Bonus		12,000,196		8,031,220
Gratuity		766,030		262,610
Staff Welfare Expenses		212,397		164,653
Total		12,978,623		8,458,483
Note 16: Administrative & Other expenses-				
Rent and Amenities		2,017,442		1,655,712
Sub Grant		465,625		-
Advertisement Charges		37,101		-
Repairs and Maintenance		14,534		59,578
Printing and Stationery		154,521		224,119
Telephone Expenses		234,157		172,715
Travelling and Conveyance		1,849,532		879,940
Consultancy Charges		579,181		-
Legal & Professional Charges		5,900,624		832,305
Seminar and Meeting Expenses		-		28,090
Website maintenance and internet expenses		22,788		17,463
Auditors' Remuneration				
For Statutory Audit (inclusive of Service Tax)	342,000		337,080	
For Tax Audit	57,000		56,180	
For Reimbursement of expenses	-	399,000	14,506	407,766
Rates and Taxes		57,192		2,297
Exchange Loss		2,535		20,456
Miscellaneous expenses		9,626		3,142
Total		11,743,858		4,303,583



IFMR FINANCE FOUNDATION

17. Going Concern:

As at 31st March 2015, the entire net worth of the company has eroded due to the accumulated losses amounting to INR 35,165,432 (Previous Year - INR 27,767,274). Despite the erosion of net worth, the financial statements have been prepared on a going concern basis, as the controlling entity, IFMR Trust has committed towards providing continued financial and operational support for the foreseeable future. Further, the Company has been registered under Foreign Contribution Regulation Act, 2010 which allows access to foreign grants for funding specified projects. The foreign grants received during the Financial Year 2013-14 and 2014-15 along with details of the project for which the same have been received are detailed in Note No.19 below.

18. Contingent Liabilities and Commitments (to the extent not provided for)

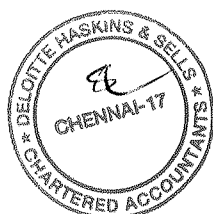
Sl No.	Name of the Statute	Nature of Dues	Amount in INR	Period	Forum where dispute is pending
1	Income Tax Act, 1961	Disallowance of grants disbursed prior to incorporation and staff costs.	4,843,630 (PY -4,843,630)	AY 2009-10	The Income Tax Appellate Tribunal has referred the case back to CIT on grounds of "Principle of Natural Justice"
2	Income Tax Act, 1961	On appeal, disallowance of entire application of grants by CIT (A)	Demand to be quantified	AY 2009-10	The Income Tax Appellate Tribunal has referred the case back to CIT on grounds of "Principle of Natural Justice"

Out of the original demand of INR 4,843,630/-, an amount of INR 1,839,402/- has been deposited with the concerned authorities during 2011-12.

19. Grants:

Grants received during the year include:

- An amount of INR 11,000,000 (Previous year INR 6,800,000) received from the controlling entity, IFMR Trust, for carrying out the operations of the entity
- A grant of INR 896,768/- (Previous year INR 1,771,516) received from Nederlandse financierings - Maatschappij (FMO) during the year has been utilized for the purpose of designing and developing specific customer protection guidelines across rural and urban micro finance sector in accordance with the terms of agreement with FMO. Further of the total amount of INR 1,771,516 received earlier, an amount of INR 911,227 representing 50% of the total expenses incurred for the above purpose has been recognized as income in accordance with the terms of the agreement with FMO.
- An amount of INR 1,255,720/- received from the World Bank for the purpose of publishing research findings of Infographic, presentation of research findings and policy implications at a national-level conference.
- An amount of INR 1,957,130 received from IFMR Capital Finance Private Limited towards their corporate social responsibility initiatives.



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- e) An amount of INR 1,250,000 received from National Stock Exchange of India Limited (NSE) towards carrying out the research in the area of financial inclusion on published data, involving collection of data through surveys, interviews in accordance with the terms of MOU between NSE and the Company.

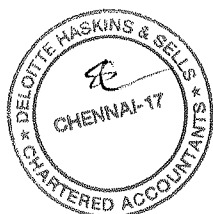
Accounting Standards Disclosure

20. Employee benefits

The Company's obligation towards Gratuity is a Defined Benefit Plan and no fund is being maintained. The details of actuarial valuation have been given below:

Valuation as at 31st March 2015

Particulars	2014-15	2013-14
	Amount in INR	Amount in INR
Movements in Accrued Liability		
Accrued Liability as at beginning of the Year:	517,700	255,090
Interest Cost	46,593	20,407
Current Service Cost	135,995	122,178
Benefits Paid	Nil	Nil
Actuarial (gain) / loss	583,442	120,025
Accrued Liability as at the end of the year:	1,283,730	517,700
Amounts to be recognized in the Balance Sheet		
Present Value of obligations as on the accounting date:	1,283,730	517,700
Fair Value of the Plan Assets	Nil	Nil
Liability to be recognized in the Balance Sheet:	1,283,730	517,700
Amounts to be Recognized in the Statement of Profit and Loss		
Interest Cost	46,593	20,407
Current Service Cost	135,995	122,178
Net Actuarial (gain) / loss	583,442	120,025
Net Expenses to be recognized in Statement of Profit and Loss	766,030	262,610



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Particulars	2014-15	2013-14
	Amount in INR	Amount in INR
Reconciliation		
Net Liability as at the beginning of the year	517,700	255,090
Net Expenses in Statement of Profit and Loss	766,030	262,610
Benefits Paid	Nil	Nil
Net Liability as at the end of the Year	1,283,730	517,700
Principal Actuarial Assumptions		
Interest Rate (Liabilities)	7.80%	8.00%
Return on Assets	N.A	N.A
Mortality Table	LIC(96-98)	LIC(94-96)
Resignation Rate per annum	10.00%	10.00%
Salary Escalation Rate	15.00%	10.00%

Notes:

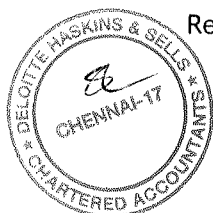
- i) The estimate of future salary increase takes in to account inflation, seniority, promotion and other relevant factors.
- ii) Discount rate is the prevailing market yields used by LIC for similar computations.
- iii) Experience Adjustments:

Particulars	2014-15	2013-14	2012-13	2011-12
On plan Liability (gain)/loss	583,442	120,025	30,859	(202,802)
On plan Assets (gain) / loss	Nil	Nil	Nil	Nil
Present Value of benefit obligations	1,283,730	517,700	255,090	106,793
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Excess of obligation over plan assets	1,283,730	517,700	255,090	106,793

Details relating to experience adjustments are provided to the extent available.

21. Segment Reporting:

The Company is primarily engaged in the business of providing access to financial services to the under-served population in the country. All activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".



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22. Related party disclosures

Information relating to related party transactions for the year ended 31st March 2015 (as identified by management and relied upon by Auditors)

a) Parties where control exists:

Controlling Entity: IFMR Trust - Represented by IFMR Trusteeship Services Private Limited

b) Fellow Subsidiaries with whom the Company had transactions during the year:

IFMR Rural Channels and Services Private Limited

IFMR Capital Finance Private Limited

c) Key Management Personnel:

1. Bindu Ananth - Director

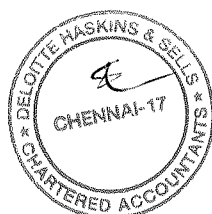
No remuneration is paid to the key management personnel by the company.
Remuneration is paid by the Controlling Entity.

2. Anand Sahasranaman - Director

d) Transactions with related parties during the year:

(Amount in INR)

Related Party	Transaction	For the year ended 31st March 2015	For the year ended 31st March 2014
IFMR Trust	Grant Received	11,000,000	6,800,000
	Employee Sharing Cost	858,989	681,781
	Infrastructure Cost	1,980,511	1,679,421
	Reimbursement of Expenses	2,567,918	1,627,816
IFMR Rural Channels and Services Private Limited	Reimbursements of Expenses	NIL	3,551
IFMR Capital Finance Private Limited	CSR contribution received	1,957,130	NIL
Anand Sahasranaman	Remuneration paid	3,005,640	2,504,700



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e) Outstanding balances with related parties:

(Amount in INR)

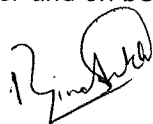
Related Party	Nature of Balance Outstanding at the year end	As at 31 March 2015	As at 31 March 2014
IFMR Trust	Amount Payable	1,40,32,067	3,604,164
Anand Sahasranaman	Amount recoverable	1,753	NIL


23. Earnings per share - Basic and Diluted:

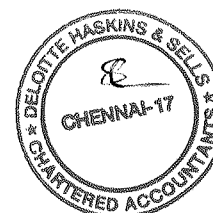
Description	As at 31 March 2015	As at 31 March 2014
	Amount in INR	Amount in INR
Loss for the year attributable to equity shareholders	(7,398,158)	(4,003,941)
Weighted average shares outstanding during the year (Basic)	10,000	10,000
Weighted average shares outstanding during the year (Diluted)	10,000	10,000
Basic earnings per share	(739.82)	(400.39)
Diluted earnings per share	(739.82)	(400.39)

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

For and on behalf of IFMR Finance Foundation


Bindu Ananth
Director


Anand Sahasranaman
Director



Place : Chennai
Date : 12 June 2015