

ANNUAL REPORT

2013-14

Our mission is to ensure
that every individual and every
enterprise has complete access
to financial services.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF IFMR TRUST

Report on the Financial Statements

We have audited the accompanying financial statements of IFMR TRUST ('the Trust'), which comprise the Balance Sheet as at 31st March, 2014, Profit and Loss Account 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 Trust's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Trust in accordance with the Accounting Standards applicable to non-corporate entities issued by Institute of Chartered Accountants of India in accordance with the accounting principles generally accepted in India. This

responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness or the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2014;
- (b) in the case of the Profit and Loss Account, of the profit of the Trust for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Trust for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books or accounts as required by law have been kept by the Trust so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account, and the Cash Flow Statement comply with the Accounting Standards applicable to non-corporate entities issued by the Institute of Chartered Accountants of India.

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

Bhavani Balasubramanian
Partner
(Membership No. 22156)

CHENNAI, September 4, 2014

IFMR Trust

Balance Sheet as at March 31, 2014

Amount in INR

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
General Fund		1,000	1,000
Reserves and Surplus	3	(252,624,666)	(535,058,589)
Non Current Liabilities			
Long-term Borrowings	4a	-	1,500,000,000
Other Long-term Liabilities	4b	564,628,532	564,628,532
Long-Term Provision	5	1,445,374	1,219,078
		566,073,906	2,065,847,610
Current Liabilities			
Trade Payables	6	4,268,319	4,657,057
Other Current Liabilities	7	1,501,091,073	608,597
Short-Term Provisions	8	4,471,017	1,556,163
		1,509,830,409	6,821,817
TOTAL		1,823,280,649	1,537,611,838
ASSETS			
Non-Current assets			
Fixed Assets	9		
Tangible Assets		11,762,168	10,546,565
Intangible Assets		509,542	1,216,378
Deferred Tax Asset (net)		28,465,343	
Non-current investments	10	430,907,081	1,152,207,631
Long-term loans and advances	11	284,513,744	319,549,388
		756,157,878	1,483,519,962
Current assets			
Current Investments	10	15,222,000	20,936,529
Cash and Cash Equivalents	12	7,164,412	7,989,331
Short-term Loans and Advances	13	1,044,736,359	25,166,016
		1,067,122,771	54,091,876
TOTAL		1,823,280,649	1,537,611,838

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:

For and on behalf of IFMR Trust

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

IFMR Trust

Profit and Loss Account for the year ended March 31, 2014

Amount in INR

Particulars	Note No	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Interest Income	14	10,540,905	7,244,443
Other Income	15	311,900,162	45,448,337
TOTAL REVENUE (I)		322,441,067	52,692,780
EXPENDITURE			
Employee Benefits Expense	16	21,614,547	21,663,301
Depreciation	9	2,388,909	4,263,988
Interest and Finance Expense	18	247	2,312
Other Expenses	17	44,468,784	64,201,133
TOTAL EXPENSES (II)		68,472,487	90,130,734
Profit/(Loss) for the year before tax (I-II)		253,968,580	(37,437,954)
Tax Expenses :			
a Current tax expenses for current year		-	-
b Deferred Tax		(28,465,343)	-
		(28,465,343)	-
Profit/(Loss) for the year		282,433,923	(37,437,954)

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:

For and on behalf of IFMR Trust

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

Particulars	As on 31-Mar-14	As on 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before Tax	253,968,580	(37,437,954)
Adjustments for:		
Depreciation	2,388,909	4,263,988
Interest income on fixed deposit	(587,377)	-
(Gain)/Loss on assets written off	53,988	(27,301)
Gain on Sale of Investments in shares	(276,005,553)	-
Gain on Sale of Investments in Mutual Funds	(2,012,674)	(2,188,701)
Provision for Gratuity	226,296	190,288
Bad debts	80,000	-
Provision for doubtful loans and advances	-	-
Provision for other advances considered doubtful	-	20,217,758
Provision for diminution in value of investments	10,000	233,900
Operating Loss before working capital changes	(21,877,831)	(14,748,022)
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Long-term Loans and Advances	34,955,644	23,469,236
Short-term Loans and Advances	(1,019,570,343)	(8,472,953)
Adjustments for increase/(decrease) in operating Liabilities:		
Trade Payables	(388,738)	(1,643,183)
Other current Liabilities	482,476	(2,627,300)
Short Term provisions	2,914,854	(4,060,888)
Cash generated from operations	(1,003,483,938)	(8,083,110)
Less: Income Taxes paid/(Refunded)	-	(4,418,337)
Net cash flow generated from operating activities (A)	(1,003,483,938)	(3,664,773)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on Fixed assets	(2,956,205)	(191,701)
Proceeds from Sale of fixed assets	4,541	73,670
Purchase of Investments - Current	(103,962,115)	(6,429,236)
Purchase of Investments - Non Current	(12,200,000)	(2,500,000)
Proceeds from sale of investments - non-current	1,009,506,103	25,804,701
Proceeds from sale of investments - current	111,679,318	-
Subscription towards purchase of equity shares (Net)	-	(9,500,000)
Interest Received - Fixed deposits	587,377	-
Net cash used in Investing activities (B)	1,002,659,019	7,257,434

IFMR Trust

Cashflow Statement for the year ended March 31, 2014

Amount in INR

Particulars	As on 31-Mar-14	As on 31-Mar-13
C. CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net decrease in Cash and Cash Equivalents (A+B+C)	(824,919)	3,592,661
Cash & Cash Equivalents at the beginning of the year	7,989,331	4,396,670
Cash & Cash Equivalents at the end of the year	7,164,412	7,989,331
Reconciliation of cash and cash equivalents:		
Cash and Cash Equivalents as per Balance sheet (Refer Note No 12)	7,164,412	7,989,331
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
Deposits maturing beyond a period of three months	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 12	7,164,412	7,989,331
Cash and cash equivalents at the end of the year comprises of		
(a) cash on hand	2,351	-
(b) Balances with banks in Savings Account	4,662,061	7,989,331
(c) Balances with banks in Deposit Account	2,500,000	

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:

For and on behalf of IFMR Trust

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

IFMR Trust Notes to Financial Statement

1. Corporate Information

IFMR Trust is a private trust established under the Indian Trust Act 1882 on 19th October 2006 at Chennai represented by IFMR Trusteeship Services Private Limited acting in its capacity as trustee to IFMR Trust. IFMR Trust's mission is to ensure that every individual and every enterprise has complete access to financial services. The names and the business of the major Companies which are incubated / acquired by the Trust have been elucidated below:

- IFMR Holdings Private Limited (IFMR Holdings): IFMR Holdings was incorporated on 30th December, 2013 as a wholly owned subsidiary of IFMR Trust with the aim to carry on business as investment company. During the current year the shares held by IFMR Trust in IFMR Capital Finance Private Limited, IFMR Rural Channels and Services Private Limited and IFMR Investment Adviser Services Private Limited were transferred to IFMR Holdings.
- IFMR Capital Finance Private Limited (IFMR Capital): IFMR Capital's mission is to act as a bridge to mainstream capital markets for entities and asset classes of relevance to low-income households. Its objective is providing liquidity and developing access to debt-capital markets for critical sectors such as, rural financial service providers, urban financial service providers that focus on low-income households, municipalities, rural infrastructure.
- IFMR Rural Finance Services Private Limited (IFMR Rural Finance): High quality delivery of financial services requires delivering them in a convenient, flexible, reliable and continuous manner. IFMR Rural Finance therefore has been set up by IFMR Trust with a mandate to design a model that can withstand scrutiny on the aforementioned essential parameters and thus pave the way towards complete financial inclusion in rural remote India.
- IFMR Finance Foundation: IFMR Trust's principal strategy for ensuring complete access to financial services is advocacy. IFMR Finance Foundation is looking to complement existing efforts in the arena of access to financial services by supporting practice-relevant action research and pilot projects on access to finance, and by influencing thinking and action among key sectoral actors.
- IFMR Mezzanine Finance Private Limited (IFMR Mezzanine): IFMR Mezzanine is established with the aim to facilitate access to risk capital to microfinance institutions (MFIs). It is intended that this Company will make investments in micro financial institutions in the form of subordinated debt instruments with a quasi-equity nature that can be leveraged by the microfinance institutions with other lenders, allowing them to access funds that were hitherto unavailable to them. This is the first attempt to enable MFIs to use a new class of liability to leverage their equity capital for further expansion.
- IFMR Rural Channels and Services Private Limited (IRCS): IRCS was established during the year 2011-12 for facilitating financial services delivery to rural households including those in relation to third party products.
- IFMR Investment Adviser Services Private Limited (IFMR Advisory): IFMR Advisory was established during the year 2012-13 for facilitating investments and act as advisors to provide financial/ investment advice to both Indian and Foreign Investors. The Company has applied to the Securities and Exchange Board of India for grant of registration as investment advisor under Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- Pudhuaaru Financial Services Private Limited (PFSPL): PFSPL, a subsidiary of IRCS is a non-deposit taking NBFC. This company was incorporated in 04th March 1993, and is engaged in the business of providing financial services in remote rural parts of Thanjavur & Thiruvarur District.
- Ankur Securities Private Limited ("the company") was incorporated in January 1995. The Company became the subsidiary of Megha Holdings Private Limited (MHPL) from October 28, 2010 consequent to acquisition of all its shares by MHPL from the erstwhile promoters. Subsequently, IFMR Rural Channels and Services Private Limited (IRCS) acquired all the shares of the company from MHPL on January 3, 2012 and the company became a subsidiary of IRCS from that date. The company is registered with Reserve Bank of India (RBI) as a Non deposit taking Non-banking Finance Company with effect from February 19, 1998. The company is currently engaged in providing micro finance in the rural areas of Tamilnadu and Orissa. Application has been made to RBI for registration as Non-Banking Financing Company-Micro Financing Institution (NBFC-MFI) and the same is pending approval.
- IFMR Investment Managers Private Limited (IFMR Investment Managers): IFMR Investment Managers was incorporated on 17th February 2014, as a wholly owned subsidiary of IFMR Trust with the aim to carry on the business of investment Company and also to provide portfolio management services to offshore funds and all kinds of investment funds.

IFMR Trust

Notes forming part of Financial Statements

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

The Trust is classified as a Level I enterprise as defined by the scheme of applicability of accounting standards issued by ICAI. Accordingly, the Trust is required to comply with all mandatory accounting standards prescribed by the ICAI.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The 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 recognized in the periods in which the results are known / materialize.

2.3 Fixed Assets and Depreciation:

Fixed assets are carried at historical cost less accumulated depreciation and impairment losses, where applicable. The Trust capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use. Depreciation on assets is provided on the Written down Value Method at the following rates based on the management's estimate of the useful life of the asset.

Asset category	Depreciation rate
Furniture and Fittings	10%
Computers and software	60%
Office Equipment	15%
Vehicles	15%
Leasehold Improvements	100%

Assets individually costing less than Rs.5,000/- added during the year are fully depreciated.

2.4 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 recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Profit and Loss Account, except in case of revalued assets.

2.5 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic value will flow to the Trust and the revenue can be reliably measured.

Interest income on loans given is recognized under internal rate of return method. Interest income on bank deposits is accounted on accrual basis.

Income arising from shared services and Infrastructure services between the group companies is recognized on accrual basis, in accordance with mutually agreed terms.

Dividend income on mutual fund investment is accounted for when the right to receive it is established.

Gain from sale of investments is calculated as the excess of sale consideration received over the cost of acquisition of the respective investments.

2.6 Investments:

Long-term investments are stated at cost of acquisition. Provision for diminution is made if such diminution is considered as being other than temporary in nature. Investments in Mutual Funds are valued at lower of cost or market value, prevailing as at the date of the Balance Sheet.

IFMR Trust

Notes forming part of Financial Statements

2.7 Employee benefits:

Defined contribution plans: Fixed Contributions to Provident Fund made on monthly basis with relevant authorities are absorbed in the Profit and Loss Account.

Gratuity : The Trust 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 Trust's gratuity plan is non-funded. Actuarial gains and losses are recognized in the Profit and Loss Account in the year in which they occur.

Compensated absences : Benefits of Compensated absences are not provided to the employees of the Trust.

2.8 Taxes on Income:

(a) Income tax

Current tax is determined in accordance with the provisions of Income tax act, 1961.

(b) Deferred tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Trust has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.9 Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when the Trust has present or legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Trust 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.

2.10 Leases:

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

Finance leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the lower of the fair value or present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

Operating leases

Leases of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

2.11 Foreign Currency Transactions

Transaction in foreign currencies is accounted at the exchange rates prevailing on the date of the transaction and the realized exchange loss /gain is dealt with in the Profit and Loss Account. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Profit and Loss Account.

2.12 Provision for advances:

Provision for advances given to various parties is made based on the management's analysis of the recoverability of such advances outstanding as at the balance sheet date.

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
Note 3: Reserves and Surplus				
Deficit in profit and loss A/c				
Opening balance	(535,058,591)		(497,620,637)	
Add: Profit / (Loss) for the year	282,433,979		(37,437,954)	
Closing balance		(252,624,612)		(535,058,571)
Note 4a: Long Term Borrowings				
Term Loans from ICICI Bank Limited*		-		1,500,000,000
Total		-		1,500,000,000
* Term loan represents the interest-free, unsecured term loans received from ICICI Bank Limited repayable in two bullet payments in December, 2014 (Rs 500,000,000) and March 2015 (Rs 1,000,000,000) respectively. Term loans are given for supporting/funding enterprises set up with the objective of providing services including but not limited to consulting, advisory, training services to low income, unbanked households and/or semi-urban/ rural population in India. The installments payable within the next 12 months has been disclosed in Note 7 Other Current Liabilities.				
Note 4b: Other Long-term Liabilities				
Revocable Grants from Banks #		564,628,532		564,628,532
		564,628,532		564,628,532
# Revocable grants represent funding for specific purpose.				
Note 5: Long-term Provision				
Provision for Employee Benefits (Refer Note No.21)		1,445,374		1,219,078
Total		1,445,374		1,219,078
Note 6: Trade Payables				
Sundry Creditors		4,268,319		4,618,238
Advances from Related Parties (Refer Note No.24)		-		38,819
Total		4,268,319		4,657,057
Note 7: Other Current Liabilities				
Current maturity of long term borrowings				
-Term Loans from ICICI Bank Limited		1,500,000,000		-
Statutory Liabilities		903,907		448,111
Other Liabilities		187,166		160,486
Total		1,501,091,073		608,597
Note 8: Short-Term Provisions				
Other Provisions		4,471,017		1,556,163
Total		4,471,017		1,556,163

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Note 9: Fixed Assets

Asset	Gross Block			Depreciation			Net Block		
	As on 01-Apr-2013	Additions during the year	Deletions during the year	As on 31-Mar-14	As on 01-Apr-2013	For the year	Deletions during the year	As on 31-Mar-14	As on 31-Mar-13
Tangible Assets									
Land*	-	2,901,342	-	2,901,342	-	-	-	2,901,342	-
Furniture and Fittings	8,116,581	-	107,969	8,008,612	2,352,552	576,457	49,440	5,129,043	5,764,029
Computers	16,103,648	14,363	-	16,118,011	15,344,286	461,640	-	312,085	759,362
Office Equipments	6,079,106	-	-	6,079,106	2,298,644	567,069	-	3,213,393	3,780,462
Vehicles	542,801	-	-	542,801	300,089	36,407	-	206,305	242,712
Leasehold Improvements	48,013,742	-	-	48,013,742	48,013,742	-	-	48,013,742	-
Intangible Assets									
Software	12,426,051	40,500	-	12,466,551	11,209,673	747,336	-	509,542	1,216,378
Total	91,281,929	2,956,205	107,969	94,130,165	79,518,986	2,388,909	49,440	12,271,710	11,762,943
Previous Year	92,259,424	191,701	1,169,196	91,281,929	76,377,826	4,263,988	1,122,828	11,762,943	15,881,598

* The land has been acquired at book value from one of the subsidiaries of the Trust in lieu of the share application money due from the said company. The registration and other incidental expenses incurred for the said acquisition have been capitalised along with the cost of the land

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
Note 10: Non-Current Investments				
<u>In Subsidiaries (Unquoted)</u>				
IFMR Rural Finance Services Private Limited (18,799,990 Equity Shares (Previous Year 18,299,990 Equity Shares) of INR 10 each)		187,999,900		182,999,900
Megha holdings Private Limited (Refer Note 19) (NIL Equity Shares (Previous Year 249,999 Equity Shares) of INR 10 each)		-		10,093,300
IFMR Advisory Services Private Limited (Refer Note 19) (NIL Equity Shares(Previous Year - NIL)of INR 100 each)		-		2,500,000
IFMR Mezzanine Finance Private Limited (1,000,000 Equity Shares (Previous Year 1,000,000 Equity Shares) of INR 100 each)		100,400,000		100,400,000
IFMR Rural Channels and Services Private Limited (Refer Note 19) (NIL Equity Shares (Previous Year 24,877,400 Equity Shares) of INR 10 each)		-		248,774,000
IFMR Investment Managers Pvt Ltd (1000 Equity Shares (Previous Year NIL Equity Shares) of INR 100 each)		100,000		-
IFMR Holdings Private Limited (1000 Equity Shares (Previous Year NIL Equity Shares) of INR 100 each)		100,000		-
IFMR Finance Foundation (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)		99,900		99,900
IFMR Ventures India Private Limited (99,990 Equity Shares (Previous Year 99,990 Equity Shares) of INR 10 each)	999,900		999,900	
Less: Provision for Diminution	(999,900)	-	(999,900)	-
Pudhuaaru Kshetriya Gramin Financial Services (1,000 Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each)	100,000		100,000	
Less: Provision for Diminution	(100,000)	-	(100,000)	-
Dhanei Kshetriya Gramin Services (1,000 Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each)	100,000		100,000	
Less: Provision for Diminution	(100,000)	-	(100,000)	-
Sahastradhara Kshetriya Gramin Services (1,000 Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each)	100,000		100,000	
Less: Provision for Diminution	(100,000)	-	(100,000)	-
NE Aqua Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-
NE Crafts Apparel and Furnishings Company Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-
NE Education Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-
NE Emerging Channels Services Private Limited (9,999 Equity Shares (Previous Year 9,999 Equity Shares) of INR 10 each)	99,990		99,990	
Less: Provision for Diminution	(99,990)	-	(99,990)	-
NE Green Power Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
NE Milkcrush Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-
NE Rural BPO Company Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99,900		99,900	
Less: Provision for Diminution	(99,900)	-	(99,900)	-
NE Rural Tourism Private Limited (9,990 Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each)	99900		99,900	
Less: Provision for Diminution	(99,900)		(99,900)	
NE Agri Services Private Limited (399,990 Equity Shares (Previous Year 399,990 Equity Shares) of INR10 each)	3,999,900		3,999,900	
Less: Provision for Diminution	(3,999,900)	-	(3,999,900)	-
In Preference Shares IFMR Advisory Services Pvt Ltd (NIL Preference Shares (Previous Year - 10,000 8% Redeemable Cumulative Preference Shares) of INR100 each)		-		1,000,000
		288,699,800		545,867,100
<i>Investments held for sale - Unquoted</i>				
IFMR Capital Finance Private Limited (Refer Note 19) (13,774,105 Equity Shares (Previous Year 59,999,999 Equity Shares) of INR 10 each)		138,299,593		602,432,843
		138,299,593		602,432,843
<i>In Associates (Unquoted)</i>				
IKP Center For Advancement in Agricultural Practices (4,900 Equity Shares (Previous Year 4,900 Equity Shares) of INR 10 each)		49,000		49,000
		49,000		49,000
<i>In Other Companies (Unquoted)</i>				
Education Initiatives Private Limited (24,583 Equity Shares (Previous Year 24,583 Equity Shares) of INR 1 each)		3,375,108		3,375,108
Aarusha Homes Private Limited (48,358 Equity share (Previous Year 48,358 Equity Shares) of INR 10 each)		483,580		483,580
		3,858,688		3,858,688
<i>Investments in Preference Shares</i>				
Desi Power (Kosi) Private Limited (3,198 shares (Previous Year 3,198 shares) of INR100 Each)	1,750,000		1,750,000	
Less: Provision for Diminution	(1,750,000)	-	(1,750,000)	-
		-		-
<i>Investments in Debentures</i>				
Earthy Goods & Services Private Limited (91(Previous Year 91), 15% Debentures of INR 100,000/- Each)	15,985,000		15,985,000	
Less: Provision for Diminution	(15,985,000)	-	(15,985,000)	-
Total Non-Current Investments		430,907,081		1,152,207,631
Current Investments				
<i>Investments in Mutual Funds (Trade, Unquoted)</i>				
Baroda Pioneer PSU Equity Fund	2,000,000		2,000,000	
Less: Provision for Diminution	(678,000)	1,322,000	(668,000)	1,332,000
Religare Credit Opportunities Fund		-		9,562,817
Religare Liquid Fund		-		441,712
Peerless Ultra Short Term fund		-		9,600,000
Franklin Templeton Mutual Fund		13,900,000		-
		15,222,000		20,936,529
Total Current Investments		15,222,000		20,936,529

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
Note 11: Long-Term Loans and Advances				
Unsecured, considered good				
Security Deposits		60,164,918		63,231,248
Loans and Advances to Related Parties		60,000,000		80,000,000
Advance Taxes (Net of Provision)		40,380,520		45,731,034
Total		284,513,744		319,549,388
Note:				
1. Advance subscription of INR 142,121,397 (Previous Year INR 144,802,000) represents the proposed investment of INR 25,900,000 (Previous year INR 25,900,000) in the shares of Pudhuaaru Kshetriya Gramin Financial Services(PKGFS), INR 44,750,000 (Previous year INR 44,750,000) in the shares of Dhanei Kshetriya Gramin Services(DKGS), INR 36,750,000 (Previous year INR 36,750,000) in the shares of Sahastradhara Kshetriya Gramin Financial Services(SKGS), INR 23,500,000 ((Previous year INR 23,500,000) in the shares of IFMR Rural Finance Services Private Limited and INR 11,221,397 (Previous year INR 13,900,000) in the shares of NE Emerging Channels Services Private Limited (NEECS).				
2. During the year no provision were created towards the doubtful advances (Previous Year - advances of INR 25,900,000 given to PKGFS, INR 44,750,000 given to DKGS, INR 36,750,000 given to SKGS and INR 13,900,000 given to NEECS is considered doubtful and provided for as of 31st March 2013)				
3. Subsequent to the year end, 2,350,000 shares have been allotted by IFMR Rural Finance Services Private Limited against the advance subscriptions.				
Note 12: Cash and Cash Equivalents				
Cash on hand		2,351		-
Balances with Banks in				7,989,331
Savings account		4,662,061		
Deposit Account		2,500,000		
Total		7,164,412		7,989,331
Of the above, the balances that meet the definition of Cash Equivalents as per AS 3		7,164,412		7,989,331
Note 13: Short-Term Loans and Advances				
Considered good				
Loans and Advances to Related Parties				
- Receivable for sale of shares		998,477,719		
- Other Advances		42,141,069		21,396,098
		-		-

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
Deposits:				
- Security Deposits for Employees		1,412,750		1,312,750
- Other Deposits		87,255		87,255
Prepaid Expenses		418,085		299,943
Advances recoverable in cash or in kind or for value to be received		58,218		686,422
Loans to Others		777,521		990,583
Interest Accrued but not due		1,363,742		392,965
Amount recoverable towards remuneration	100,000		60,000	
Less: Remuneration payable to Trustees	(100,000)	-	(60,000)	-
Considered doubtful				
Loans and Advances to Related Parties	43,408,837		43,408,847	
Less: Provisions	(43,408,837)	-	(43,408,847)	-
Advances recoverable in cash or in kind or for value to be received	1,369,361		24,535	
Less: Provisions	(1,369,361)	-	(24,535)	-
Loans to Others	15,765		15,765	
Less: Provisions	(15,765)	-	(15,765)	-
Total		1,044,736,359		25,166,016
Note 14: Interest Income				
Interest on Loans		9,953,528		7,244,443
Interest on Fixed Deposits with Bank		587,377		-
Total		10,540,905		7,244,443
Note 15: Other Income				
Income from Shared Services		5,148,496		7,348,555
Income from Infrastructure Services		25,621,167		34,628,986
Gain on Sale of Investments in shares (Refer Note 19)		276,005,553		-
Gain on Sale of Investments in Mutual Funds (Net)		2,012,674		2,188,701
Provisions no longer required written back:				
- Others	3,049,239	3,049,239	676,759	676,759
Gain on Sale of Assets		-		27,301
Miscellaneous Income		63,033		578,035
Total		311,900,162		45,448,337
Note 16: Employee Benefit Expense				
Salaries, Allowances and Bonus		19,334,166		19,043,163
Contribution to Provident Fund, Labour Welfare Fund		830,899		956,530
Staff Welfare Expenses		1,223,186		1,473,320
Gratuity		226,296		190,288
Total		21,614,547		21,663,301

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

Particulars	As on March 31,2014		As on March 31,2013	
Note 17: Other Expenses				
Grants		6,800,000		10,700,000
Rent and Amenities		9,427,390		9,478,582
Repairs and Maintenance				
- Computers	129,851		220,824	
- Building	5,091,988		6,027,547	
- Others	579,538	5,801,377	704,955	6,953,326
Postage and Telegrams		26,289		24,817
Printing and Stationery		382,474		324,879
Telephone Expenses		483,731		496,485
Consumables		-		20,989
Travelling and Conveyance		2,957,844		3,967,481
Consultancy Charges		1,238,205		60,000
Legal and Professional Charges		5,755,660		3,745,597
Conference and Seminar Expenses		54,645		86,835
Recruitment Charges		15,994		-
Office Expenses		7,758,436		5,449,565
Subscription		-		12,342
Sponsorship Charges		100,000		22,000
Website Maintenance and Internet Expenses		1,024,658		962,789
Auditors' Remuneration				
- For Statutory Audit (inclusive of Service Tax)	800,000		800,000	
- For Tax Audit	75,000	875,000	75,000	875,000
Provision for Other Advances		1,344,826		20,217,758
Provision for Dimunition in Value of Investments		10,000		233,900
Loss on Sale / Written off of Asset		53,988		-
Bad Debts	80,000		-	
Less: Transfer from Provision for Doubtful Debts	-	80,000	-	-
Miscellaneous Expenses		278,267		568,788
Total		44,468,784		64,201,133
Note 18: Interest and Finance Expense				
Bank Charges		247		1,100
Intererst on TDS		-		1,212
Total		247		2,312

IFMR Trust
Notes forming part of Financial Statements

19. Sale of Investments:

- a. In line with the proposed business re-organization of the trust, the shares held by them in the following companies have been transferred to one of its subsidiaries, IFMR Holdings Private Limited, during the year:

Name of the Company	Type of share	Number of shares transferred	Consideration	Profit on transfer
IFMR Capital Finance Private Limited	Equity	46,225,895	690,144,366	226,011,116
IFMR Rural Channels and Services Private Limited	Equity	24,877,400	297,578,071	48,801,071
IFMR Investment Adviser Services Private Limited	Equity	95,000	9,755,282	255,283
IFMR Investment Adviser Services Private Limited	Preference	10,000	1,000,000	NIL
Total			998,477,719	275,070,469

As per the terms of the agreement with IFMR Holdings Private Limited, the consideration for the transfer of the above shares will be received by the trust on a deferred basis not later than 11 months, by way of either a) cash, or, b) by issuance of redeemable preference shares of IFMR Holdings Private Limited equivalent to the value of the sale consideration. As at 31 March 2014 the consideration receivable has been disclosed under Note 13 Short Term Loans and Advances and the profit on such transfer is included under Note 15 Other Income.

- b. Further during the year, the Trust has sold the entire shares held by it in Megha Holdings Private Limited for a consideration of INR 11,028,384. The profit on such transfer is included under Note 15 Other Income
- c. Subsequent to the year end, on 23 May 2014, the Trust has sold 13,774,105 shares held by it in IFMR Capital Finance Private Limited for a consideration of INR 750,000,000.

20. Additional information to the financial Statements

- (i) Contingent liabilities and commitments (to the extent not provided for)

Sl No.	Name of the Statute	Nature of Dues	Amount involved (in INR)	Assessment Year	Forum where dispute is pending
1	Income Tax Act, 1961	Disallowance of entire expenditure debited to statement of profit and loss	32,485,500* (Previous Year - 8,289,070)	AY 2009-10	Honourable Madras High Court, Chennai
2	Income Tax Act, 1961	Disallowance of entire expenditure debited to statement of profit and loss and disallowance of incubation	46,467,030** (Previous Year - 91,296,850)	AY 2010-11	Commissioner of Income Tax (Appeals), Chennai

* Out of the total demand of INR 32,485,500 an amount of INR 4,144,535/- has been deposited with the concerned authorities. The honourable Income Tax Appellate Tribunal has confirmed the order of the CIT (A) and the company has further appealed to High Court against the order.

**Out of the total demand of INR 46,467,030, an amount of INR 12,000,000/- has been deposited on 4th July, 2014 with the concerned authorities as per the stay order given by the honourable High Court of Madras and the balance demand has been stayed till the disposal of appeal filed in this regard with Commissioner of Income Tax (Appeals), Chennai

- (ii) During the year, the management has identified a fraud committed by an employee, involving an amount of INR 1,554,826 against which an amount of INR 210,000 was recovered from the concerned employee and the balance amount of INR 1,344,826 recoverable has been fully provided for as at 31 March 2014. The services of the said employee has since been terminated and the management has initiated appropriate legal process to recover the balance amount.

IFMR Trust
Notes forming part of Financial Statements

Accounting Standard Disclosures

21. Employee Benefits:

The Trust'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 2014

Amount in INR

Movements in Accrued Liability	2013-14	2012-13
Accrued Liability as at beginning of the period:	1,219,078	1,028,790
Interest Cost	97,526	87,447
Current Service Cost	355,817	459,141
Benefits Paid	Nil	Nil
Actuarial (gain) / loss	(227,047)	(356,300)
Accrued Liability as at the end of the period	1,445,374	1,219,078
Amounts to be recognized in the Balance Sheet		
Present Value of obligations as on the accounting date	1,445,374	1,219,078
Liability to be recognized in the Balance Sheet	1,445,374	1,219,078
Expenses to be recognized in Profit and Loss Account		
Interest Cost	97,526	87,447
Current Service Cost	355,817	459,141
Net Actuarial (gain) / loss	(227,047)	(356,300)
Net Expenses to be recognized in Profit and Loss Account	226,296	190,288
Reconciliation		
Net Liability as at the beginning of the year	1,219,078	1,028,790
Net Expenses in Profit and Loss Account	226,296	190,288
Benefits Paid	Nil	Nil
Net Liability as at the end of the Year	1,445,374	1,219,078
Principal Actuarial Assumptions		
Interest Rate (Liabilities)	9.00	8.00
Return on Assets	N.A	N.A
Mortality Table	IAL (2006-08)	IAL (2006-08)
Resignation Rate per annum	10.00%	10.00%
Salary Escalation Rate	10.00%	10.00%

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 LIC for similar computations.
- Experience Adjustments:

Particulars	2013-14	2012-13	2011-12
On plan Liability (gain)/loss	(1,17,263)	(4,05,853)	(1,089,040)
On plan Assets (gain) / loss	Nil	Nil	Nil
Present Value of benefit obligations	1,445,374	1,219,078	1,028,790
Fair Value of Plan Assets	Nil	Nil	Nil
Excess of obligation over plan assets	1,445,374	1,219,078	1,028,790

Details relating to experience adjustments are provided to the extent available

IFMR Trust

Notes forming part of Financial Statements

23. Segment Reporting:

The Trust is primarily engaged in the business of providing access to financial services to the underserved population in the country. Further, the Trust does not have any separate geographical segments other than India. As such there is no separate reportable segment as per AS-17, 'Segment Reporting'.

24. Related Party Disclosures

(a) List of related parties and nature of relationship (as identified by management and relied upon by Auditors)

Parties where control exists:

i) Trustee:

IFMR Trusteeship Services Private Limited represented by Bindu Ananth, Puneet Gupta, Dave Wallack, Anil Kumar and Sucharita Mukherjee - Directors

ii) Associates:

IKP Center for Advancement in Agricultural Practices

iii) Subsidiaries:

IFMR Holdings Private Limited

IFMR Capital Finance Private Limited (a subsidiary of IFMR Holdings)

IFMR Mezzanine Finance Private Limited

IFMR Finance Foundation

IFMR Rural Finance Services Private Limited

IFMR Adviser Services Private Limited (a subsidiary of IFMR Holdings)

IFMR Rural Channels and Services Private Limited (IRCS) (a subsidiary of IFMR Holdings)

Megha Holdings Private Limited (Upto 31 December 2013)

Pudhuaaru Kshetriya Gramin Financial Services (PKGFS)

Dhanei Kshetriya Gramin Services (DKGS)

Sahastradhara Kshetriya Gramin Services (SKGS)

IFMR Ventures India Private Limited

NE Emerging Channels Services Private Limited

NE Agri Services Private Limited

NE Processed Foods Private Limited (wound-up during 2010-11 & revived on 23rd May 2011)

NE Green Power Private Limited

NE Milkrush Private Limited

NE Rural Tourism Private Limited

Pudhuaaru Financial Services Private Limited (PFSP), (a subsidiary of IRCS)

Ankur Securities Private Limited ((a subsidiary of IRCS)

(b) Key Management Personnel:

Bindu Ananth, President of IFMR Trust

IFMR Trust
Notes forming part of Financial Statements

(c) Transactions with related parties during the year:

(Amount in INR)

Related Party	Transaction	For the Year ended 31st March 2014	For the Year ended 31st March 2013
IFMR Trusteeship Services Private Limited	Remuneration to Trustees	20,000	20,000
	Advance given	24,370	NIL
IFMR Ventures India Private Limited	Advance given	12,420	NIL
IFMR Holdings Private Limited	Advance given - deferred receivable for sale of equity shares in subsidiaries	998,477,719	NIL
	Other Advances	789,286	NIL
	Investment - Equity Shares	100,000	NIL
	Space Sharing Cost	84,270	NIL
	Employee sharing cost	36,032	NIL
IFMR Investment Managers Private Limited	Investment - Equity Shares	100,000	NIL
	Advance given	178,082	NIL
IFMR Rural Finance Services Private Limited	Share Application Money paid	NIL	9,500,000
	Advance given	1,634,181	1,081,725
	Assets Transferred	NIL	9,610
	Investment - Equity shares	5,000,000	NIL
	Space Sharing Cost	8,794,238	8,616,659
	Employee Sharing Cost	3,329,252	1,973,040
IFMR Rural Channels and Services Private Limited	Advance given	1,505,192	918,780
	Advance Received Back	823,457	NIL
	Assets Transferred	NIL	12,855
	Space Sharing Cost	3,749,460	5,129,466
	Employee Sharing Cost	1,094,160	741,863
Pudhuaaru Kshetriya Gramin Financial Services	Advance given	19,620	204
	Advances Received Back	19,220	NIL
Sahastradhara Kshetriya Gramin Services	Advance Given	40,719	38,819
NE Emerging Channels Services Private Limited	Advance given	85,780	31
	Share Application money adjusted against land purchase	2,680,603	NIL
IFMR Capital Finance Private Limited	Advance given	1,670,055	1,483,590
	Space Sharing Cost	10,268,526	9,975,910
	Employee Sharing cost	285,237	716,803
	Advances Received Back	57,281	NIL
IFMR Mezzanine Finance Private Limited	Advance given	1,067,523	191,371
	Advances Received Back	1,501,893	NIL
	Space Sharing Cost	1,198,744	1,338,333
	Employee Sharing Cost	413,864	1,656,014
NE Agri Services Private Limited	Advance given	132,842	21,422

IFMR Trust
Notes forming part of Financial Statements

Related Party	Transaction	For the Year ended 31st March 2014	For the Year ended 31st March 2013
IFMR Investment Adviser Services Private Limited	Space Sharing Cost	375,675	128,332
	Employee Sharing Cost	58,116	250,467
	Investment in Equity Shares	7,000,000	2,500,000
	Investment in Preference Shares	NIL	1,000,000
	Advance given	269,790	119,502
IFMR Finance Foundation	Advance given	630,750	534,001
	Advances Received Back	NIL	36,857
	Space Sharing Cost	1,713,692	1,246,668
	Employee Sharing Cost	465,983	2,366,826
	Grant Given	6,800,000	10,700,000
Pudhuaaru Financial Services Private Limited	Advance given	823,839	20,904
	Space Sharing Cost	128,338	NIL
	Advance received back	820,211	NIL
NE Green Power Private Limited	Advance given	32,636	54,103
NE Milkrush Private Limited	Advance given	22,950	12,360
Ne Processed Foods Private Limited	Advance given	9,950	7,141
NE Rural Tourism Private Limited	Advance given	40,889	2,985,282
	Space sharing cost	NIL	275,000
	Employee sharing cost	NIL	541,600
IKP Center for Advancement in Agricultural Practices	Space Sharing Cost	220,000	62,097
	Advance Given	25,662	NIL
	Advances Received Back	329,397	329,397
Bindu Ananth - Key Managerial Personnel	Salary	6,600,000	6,000,000

(d) Outstanding balances with related parties as on balance sheet date:

(Amount in INR)

Related Party	Transaction	As at 31st March, 2014	As at 31st March, 2013
IFMR Trusteeship Services Private Limited	Remuneration to Trustees	100,000	80,000
	Advance Receivable	95,377	8,993
IFMR Ventures India Private Limited***	Advance given and outstanding	13,140,688	13,128,268
	Investment in Equity Shares	999,900	999,900
IFMR Rural Finance Services Private Limited	Investment in Equity Shares	187,999,900	182,999,900
	Share Application money	23,500,000	23,500,000
	Advance given and outstanding	25,265,702	12,703,269
IFMR Holdings Private Limited	Advance given - deferred receivable for sale of equity shares in subsidiaries	998,477,719	NIL
	Other Advances	789,286	NIL
	Investment - Equity Shares	100,000	NIL
IFMR Investment Managers Private Limited	Advance given and outstanding	177,462	NIL
	Investment - Equity Shares	100,000	NIL

IFMR Trust
Notes forming part of Financial Statements

Related Party	Transaction	As at 31st March, 2014	As at 31st March, 2013
IFMR Rural Channels and Services Private Limited	Investment in Equity Shares	NIL	248,774,000
	Advance given and outstanding	1,712,140	552,954
Pudhuaaru Kshetriya Gramin Financial Services***	Advance given and outstanding	30,270	29,666
	Share application money	25,900,000	25,900,000
	Investment in Equity shares	100,000	100,000
Dhanei Kshetriya Gramin Services***	Advance given and outstanding	13,881	13,881
	Share Application Money	44,750,000	44,750,000
	Investment in Equity shares	100,000	100,000
Sahastradhara Kshetriya Gramin Services***	Advances Given	1,900	38,819
	Share application Money	36,750,000	36,750,000
	Investment in Equity shares	100,000	100,000
NE Emerging Channels Services Private Limited	Investment in Equity Shares	99,990	99,990
	Advance given and outstanding	85,811	31
	Share Application Money	11,221,397	13,902,000
IFMR Capital Finance Private Limited	Advance given and outstanding	2,279,374	2,044,533
	Investment in Equity Shares	137,741,050	602,432,843
IFMR Mezzanine Finance Private Limited	Advance given and outstanding	1,691,595	682,312
	Investment in Equity Shares	100,400,000	100,400,000
NE Agri Services Private Limited***	Advance given and outstanding	7,037,096	6,904,254
	Investment in Equity Shares	3,999,900	3,999,900
IFMR Investment Advisor Services Private Limited	Advance given and outstanding	1,158,029	NIL
	Investment in Equity Shares	NIL	2,500,000
	Investment in Preference Shares	NIL	1,000,000
IFMR Finance Foundation	Investment in Equity Shares	99,900	99,900
	Advance given and outstanding	7,592,129	3,604,164
Pudhuaaru Financial Services Private Limited	Advance given and outstanding	190,563	71,428
NE Crafts Apparel and Furnishings Company Private Limited ***	Investment in Equity Shares	99,900	99,900
NE Education Private Limited***	Investment in Equity Shares	99,900	99,900
NE Green Power Private Limited***	Investment in Equity Shares	99,900	99,900
	Advance given and outstanding	949,546	916,910
NE Milkrush Private Limited***	Investment in Equity Shares	99,900	99,900
	Advance given and outstanding	542,475	519,525
Ne Processed Foods Private Limited	Advance given and outstanding	30,312	13,221
NE Rural BPO Trust Private Limited***	Investment in Equity Shares	99,900	99,900
NE Rural Tourism Private Limited***	Investment in Equity Shares	99,900	99,900
	Advance given and outstanding	21,980,769	21,939,880
NE Aqua Private Limited ***	Investment in Equity Shares	99,900	99,900
IKP Center for Advancement in Agricultural Practices	Investment in Equity Shares	49,000	49,000
	Advance given and Outstanding	15,027	62,097

*** Provision for the entire investment in the subsidiary has been made.

IFMR Trust
Notes forming part of Financial Statements

26. Leases

Operating leases:

The trust has not entered into any non-cancellable operating leases. The trust has taken premises on cancellable operating lease and lease payments on such operating lease amounting to INR 9,427,390 (Previous year INR 9,478,532) have been charged to Profit and Loss Account.

Finance leases:

The trust has not taken any finance lease.

27. Deferred tax:

Break up of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences:

Amount in INR.

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred Tax Asset:		
Carried forward long term capital losses	28,297,849	---
Long term capital losses for the FY 2013-14 eligible to be carried forward	167,494	---
Deferred Tax Asset	28,465,344	---

Considering the events occurred subsequent to the year end as mentioned in note 19c, the management has assessed the virtual certainty and has accordingly recognized deferred tax asset on the long term capital losses as at 31 March 2014.

In the absence of virtual certainty, no deferred tax asset has been recognised on the amount of carried forward business losses and unabsorbed depreciation.

28. Provision for doubtful advances and diminution in the value of investments:

Provision for advances given to various parties is made based on management's analysis of the recoverability of such advances as explained in policy 2.12 above. Provision for diminution in value of investments is made if such diminution is considered other than temporary in nature. The details of movement of these provisions are given below:

(Amount in INR)

	Opening Balance	Additions	Release	Closing Balance
Provision for doubtful loans & advances				
- On Long Term Loans and Advances	29,684,461	-	-	29,684,461
Provision for doubtful other advances				
- On Long Term Loans and Advances	121,302,000	-	2,680,603	118,621,397
- Short Term Loans and Advances	43,449,137	1,344,826	-	44,793,963
Provision for diminution in the value of investments				
- On Non-Current Investments	23,834,090	-	-	23,834,090
- Current Investments	668,000	10,000	-	678,000
Total	218,937,688	1,354,826	2,680,603	217,611,911

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

For and on behalf of IFMR Trust

Bindu Ananth
 President

V.Vijayaraghavan
 Head - Corporate center

Place: Chennai
 Date: 04th September 2014