

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, 2017, the Statement of Profit and Loss and 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 prescribed under section 133 of the Act.

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.

In conducting 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 of the financial statements 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. 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 obtained by us 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, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note No 5 to 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.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is



disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. The requirements of Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, are not applicable to the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.: 008072S)

Bhavani Balasubramanian

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Chennai, July 13, 2017



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **IFMR FINANCE FOUNDATION** (“the Company”) as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No.: 008072S)

Bhavani Balasubramanian

Bhavani Balasubramanian

Partner
(Membership No.: 22156)

Chennai, July 13, 2017



IFMR Finance Foundation
Balance Sheet as at 31st March, 2017

(Amount in INR)

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share Capital	3	100,000	100,000
	Reserves & Surplus	4	16,370,175	(35,792,718)
			16,470,175	(35,692,718)
	Corpus Funds	5	21,678,822	21,678,822
	Non current Liabilities			
	Long-term Provisions	6a	1,450,279	964,981
			1,450,279	964,981
	Current Liabilities			
	(a) Trade Payable			
	(i) Other Trade Payables	7a	20,258,464	18,734,561
	Other Current liabilities	8	2,285,998	1,757,763
	Short -term Provisions	6b	43,393	24,744
			22,587,855	20,517,068
	TOTAL		62,187,131	7,468,153
II.	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	9	325,495	150,111
	Intangible assets	9	804	3,595
	Long-term loans and Advances	10	4,175,988	3,515,430
			4,502,287	3,669,136
	Current assets			
	Trade receivables	11	-	450,000
	Cash and cash equivalents	12	53,893,596	1,234,336
	Short-term loans and advances	13	3,791,248	2,114,681
			57,684,844	3,799,017
	TOTAL		62,187,131	7,468,153

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Bhavana Balasubramanian

Bhavani Balasubramanian
Partner

For and on behalf of the Board

Bindu Ananth

Bindu Ananth
Director

Puneet Gupta

Puneet Gupta
Director

Place: Chennai

Date: 13 July 2017



Statement of Profit and Loss for the Year ended 31st March 2017

(Amount in INR)

Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Grants	18	77,707,241	22,353,787
Other Income	14	2,408,856	1,789,725
TOTAL REVENUE (I)		80,116,097	24,143,512
EXPENSES			
Employee benefits expense	15	13,315,628	10,906,436
Depreciation	9	207,857	189,696
Administrative & Other expenses	16	14,429,719	13,674,666
TOTAL EXPENSES (II)		27,953,204	24,770,798
Profit/(Loss) for the Year before tax (I) - (II)		52,162,893	(627,286)
Tax Expenses			
Current tax		-	-
Deferred Tax		-	-
		-	-
Profit /(Loss) for the year		52,162,893	(627,286)
Earnings per share (of Rs.10 each)	23		
(a) Basic		5,216.29	(62.73)
(b) Diluted		5,216.29	(62.73)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsBhavani Balasubramanian
Partner

For and on behalf of the Board

Bindu Ananth
DirectorPuneet Gupta
DirectorPlace: Chennai
Date: 13 July 2017

IFMR Finance Foundation
Cash Flow Statement for the Year ended 31st March, 2017

(Amount in INR)

Particulars		For the Year ended 31st March 2017	For the year ended 31st March 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit /(Loss) for the year before Tax	52,162,893	(627,286)
	<u>Adjustments for:</u>		
	Depreciation	207,857	189,696
	Interest received	(167,728)	(89,594)
	Provision for Gratuity	-	(294,005)
	Operating Profit / (Loss) before working capital changes	52,203,022	(821,189)
	<u>Changes in working capital:</u>		
	<u>Adjustments for (increase)/decrease in operating assets</u>		
	Trade Receivables	450,000	(350,000)
	Long Term Loans and Advances	(440,670)	(90,000)
	Short term Loans & Advances	(1,676,567)	(1,374,507)
	<u>Adjustments for increase/(decrease) in operating Liabilities</u>		
	Trade Payables	1,523,902	1,553,037
	Other Current Liabilities	1,032,182	1,504,383
	Cash generated from Operations	53,091,870	421,724
	Net income tax paid	(219,888)	(133,900)
	Net Cash generated from Operations (A)	52,871,982	287,824
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Capital expenditure on fixed assets, including capital advances	(380,450)	(146,504)
	Proceeds from sale of Fixed Assets	-	-
	Interest Received	167,728	89,594
	Net cash used in Investing activities (B)	(212,722)	(56,910)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Net cash generated from financing activities	-	-
	Net Increase in cash and cash equivalents (A+B+C)	52,659,260	230,914
	Cash & Cash Equivalents at the beginning of the year	1,234,336	1,003,422
	Cash & Cash Equivalents at the end of the year	53,893,596	1,234,336
	Reconciliation of cash and cash equivalents:		
	Cash and Cash Equivalents as per Balance sheet (Refer Note 12)	53,893,596	1,234,336
	Cash and cash equivalents at the end of the year		
	Comprises:		
	Balances with banks		
	- in Deposit account	46,000,000	-
	- in Current account	7,893,578	1,230,713
	- in Cash	18	3,623

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Bhavani Balasubramanian
Partner

For and on behalf of the Board



Bindu Ananth
Director



Puneet Gupta
Director

Place: Chennai

Date: 13 July 2017



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 financial year 2013-14, the company was registered under the Foreign Contribution Regulation Act, 2010.

2. Significant accounting policies

2.1 Basis of accounting and 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, 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 Cash flow statement

Cash flows are stated using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 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.



IFMR FINANCE FOUNDATION

2.5 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.

2.6 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.

2.7 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)



IFMR FINANCE FOUNDATION

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 in the year in which they occur.

Employees are not provided with the benefits for compensated absences.

2.8 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.

2.9 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.



IFMR FINANCE FOUNDATION

Notes forming part of Financial Statements as at 31st March, 2017

(Amount in INR)

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
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 2017		As at 31st March 2016	
	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
<p>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.</p> <p>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.</p>				
Movement in Equity shares				
Particulars	As at 31st March 2017		As at 31st March 2016	
	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



Amount in INR

Particulars	As at 31st March 2017	As at 31st March 2016
Note 4: Reserves & Surplus		
Deficit in Statement of Profit & loss		
Opening balance	(35,792,718)	(35,165,432)
Add: Profit/(Loss) for the year	52,162,893	(627,286)
Closing balance	16,370,175	(35,792,718)
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 6a: Long-term Provision		
Provision for Employee Benefits - Gratuity (Refer Note 19)	1,450,279	964,981
Total	1,450,279	964,981
Note 6b: Short-term Provision		
Provision for Employee Benefits - Gratuity (Refer Note 19)	43,393	24,744
Total	43,393	24,744
Note 7a: Other Trade Payables		
Sundry creditors	16,113	133,835
Advance from Related Parties (Refer Note 22)	20,242,351	18,600,726
Total	20,258,464	18,734,561
Note 7b: Dues to Micro & Small enterprises		
<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>		



Amount in INR

Particulars	As at 31st March 2017	As at 31st March 2016
Note 8: Other current liabilities		
Statutory remittances	177,157	120,320
Other Liabilities	2,108,841	1,637,443
Total	2,285,998	1,757,763
Note 10: Long Term Loans and Advances		
Advance Taxes and tax deducted at source (Net of provision for tax - NIL (PY INR NIL))	3,035,318	2,815,430
Security Deposits for Employees	1,140,670	700,000
Total	4,175,988	3,515,430
Note 11: Trade receivables		
Other Trade receivables		
Secured, considered good	-	450,000
Total	-	450,000
Note 12: Cash and Cash Equivalents		
Cash and cash equivalents as defined in AS-3		
Cash on hand	18	3,623
Balance in Current account	7,893,578	1,230,713
Balance in Fixed Deposit account	46,000,000	-
Total	53,893,596	1,234,336
Note 13: Short-term loans and advances (Unsecured, Considered good)		
Prepaid Expenses	18,575	60,661
Accrued Income	432,433	-
Balances with Government Authorities	3,330,880	1,987,747
Advances recoverable in cash or in kind or for value to be received	9,360	66,273
Total	3,791,248	2,114,681



(Amount in INR)

Particulars	For the Year ended 31st March 2017		For the year ended 31st March 2016	
Note 14: Other Income				
Interest on Fixed Deposits with Banks		2,198,879		-
Other Interest Income		167,728		89,594
Provision for gratuity no longer required written back		36,845		294,005
Interest on Income Tax Refund		-		-
Professional Services		5,404		1,406,126
Professional chgs		-		-
Total		2,408,856		1,789,725
Note 15: Employee Benefit Expenses				
Salaries, Allowances and Bonus		12,282,798		10,681,852
Gratuity		503,947		-
Staff Welfare Expenses		528,883		224,584
Total		13,315,628		10,906,436
Note 16: Administrative & Other expenses-				
Rent and Amenities		1,895,547		2,484,310
Sub Grant		156,250		940,625
Advertisement Charges		2,776		-
Repairs and Maintenance		62,526		5,083
Printing and Stationery		70,072		78,614
Telephone Expenses		258,974		211,233
Travelling and Conveyance		2,614,639		893,501
Consultancy Charges		2,986,797		77,132
Legal & Professional Charges		5,478,504		8,059,681
Seminar and Meeting Expenses		59,669		289,264
Website maintenance and internet expenses		70,648		42,647
Auditors' Remuneration				
For Statutory Audit	350,000		350,000	
For Tax Audit	50,000		50,000	
For Reimbursement of expenses	20,180	420,180	13,510	413,510
Rates and Taxes		184,486		16,456
Miscellaneous expenses		168,651		162,610
Total		14,429,719		13,674,666



IFMR Finance Foundation
Notes forming part of Financial statements as at 31st March, 2017

Note 9: Fixed Assets

Asset	Gross Block						Depreciation				Net Block	
	As at 1st April 2016	Additions	Deletions	As at 31st March 2017	As at 1st April 2016	For the year	On Deletions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016		
Tangible Assets												
Computers (Previous Year)	933,574 (787,070)	380,450 (146,504)	- -	1,314,024 (933,574)	786,509 (611,961)	203,693 (174,548)	- -	990,202 (786,509)	323,822 (147,065)	147,065 (175,109)		
Office Equipment (Previous Year)	6,470 (6,470)	- -	- -	6,470 (6,470)	3,424 (911)	1,373 (2,513)	- -	4,797 (3,424)	1,673 (3,046)	3,046 (5,559)		
Total	940,044 (793,540)	380,450 (146,504)	- -	1,320,494 (940,044)	789,933 (612,872)	205,066 (177,061)	- -	994,999 (789,933)	325,495 (150,111)	150,111 (180,668)		
Intangible Assets												
Software (Previous Year)	126,397 (126,397)	- -	- -	126,397 (126,397)	122,802 (110,167)	2,791 (12,635)	- -	125,593 (122,802)	804 (3,595)	3,595 (16,230)		
Total	126,397 (126,397)	- -	- -	126,397 (126,397)	122,802 (110,167)	2,791 (12,635)	- -	125,593 (122,802)	804 (3,595)	3,595 (16,230)		
Grand Total	1,066,441 (919,937)	380,450 (146,504)	- -	1,446,891 (1,066,441)	912,735 (723,039)	207,857 (189,696)	- -	1,120,592 (912,735)	326,299 (153,706)	153,706 (196,898)		



IFMR FINANCE FOUNDATION

17. 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"

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.

18. Grants:

Grants received during the year include:

S.No	Grantor	Amount (INR)	Purpose
1	IFMR Trust	NIL (Previous Year - 6,000,000)	To Carry out normal operations of the entity
2	Nederlandse financierings - Maatschappij (FMO)	NIL (Previous Year -1,672,796)	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	1,629,132 (Previous Year - 2,964,641)	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	6,616,821 (Previous year - 2,980,371)	Amount received towards framing suitability guidelines for IFMR Capital and estimating credit demand/credit potential versus household indebtedness.
5	Bill and Melinda Gates Foundation	68,142,326 (Previous Year - Nil)	Amount received for "India Future of Finance Initiative" to fund research and innovation aimed at leveraging recent development in India to expand access to high-quality digital financial services to the poor in India.
6	Omidyar Network Fund, INC.	NIL (Previous Year - 8,086,341)	Amount received for redesigning the priority sector and developing suitability guidelines.
7	ACCION Technical Advisors India	1,318,962 (Previous Year - 649,638)	Amount received for framing of main opportunities and challenges around the promise of using alternative data and new analytics in India



IFMR FINANCE FOUNDATION

Accounting Standards Disclosure

19. 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 2017

Particulars	2016-17	2015-16
	Amount in INR	Amount in INR
Movements in Accrued Liability		
Accrued Liability as at beginning of the Year:	989,725	1,283,730
Interest Cost	73,833	100,131
Current Service Cost	110,439	221,333
Benefits Paid	Nil	Nil
Actuarial (gain) / loss	319,675	(615,469)
Accrued Liability as at the end of the year:	1,493,672	989,725
Amounts to be recognized in the Balance Sheet		
Present Value of obligations as on the accounting date:	1,493,672	989,725
Fair Value of the Plan Assets	Nil	Nil
Liability to be recognized in the Balance Sheet:	1,493,672	989,725
Amounts to be Recognized in the Statement of Profit and Loss		
Interest Cost	73,833	100,131
Current Service Cost	110,439	221,333
Net Actuarial (gain) / loss	319,675	(615,469)
Net Expenses to be recognized in Statement of Profit and Loss	503,947	(294,005)

Particulars	2016-17	2015-16
	Amount in INR	Amount in INR
Reconciliation		
Net Liability as at the beginning of the year	989,725	1,283,730
Net Expenses in Statement of Profit and Loss	503,947	(294,005)



IFMR FINANCE FOUNDATION

Particulars	2016-17	2015-16
	Amount in INR	Amount in INR
Benefits Paid	Nil	Nil
Net Liability as at the end of the Year	1,493,672	989,725
Principal Actuarial Assumptions		
Interest Rate (Liabilities)	6.69%	7.46%
Return on Assets	N.A	N.A
Mortality Table	IALM (2006-08)Ult	IALM (2006-08)Ult
Resignation Rate per annum	3.00%	3.00%
Salary Escalation Rate	15.00%	15.00%

Notes:

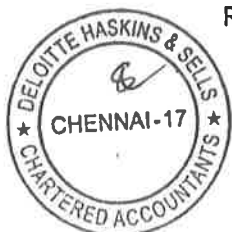
- i) The estimate of future salary increase takes in to account inflation, seniority, promotion and other relevant factors.
- ii) Discount rate is the prevailing market yields used by IALM (2006-08) Ult for similar computations.
- iii) Experience Adjustments:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
On plan Liability (gain)/loss	319,675	(615,469)	583,442	120,025	30,859	(202,802)
On plan Assets (gain) / loss	Nil	Nil	Nil	Nil	Nil	Nil
Present Value of benefit obligations	1,493,672	989,725	1,283,730	517,700	255,090	106,793
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil	Nil
Excess of obligation over plan assets	1,493,672	989,725	1,283,730	517,700	255,090	106,793

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

20. 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".



IFMR FINANCE FOUNDATION

21. Disclosure of transactions in Specified Bank Notes ("SBN") as per Rule 11 of Companies (Audit and Auditors) Rules, 2014

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	547	547
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	547	547

22. Related party disclosures

Information relating to related party transactions for the year ended 31st March 2017 (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
IFMR Holdings 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.

d) Transactions with related parties during the year:

(Amount in INR)

Related Party	Transaction	For the year ended 31st March 2017	For the year ended 31st March 2016
IFMR Trust	Grant Received	NIL	6,000,000
	Employee Sharing Cost	2,789,093	821,465
	Infrastructure Cost	1,813,333	1,600,002
	Reimbursement of Expenses	348,556	3,929,282
IFMR Holdings Pvt Ltd	Reimbursement of Expenses	375,077	NIL



IFMR FINANCE FOUNDATION

IFMR Capital Finance Private Limited	CSR contribution received	6,616,821	2,980,371
Anand Sahasranaman	Remuneration paid	NIL	1,452,726

e) Outstanding balances with related parties:

Related Party	Nature of Balance Outstanding at the year end	(Amount in INR)	
		As at 31 st March 2017	As at 31 st March 2016
IFMR Trust	Amount Payable	19,867,275	18,600,725
IFMR Holdings Pvt Ltd	Amount Payable	375,077	NIL

23. Earnings per share - Basic and Diluted:

Description	As at 31 st March 2017	As at 31 st March 2016
	Amount in INR	Amount in INR
Loss for the year attributable to equity shareholders	52,162,892	(627,286)
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	(5,216.29)	(62.73)
Diluted earnings per share	(5,216.29)	(62.73)

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


Bindu Ananth
Director


Puneet Gupta
Director



Place : Chennai
Date : 13 July 2017