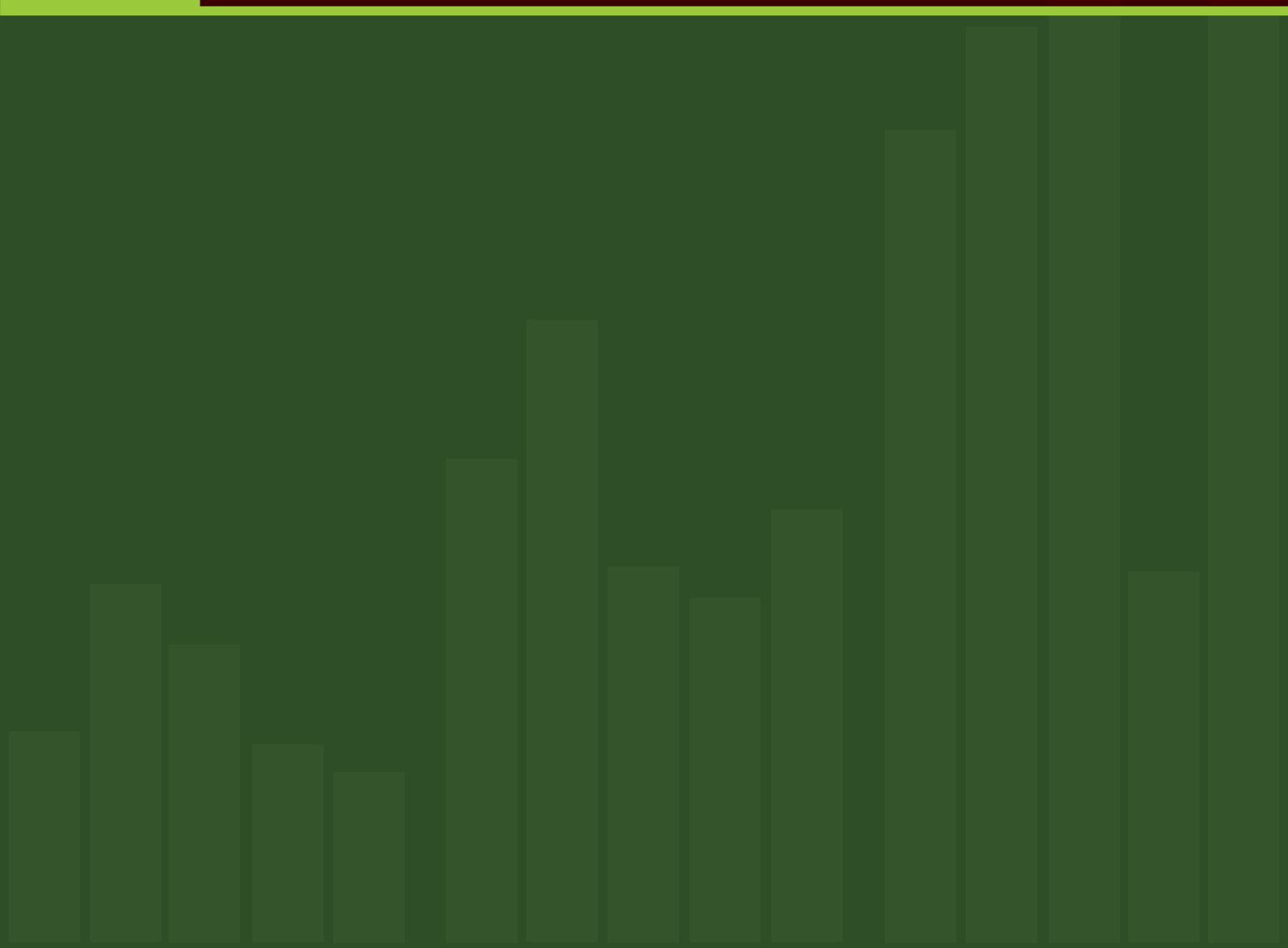




FINANCIALS

FY2016-17



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, 2017.

FINANCIAL PERFORMANCE

The summarized financial results of the Company are given hereunder: (in Rs.)

Particulars	As on March 31, 2017	As on March 31, 2016
Total Income	8,01,16,097	2,41,43,512
Less: Expenditure	2,79,53,205	2,45,81,102
Gross profit / (Loss) before depreciation	5,23,70,749	(437,590)
Less: Depreciation for the year	2,07,857	189,696
PBT (Profit/(Loss) before Tax)	5,21,62,892	(627,286)
Less: Provision for tax (Current year)	0	0
Less: Deferred tax	0	0
PAT (Profit /(Loss) after Tax)	5,21,62,892	(627,286)

Summary of Operations

During the year, the net revenue from grants of your Company is Rs.7,77,07,241 /- (Previous year Rs 2,23,53,787) for financial year 2017, your Company's profit after tax stood at Rs. 5,21,62,892/- vis-à-vis loss of Rs. 6,27,286.

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 profit of Rs. 5,21,62,892 to Reserves and Surplus for the financial year ending March 31, 2017. The Total reserves & surplus for the year ended 31st March, 2016 stood at Rs. 1,63,70,174.

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	June 29, 2016	2
2	December 22, 2016	3
3	March 15, 2017	4

CHANGES IN SHARE CAPITAL, IF ANY:

During the financial year 2016-17, 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 2017-18.

Further, the report of the Statutory Auditors along with notes to the Schedules is enclosed with 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. DVARA Trusteeship Services Private Limited (Formerly Known as 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. DAVID IRA WALLACK has resigned from the directorship with effect from October 17, 2016. Ms. Sucharita Mukherjee and Ms. Bama Bala Krishnan was appointed as additional Directors of the Company with effect from December 22, 2016.

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 2016-17.

PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of remuneration in the aggregate of Rs. 1,02,00,000/- (Rupees One Crore and Two Lakh 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 a 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 being 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:

During the year, the Company received following foreign grants.

NAME	AMOUNT (Rs.)
The World Bank	16,29,132
Bill and Melinda Gates Foundation	6,81,42,326

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 : July 13, 2017
 Place : Chennai

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017 of IFMR FINANCE FOUNDATION
[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U67190TN2008NPL068733
- ii) Registration Date : 04-08-2008
- iii) Name of the Company : IFMR Finance Foundation
- iv) Category / Sub-Category of the Company : Company Limited by Shares, Company licensed under Section 25 of the Companies Act, 1956
- v) Address of the Registered Office and contact details : IITM Research Park, Phase I, 10TH Floor, 1 Kanagam Village, (Behind Tidel Park), Taramani, Chennai-600113
Tel: +91 44 66687000 Fax: +91 44 66687010
E-mail: ashwin.jayagopal@ifmr.co.in
- vi) Whether listed company Yes/ No : Unlisted Company
- vii) Name, Address of Registrar & Transfer Agents (RTA) : Not Applicable
Contact details of Registrar and Transfer Agents : NA
E-mail : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	To carry out research activities for community development	8890	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	IFMR TRUST represented by its Nominee – DVARA Trusteeship Services Private Limited (Formerly Known as IFMR Trusteeship Services Private Limited)		HOLDING COMPANY	9990	2(87)(ii) of the Companies Act, 2013

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	-	10	10	0.10%	--	10	10	0.10%	0%
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	-	9990	9990	99.90%	-	9990	9990	99.90%	0%
(e) Banks / FI									
(f) Any Other....									
Sub-total(A) (1):-									
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total(A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	10000	10000	100%	-	10000	10000	100%	0%
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total(A+B+C)	-	10000	10000	100%	-	10000	10000	100%	0%

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IFMR TRUST represented by its Nominee – DVARA Trusteeship Services Private Limited (Formerly Known as IFMR Trusteeship Services Private Limited)	9990	99.90	-	9990	99.90	-	(0%)
2	Bindu Ananth	10	0.10	-	10	0.10	-	(0%)

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares Pledged / encumbered to total shares
	At the beginning of the year	10000	100	10000	100
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Additional allotment on 31.03.2017	Not Applicable			
	At the end of the year	10000	100	10000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable Since all the shares are held by Promoters only

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP Bindu Ananth	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	10	0.10%	10	0.10%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	10	0.10%	10	0.10%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

- Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under	-	-
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	- Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	N.A	N.A
	Total (A)		

B. REMUNERATION TO OTHER DIRECTORS:

NIL. No sitting fee or commission was paid during theyear

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD-

KMP provisions are not applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Bindu Ananth
Director
DIN: 02456029

Puneet Gupta
Director
DIN: 01957588

Date : July 13, 2017
Place : Chennai

Annexure 2
FORM NO. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

Holding Company : IFMR Trust represented by DVARA Trusteeship Services Private Limited
(Formerly known as IFMR Trusteeship Services Private Limited)

Group Company : IFMR Holdings Private Limited
IFMR Capital Finance Private Limited

Fellow Subsidiary : Not Applicable

(b) Nature of contracts/arrangements/transactions

IFMR Trust – Grant Received, Employee Sharing Cost, Infrastructure Cost & Reimbursement of Expenses

IFMR Holdings Private Limited - Reimbursement of Expenses

IFMR Capital Finance Private Limited - CSR contribution received

(c) Duration of the contracts / arrangements/transactions

Not Applicable

(d) Salient terms of the contracts, arrangements, or transactions including the value, if any:

Not Applicable

(e) Date(s) of approval by the Board, if any : Nil

(f) Amount paid as advances, if any : Nil

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

Bindu Ananth
Director
DIN: 02456029

Puneet Gupta
Director
DIN: 01957588

Date : July 13, 2017
Place : Chennai

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

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
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 Accountants

Bhavani Balasubramanian
Partner

Place: Chennai
Date: 13 July 2017

For and on behalf of the Board

Bindu Ananth
Director

Puneet Gupta
Director

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

(Amount in INR)

Particulars	As at 31st March 2017	As at 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit /(Loss) for the year before Tax	52,162,893	(627,286)
<i>Adjustments for:</i>		
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)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets</i>		
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)
<i>Adjustments for increase/(decrease) in operating Liabilities</i>		
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.

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.

IFMR Finance Foundation
Notes forming part of Financial Statements:

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)

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.

Note 3 Share Capital

Particulars	As at 31st March 2017		As at 31st March 2016	
	Authorised 20,000 (Previous Year - 20,000 Shares) Equity Shares of INR 10 each with voting rights.		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

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 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

IFMR Finance Foundation
Notes forming part of Financial Statements:

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
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.		
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		
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.		
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

IFMR Finance Foundation
Notes forming part of Financial Statements:

Note 9: Fixed Assets

(Amount in INR)

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 2016	
Tangible Assets										
Computers	933,574	380,450	-	1,314,024	786,509	203,693	-	323,822	147,065	
(Previous Year)	(787,070)	(146,504)	-	(933,574)	(611,961)	(174,548)	-	(147,065)	(175,109)	
Office Equipment	6,470	-	-	6,470	3,424	1,373	-	1,673	3,046	
(Previous Year)	(6,470)	-	-	(6,470)	(911)	(2,513)	-	(3,046)	(5,559)	
Total	940,044	380,450	-	1,320,494	789,933	205,066	-	325,495	150,111	
(Previous Year)	(793,540)	(146,504)	-	(940,044)	(612,872)	(177,061)	-	(150,111)	(180,668)	
Intangible Assets										
Software	126,397	-	-	126,397	122,802	2,791	-	804	3,595	
(Previous Year)	(126,397)	-	-	(126,397)	(110,167)	(12,635)	-	(3,595)	(16,230)	
Total	126,397	-	-	126,397	122,802	2,791	-	804	3,595	
(Previous Year)	(126,397)	-	-	(126,397)	(110,167)	(12,635)	-	(3,595)	(16,230)	
Grand Total	1,066,441	380,450	-	1,446,891	912,735	207,857	-	326,299	153,706	
(Previous Year)	(919,937)	(146,504)	-	(1,066,441)	(723,039)	(189,696)	-	(153,706)	(196,898)	

IFMR Finance Foundation
Notes forming part of Financial Statements:

Amount in INR

Particulars	As at 31st March 2017	As at 31st March 2016
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

Particulars	As at 31st March 2017	As at 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

IFMR Finance Foundation
Notes forming part of Financial Statements:

Particulars	As at 31st March 2017		As at 31st March 2016	
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

17. 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"

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

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 Amount in INR	2015-16 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)
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)
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:

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

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 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:

(Amount in INR)

Related Party	Nature of Balance Outstanding at the year end	As at 31st March 2017	As at 31st 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 31st March 2017 Amount in INR	As at 31st March 2016 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



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