



FINANCIALS

FY2015-16

BOARD'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, we present the Annual Report together with the Audited Statement of Accounts of IFMR FINANCE FOUNDATION ("the Company") for the year ended March 31, 2016.

FINANCIAL PERFORMANCE

The summarized financial results of the Company are given hereunder:

In Rupees

Particulars	As on March 31, 2016	As on March 31, 2015
Income	23,849,507	17,610,507
Less: Expenditure	24,287,097	24,722,482
Gross profit / (Loss) before depreciation	(437,590)	(7,111,975)
Less: Depreciation for the year	189,696	286,184
PBT (Profit/(Loss) before Tax)	(627,286)	(7,398,158)
Less: Provision for tax (Current year)	Nil	Nil
Less: Deferred tax	Nil	Nil
PAT (Profit / (Loss) after Tax)	(627,286)	(7,398,158)

*Previous year figures have been regrouped/rearranged wherever necessary.

SUMMARY OF OPERATIONS

During the year, the net revenue from grants of your Company is Rs.22,353,787/- (Previous year -16,020,846) for financial year 2016, your Company's loss after tax stood at Rs. 627,286/- vis-a-vis loss of Rs. 7,398,158.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There are no changes occurred in the nature of business of the company during the financial year under the review.

TRANSFER TO RESERVES:

The Company has transferred loss of Rs. 627,286 to Reserves and Surplus for the financial year ending March 31, 2016. The Total reserves & surplus for the year ended 31st March, 2016 stood at Rs. (3,57,92,718).

DETAILS OF BOARD MEETINGS

During the year, 3 (Three) number of Board meetings were held, details of which are given below:

Sl. No:	Date of the meeting	No. of Directors attended the meeting
1	2nd April, 2015	4
2	12th June, 2015	4
3	21st September, 2015	3

CHANGES IN SHARE CAPITAL, IF ANY:

During the financial year 2015-16, there were no changes in the Share capital of the company.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

During this financial year, no Shares with Differential rights were issued.

DISCLOSURE REGARDING OF ISSUE OF EMPLOYEE STOCK OPTIONS:

No Employee Stock options was issued during this financial year

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

No Sweat equity shares were issued in this financial year.

EXTRACT OF ANNUAL RETURN

The provisions of Section 92 of the Companies Act, 2013, require an extract of the Annual Return in the prescribed format should form as a part of the Companies Board Report. Therefore, extract of annual return in Form No MGT 9 is enclosed and marked as Annexure-I.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS:

The Company has not given loans, guarantee or provided any security in connection with loan to any person or any other body corporate.

Your Company has not made any Investment during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s. Deloitte Haskins and Sells, Chartered Accountants (Registration No. 008072S), were appointed as Auditors of the Company for 5 years till the conclusion of the Annual General Meeting to be held in the year 2020. The Directors recommend the ratification of appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants (Registration No. 008072S), were, as Auditors of the Company for FY 2016-17.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the financial year 2015-16 is enclosed as Annexure II in form AOC-2.

RISK MANAGEMENT POLICY

The Company keeps the Board informed periodically of the significant risks associated with the business of the company and the various risk identification and mitigation processes put in place by the management.

HOLDING AND SUBSIDIARIES

Your Company is a subsidiary of IFMR TRUST. M/s. IFMR Trusteeship Services Private Limited - Nominee of the IFMR TRUST holds 9,990 Equity Shares of Rs. 10/- each in the Company constituting to 99.90% of the total Shareholding.

DIRECTORS

During the Year there is Mr. Anand Sahasranaman has resigned from the designation of Executive director and remains as Non-Executive director with effect from July 31, 2015.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Your company has not made any significant material changes and commitments during the year.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the financial year 2015-16.

PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of remuneration in the aggregate of Rs. 60,00,000/- (Rupees Sixty Lakhs Only).

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

CORPORATE SOCIAL RESPONSIBILITY:

While the provisions of the companies act on CSR, do not apply to the company. The Company believes in doing business in a manner that is socially responsible to customers and the society.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL ACT, 2013:

Your company believes in providing a safe and harassment free workplace for every individual and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year under review, your company has not received any complaints pertaining to sexual harassment.

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**CONSERVATION OF ENERGY:**

The Board's report should include as statement as per rule 8 of the Companies (accounts) rules, 2014 with respect to the following matters:

CONSERVATION OF ENERGY:

1.	The steps taken or impact on conservation of energy;	The Company has taken adequate measures to generate energy through non-conventional method in order to conserve energy
2	The steps taken by the Company for utilising alternate sources of energy;	NA
3	The capital investment on energy conservation equipment;	NA

TECHNOLOGY ABSORPTION:

The Company continues to use the latest Technology for improving the quality and productivity of its product and services.

i.	the efforts made towards technology absorption;	NIL
ii	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
	(a) the details of technology imported;	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed;	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
	(iv) the expenditure incurred on Research and Development.	NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no activity relating to foreign exchange earnings or outflow during the year under review.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board
IFMR FINANCE FOUNDATION
(CIN: U67190TN2008NPL068733)

Bindu Ananth
Director
DIN: 02456029

Puneet Gupta
Director
DIN: 01957588

Date : June 29, 2016

Place : Chennai

IFMR Finance Foundation
Balance Sheet as at 31 March, 2016

Amount in INR

Particulars	Note No.	As on 31st March 2016	As on 31st March 2015
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	100,000	100,000
Reserves and Surplus	4	(35,792,718)	(35,165,432)
		(35,692,718)	(35,065,432)
Corpus Funds	5	21,678,822	21,678,822
Non current Liabilities			
Long-term Provision	6a	964,981	1,187,678
		964,981	1,187,678
Current Liabilities			
(a) Trade Payable			
(i) Dues to Micro & Small enterprises	7b	-	-
(i) Other Trade Payables	7a	18,734,561	17,181,524
Other Current liabilities	8	1,757,763	253,380
Short -term Provisions	6b	24,744	96,052
		20,517,068	17,530,956
TOTAL		7,468,153	5,332,024
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	150,111	180,668
Intangible Assets	9	3,595	16,230
Long-term loans and Advances	10	3,515,430	3,291,530
		3,669,136	3,488,428
Current assets			
Trade receivables	11	450,000	100,000
Cash and cash equivalents	12	1,234,336	1,003,422
Short-term loans and advances	13	2,114,681	740,174
		3,799,017	1,843,596
TOTAL		7,468,153	5,332,024

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner

Bindu Ananth
Director

Puneet Gupta
Director

Place: Chennai

Date : 29th June 2016

IFMR Finance Foundation
Statement of Profit & Loss for the Year ended 31st March 2016

Amount in INR

Particulars	Note No.	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Grants	19	22,353,787	16,020,846
Other Income	14	1,789,725	1,437,190
TOTAL REVENUE (I)		24,143,512	17,458,036
EXPENSES			
Employee benefits expense	15	10,906,436	12,826,152
Depreciation	9	189,696	286,184
Administrative & Other expenses	16	13,674,666	11,743,858
TOTAL EXPENSES (II)		24,770,798	24,856,194
Loss for the year before tax (I) - (II)		(627,286)	(7,398,158)
Tax Expenses			
- Current tax		-	-
- Deferred Tax		-	-
Loss for the year		(627,286)	(7,398,158)
Earnings Per Share (of Rs. 10/- each)	23		
a) Basic		(62.73)	(739.82)
b) Diluted		(62.73)	(739.82)

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

Bindu Ananth
Director

Puneet Gupta
Director

Place: Chennai
Date : 29th June 2016

IFMR Finance Foundation
Cash Flow Statement for the year ended 31st March, 2016

Amount in INR

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Loss for the year before Tax	(627,286)	(7,398,158)
Adjustments for:		
Depreciation	189,696	286,184
Interest received	(89,594)	(34,881)
Provision for Gratuity	(294,005)	766,030
Operating Loss before working capital changes	(821,189)	(6,380,825)
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets		
Trade Receivables	(350,000)	(100,000)
Long Term Loans and Advances	(90,000)	-
Short term Loans & Advances	(1,374,507)	(1,010,507)
Adjustments for increase/(decrease) in operating Liabilities		
Trade Payables	1,553,037	7,290,975
Other Current Liabilities	1,504,383	(51,005)
Cash generated from / (used in) operations	421,724	(251,362)
Net income tax paid	(133,900)	(124,999)
Net Cash generated from / (used in) operations (A)	287,824	(376,361)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on fixed assets, including capital advances	(146,504)	(240,892)
Interest Received	89,594	34,881
Net cash used in Investing activities (B)	(56,910)	(206,011)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash generated from financing activities	-	-
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	230,914	(582,372)
Cash & Cash Equivalents at the beginning of the year	1,003,422	1,585,794
Cash & Cash Equivalents at the end of the year	1,234,336	1,003,422
Reconciliation of cash and cash equivalents:		
Cash and Cash Equivalents as per Balance sheet (Refer Note 12)	1,234,336	1,003,422
Cash and cash equivalents at the end of the year		
'Comprises:		
Balances with banks		

IFMR Finance Foundation
Cash Flow Statement for the Year ended 31 March, 2016

Amount in INR

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
- in Current account	1,230,713	1,001,155
- in Cash	3,623	2,267

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

Bhavani Balasubramanian
Partner

Bindu Ananth
Director

Puneet Gupta
Director

Place: Chennai

Date : 29th June 2016

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 financial year 2013-14, 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 & and 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.

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.

Employees are not provided with There is no policy of giving the benefits for compensated absences.

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 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 assets are not recognised in the financial statements.

Particulars	As on 31st March 2016		As at 31st March 2015	
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 on 31st March 2016		As on 31st March 2015	
"	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.				
Moment in Equity Shares				
Particulars	As on 31st March 2016		As on 31st March 2015	
	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 2016	As on 31st March 2015
Note 4: Reserves & Surplus		
Deficit in Statement of Profit & loss		
Opening balance	(35,165,432)	(27,767,274)
Add: Loss for the year	(627,286)	(7,398,158)
Closing balance	(35,792,718)	(35,165,432)

Particulars	As on 31st March 2016	As on 31st March 2015
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

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.

Particulars	As on 31st March 2016	As on 31st March 2015
Note: 6a: Long-term Provision		
Provision for Employee Benefits - Gratuity (Refer Note 20)	964,981	1,187,678
Total	964,981	1,187,678
Note 6b: Short-term Provision		
Provision for Employee Benefits - Gratuity (Refer Note 20)	24,744	96,052
Total	24,744	96,052

Particulars	As on 31st March 2016	As on 31st March 2015
Note 7a: Other Trade Payables		
Sundry creditors	133,835	3,149,457
Advance from Related Parties (Refer Note 22)	18,600,726	14,032,067
Total	18,734,561	17,181,524

Note 7b: Dues to Micro & Small enterprises.

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."

IFMR Finance Foundation
Notes forming part of Financial Statements

Particulars	As on 31st March 2016	As on 31st March 2015
Note 8: Other current liabilities		
Statutory remittances	120,320	216,543
Other Liabilities	1,637,443	36,837
Total	1,757,763	253,380

Note 9
Fixed Assets

Amount in INR

Asset	Gross Block			Depreciation			Net Block		
	As on 1st April 2015	Additions	Deletions	As at 31st March 2016	As on 1st April 2015	For the year	On Deletions	As at 31st March 2016	As on 31st March 2015
Tangible Assets									
Computers (Previous Year)	787,070 (552,648)	146,504 (234,422)	-	933,574 (787,070)	611,961 (388,041)	174,548 (228,920)	-	786,509 (611,961)	175,109 (169,607)
Office Equipment (Previous Year)	6,470	- (6,470)	-	6,470 (6,470)	911	2,513 (911)	-	3,424 (911)	5,559
Total (Previous Year)	793,540 (552,648)	146,504 (240,892)	-	940,044 (793,540)	612,872 (383,041)	177,061 (229,831)	-	789,933 (612,872)	180,668 (169,607)
Intangible Assets									
Software (Previous Year)	126,397 (126,397)	-	-	126,397 (126,397)	110,167 (53,814)	12,635 (56,353)	-	122,802 (110,167)	16,230 (72,583)
Total (Previous Year)	126,397 (126,397)	-	-	126,397 (126,397)	110,167 (53,814)	12,635 (56,353)	-	122,802 (110,167)	16,230 (72,583)
Grand Total (Previous Year)	919,937 (679,045)	146,504 (240,892)	-	1,066,441 (919,937)	723,039 (436,855)	189,696 (286,184)	-	912,735 (723,039)	196,898 (242,190)

17. **Going Concern:**

As at 31st March 2016, the entire net worth of the company has eroded due to the accumulated losses amounting to INR 35,792,718/- (Previous Year - INR 35,165,432). 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 2014-15 and 2015-16 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)**

SI 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:

SI No.	Grantor	Amount in INR	Purpose
1	IFMR Trust	6,000,000 (Previous Year - 11,000,000)	To Carry out normal operations of the entity
2	Nederlandse financierings - Maatschappij (FMO)	1,672,796 (Previous Year -1,807,995)	Amount received 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.
3	The World Bank	2,964,641 (Previous Year - 1,255,720)	Amount received for the purpose of publishing research findings of Infographic, presentation of research findings and policy implications at a national-level conference.
4	IFMR Capital Finance Private Limited	2,980,371 (Previous year - 1,957,130)	Amount received towards framing suitability guidelines for IFMR Capital and estimating credit demand/credit potential versus household indebtedness.
5	Omidyar Network Fund, INC.	8,086,341 (Previous Year - Nil)	Amount received for redesigning the priority sector and developing suitability guidelines.
6	ACCION Technical Advisors India	649,638 (Previous Year - Nil)	Amount received for framing of main opportunities and challenges around the promise of using alternative data and new analytics in India

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 2016

Particulars	2015-16	2014-15
	Amount in INR	Amount in INR
Movements in Accrued Liability		
Accrued Liability as at beginning of the Year:	1,283,730	517,700
Interest Cost	100,131	46,593
Current Service Cost	221,333	135,995
Benefits Paid	Nil	Nil
Actuarial (gain) / loss	(615,469)	583,442
Accrued Liability as at the end of the year:	989,725	1,283,730
Amounts to be recognized in the Balance Sheet		
Present Value of obligations as on the accounting date:	989,725	1,283,730
Fair Value of the Plan Assets	Nil	Nil
Liability to be recognized in the Balance Sheet:	989,725	1,283,730
Amounts to be Recognized in the Statement of Profit and Loss		
Interest Cost	100,131	46,593
Current Service Cost	221,333	135,995
Net Actuarial (gain) / loss	(615,469)	583,442
Net Expenses to be recognized in Statement of Profit and Loss	(294,005)	766,030
Reconciliation		
Net Liability as at the beginning of the year	1,283,730	517,700
Net Expenses in Statement of Profit and Loss	(294,005)	766,030
Benefits Paid	Nil	Nil
Net Liability as at the end of the Year	989,725	1,283,730
Principal Actuarial Assumptions		
Interest Rate (Liabilities)	7.46%	7.80%
Return on Assets	N.A	N.A
Mortality Table	IALM (2006-08)Ult	LIC(96-98)
Resignation Rate per annum	3.00%	10.00%
Salary Escalation Rate	15.00%	15.00%

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 IALM (2006-08) Ult for similar computations.
- iii) Experience Adjustments:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
On plan Liability (gain)/loss	(615,469)	583,442	120,025	30,859	(202,802)
On plan Assets (gain) / loss	Nil	Nil	Nil	Nil	Nil
Present Value of benefit obligations	989,725	1,283,730	517,700	255,090	106,793
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Excess of obligation over plan assets	989,725	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 "Segment Reporting".

22. Related party disclosures

Information relating to related party transactions for the year ended 31st March 2016 (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 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 Sahasranamam - Director (till 31st July 2015)

d) Transactions with related parties during the year:

Related Party	Transaction	For the year ended 31st March 2016	For the year ended 31st March 2015
IFMR Trust	Grant Received	6,000,000	11,000,000
	Employee Sharing Cost	821,465	858,989
	Infrastructure Cost	1,600,002	1,980,511
	Reimbursement of Expenses	3,929,282	2,567,918
IFMR Capital Finance Private Limited	CSR contribution received	2,980,371	1,957,130
Anand Sahasranaman	Remuneration paid	1,452,726	3,005,640

e) Outstanding balances with related parties:

Related Party	Nature of Balance Outstanding at the year end	As at 31st March 2016	As at 31st March 2015
IFMR Trust	Amount Payable	18,600,725	14,032,067

23. Earnings per share - Basic and Diluted:

Description	As at 31st March 2016	As at 31st March 2015
	Amount in INR	Amount in INR
Loss for the year attributable to equity shareholders	(627,286)	(7,398,158)
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	(62.73)	(739.82)
Diluted earnings per share	(62.73)	(739.82)

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 the Board IFMR Finance Foundation

Bindu Ananth
Director

Puneet Gupta
Director

Place : Chennai
Date : 29 June 2016

Particulars	As on 31st March 2016	As on 31st March 2015
Note 10: Long Term Loans and Advances		
Advance Taxes and tax deducted at source (Net of provision for tax - NIL (PY INR NIL))	2,815,430	2,681,530
Security Deposits for Employees	700,000	610,000
Total	3,515,430	3,291,530

Particulars	As on 31st March 2016	As on 31st March 2015
Note 11: Trade receivables		
Other Trade receivables		
Secured, considered good	450,000	100,000
Total	450,000	100,000

Particulars	As on 31st March 2016	As on 31st March 2015
Note 12: Cash and Cash Equivalents		
Cash and cash equivalents as defined in AS-3		
Cash on hand	3,623	2,267
Balance in Current account	1,230,713	1,001,155
Total	1,234,336	1,003,422

Particulars	As on 31st March 2016	As on 31st March 2015
Note 13: Short-term loans and advances		
(Unsecured, Considered good)		
Other Deposits	-	25,000
Prepaid Expenses	60,661	-
Balances with Government Authorities	1,987,747	639,889
Advances recoverable in cash or in kind or for value to be received	66,273	75,285
Total	2,114,681	740,174

Particulars	For the Year ended 31st March 2016		For the Year ended 31st March 2016	
Note 14: Other Income				
Other Interest Income		89,594		34,881
Provision for gratuity no longer required written back	-	294,005		-
Professional Services		1,406,126		1,402,309
Total		1,789,725		1,437,190

Particulars	For the Year ended 31st March 2016		For the Year ended 31st March 2016	
Note 15: Staff Costs				
Salaries, Allowances and Bonus		10,681,852		11,847,725
Gratuity	-	-		766,030
Staff Welfare Expenses		224,584		212,397
Total		10,906,436		12,826,152

Particulars	For the Year ended 31st March 2016		For the Year ended 31st March 2016	
Note 16: Administrative & Other expenses-				
Rent and Amenities		2,484,310		2,017,442
Sub Grant	-	940,625		465,625
Advertisement Charges		-		37,101
Repairs and Maintenance		5,083		14,534
Printing and Stationery		78,614		154,521
Telephone Expenses		211,233		234,157
Travelling and Conveyance		893,501		1,849,532
Consultancy Charges		77,132		579,181
Legal & Professional Charges		8,158,681		5,900,624
Seminar and Meeting Expenses		289,264		-
Website maintenance and internet expenses		42,647		22,788
Auditors' Remuneration				
For Statutory Audit	258,000		342,000	
For Tax Audit	43,000		57,000	
For Reimbursement of expenses	13,510	314,510	-	399,000
Rates and Taxes		16,456		57,192
Exchange Loss		-		2,535
Miscellaneous expenses		162,610		9,626
Total		13,674,666		11,743,858

For and on behalf of the Board IFMR Finance Foundation

Bindu Ananth
Director

Puneet Gupta
Director

Place : Chennai
Date : 29 June 2016



10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113, INDIA.
Tel: +91 44 66687000 • <http://foundation.ifmr.co.in>