

ANNUAL REPORT

2014-15

*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 , 2015, 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 principals generally accepted in India including the Accounting Statandrards applicable to non-corporate entities issued by Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control re levant 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 of the financial statements that give a true and fair view in order to design aud it procedures that are appropriate in the circumstances, but not for the purpose of express ing 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 of the State of Affairs of the Trust as at 31 st March 2015, and its profit and its cash flows 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 account as requ ired 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 orindia.

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

Bhavani Balasubramanian
Partner
(Membership No.22156)

CHENNAI, June 12, 2015

IFMR Trust

Balance Sheet as at March 31, 2015

Amount in INR

| Particulars | Note No | As at March 31, 2015 | As at March 31, 2014 |
|----------------------------------|---------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| General Fund | | 1,000 | 1,000 |
| Reserves and Surplus | 3 | 272,708,952 | (252,624,666) |
| Non Current Liabilities | | | |
| Other Long-term Liabilities | 4 | 564,628,532 | 564,628,532 |
| Long-Term Provision | 5 | 1,474,412 | 1,445,374 |
| | | 566,102,944 | 566,073,906 |
| Current Liabilities | | | |
| Trade Payables | 6 | 3,071,110 | 4,268,319 |
| Other Current Liabilities | 7 | 1,001,484,085 | 1,501,091,073 |
| Short-Term Provisions | 8 | 4,032,846 | 4,471,017 |
| | | 1,008,588,041 | 1,509,830,409 |
| TOTAL | | 1,847,400,937 | 1,823,280,649 |
| ASSETS | | | |
| Non-Current assets | | | |
| Fixed Assets | 9 | | |
| Tangible Assets | | 10,702,851 | 11,762,168 |
| Intangible Assets | | 530,324 | 509,542 |
| Deferred Tax Asset (net) | | - | 28,465,343 |
| Non-current investments | 10 | 469,507,488 | 430,907,081 |
| Long-term loans and advances | 11 | 232,042,218 | 284,223,252 |
| | | 712,782,881 | 755,867,386 |
| Current assets | | | |
| Current Investments | 10 | 106,166,000 | 15,222,000 |
| Cash and Cash Equivalents | 12 | 8,057,301 | 7,164,412 |
| Short-term Loans and Advances | 13 | 1,020,394,755 | 1,045,026,851 |
| | | 1,134,618,056 | 1,067,413,263 |
| TOTAL | | 1,847,400,937 | 1,823,280,649 |

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: 12th June 2015

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, 2015

Amount in INR

| Particulars | Note No | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|---------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Interest Income | 14 | 40,290,219 | 10,540,905 |
| Other Income | 15 | 650,543,767 | 311,900,162 |
| TOTAL REVENUE (I) | | 690,833,986 | 322,441,067 |
| EXPENDITURE | | | |
| Employee Benefits Expense | 16 | 18,574,743 | 21,614,547 |
| Depreciation | 9 | 1,746,306 | 2,388,909 |
| Interest and Finance Expense | 18 | 5,027,104 | 247 |
| Other Expenses | 17 | 56,027,872 | 44,468,784 |
| TOTAL EXPENSES (II) | | 81,376,025 | 68,472,487 |
| Profit/(Loss) for the year before tax (I-II) | | 609,457,961 | 253,968,580 |
| Tax Expenses : | | | |
| a Current tax expenses for current year | | 55,659,000 | - |
| b Deferred Tax | | 28,465,343 | (28,465,343) |
| | | 84,124,343 | (28,465,343) |
| Profit/(Loss) for the year | | 525,333,618 | 282,433,923 |

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: 12th June 2015

For and on behalf of IFMR Trust

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

IFMR Trust

Cashflow Statement for the year ended March 31, 2015

Amount in INR

| Particulars | As on 31-Mar-15 | As on 31-Mar-14 |
|--|---------------------|------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit before Tax | 609,457,961 | 253,968,580 |
| <u>Adjustments for:</u> | | |
| Depreciation | 1,746,306 | 2,388,909 |
| Interest income on fixed deposit | (26,880,327) | (587,377) |
| Loss on Assets Written off | 4,043 | 53,988 |
| Provision Written Back | (344,000) | - |
| Gain on Sale of Investments in shares | (611,700,408) | (276,005,553) |
| Gain on Sale of Investments in Mutual Funds | (12,968,009) | (2,012,674) |
| Provision for Gratuity | 29,038 | 226,296 |
| Bad debts | - | 80,000 |
| Advances written off | | |
| Provision for diminution in value of investments | - | 10,000 |
| Operating Loss before working capital changes | (40,655,396) | (21,877,831) |
| <u>Changes in working capital:</u> | | |
| <u>Adjustments for (increase)/decrease in operating assets:</u> | | |
| Long-term Loans and Advances | 63,408,392 | 34,955,644 |
| Short-term Loans and Advances | 24,632,096 | (1,019,570,343) |
| <u>Adjustments for increase/(decrease) in operating Liabilities:</u> | | |
| Trade Payables | (1,197,209) | (388,738) |
| Other current Liabilities | 393,011 | 482,476 |
| Short Term provisions | (438,171) | 2,914,854 |
| Cash generated from operations | 46,142,723 | (1,003,483,938) |
| Less: Income Taxes paid/(Refunded) | 66,886,358 | - |
| Net cash flow generated from operating activities (A) | (20,743,635) | (1,003,483,938) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Capital expenditure on Fixed assets | (769,768) | (2,956,205) |
| Proceeds from Sale of fixed assets | 57,955 | 4,541 |
| Purchase of Investments - Current | (797,800,000) | (103,962,115) |
| Purchase of Investments - Non Current | - | (12,200,000) |
| Proceeds from sale of investments - non-current | 573,100,001 | 1,009,506,103 |
| Proceeds from sale of investments - current | 720,168,009 | 111,679,318 |
| Interest Received - Fixed deposits | 26,880,327 | 587,377 |
| Net cash used in Investing activities (B) | 521,636,524 | 1,002,659,019 |

IFMR Trust

Cashflow Statement for the year ended March 31, 2015

Amount in INR

| Particulars | As on 31-Mar-15 | As on 31-Mar-14 |
|---|-----------------|-----------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES (C) | | |
| Repayment of Borrowings | (500,000,000) | - |
| Net cash used in financing activities (C) | (500,000,000) | |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | 892,889 | (824,919) |
| Cash & Cash Equivalents at the beginning of the year | 7,164,412 | 7,989,331 |
| Cash & Cash Equivalents at the end of the year | 8,057,301 | 7,164,412 |
| Reconciliation of cash and cash equivalents: | | |
| Cash and Cash Equivalents as per Balance sheet (Refer Note No 12) | 8,057,301 | 7,164,412 |
| 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 | 8,057,301 | 7,164,412 |
| Cash and cash equivalents at the end of the year comprises of | | |
| (a) cash on hand | 1,046 | 2,351 |
| (b) Balances with banks in Savings Account | 8,056,255 | 4,662,061 |
| (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: 12th June 2015

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..
- 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 than 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.
- 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.

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).

IFMR Trust

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 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 amortised 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 recognised for such excess amount. The impairment loss is recognised as an expense in the profit and loss account, 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 recognised in the profit and loss account, to the extent the amount was previously charged to the profit and loss account. In case of revalued assets such reversal is not recognised.

2.5 Revenue recognition:

Interest income on loans given is recognized under internal rate of return method in accordance with the terms of agreement with the borrowers. Interest income on bank deposits is accounted on accrual basis.

Income 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:

Non-current investments are stated at cost of acquisition. Provision for diminution is made if such diminution is considered as being other than temporary in nature. Current 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 and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence 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.

Contingent assets are not recognised in the financial statements.

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, 2015 | | As on March 31, 2014 | |
|--|----------------------|----------------------|----------------------|----------------------|
| Note 3: Reserves and Surplus | | | | |
| Surplus / (Deficit) in profit and loss A/c | | | | |
| Opening balance | (252,624,666) | | (535,058,589) | |
| Add: Profit for the year | 525,333,618 | | 282,433,923 | |
| Closing balance | | 272,708,952 | | (252,624,666) |
| Note 4: Other Long-term Liabilities | | | | |
| Term Loans from ICICI Bank Limited | | | | |
| Revocable Grants from Banks # | | 564,628,532 | | 564,628,532 |
| Total | | 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.24) | | 1,474,412 | | 1,445,374 |
| Total | | 1,474,412 | | 1,445,374 |
| Note 6: Trade Payables | | | | |
| Sundry Creditors | | 3,071,110 | | 4,268,319 |
| Total | | 3,071,110 | | 4,268,319 |
| Note 7: Other Current Liabilities | | | | |
| Current maturity of long term borrowings | | | | |
| - Term Loans from ICICI Bank Limited (Refer Note 22) | | 1,000,000,000 | | 1,500,000,000 |
| Statutory Liabilities | | 1,419,485 | | 903,907 |
| Other Liabilities | | 64,600 | | 187,166 |
| Total | | 1,001,484,085 | | 1,501,091,073 |
| Note 8: Short-Term Provisions | | | | |
| Other Provisions | | 4,032,846 | | 4,471,017 |
| Total | | 4,032,846 | | 4,471,017 |

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-2014 | Additions during the year | Deletions during the year | As on 31-Mar-15 | As on 01-April-2014 | For the year | Deletions during the year | As on 31-March-2015 | As on 31-March-2014 |
| Tangible Assets | | | | | | | | | |
| Land | 2,901,342 | - | - | 2,901,342 | - | - | - | 2,901,342 | 2,901,342 |
| Furniture and Fittings | 8,008,612 | 23,585 | - | 8,032,197 | 2,879,569 | 513,719 | - | 4,638,909 | 5,129,043 |
| Computers | 16,118,011 | 142,574 | 829,064 | 15,431,521 | 15,805,926 | 205,572 | 767,067 | 187,090 | 312,085 |
| Office Equipments | 6,079,106 | 78,609 | - | 6,157,715 | 2,865,713 | 491,851 | - | 2,800,151 | 3,213,393 |
| Vehicles | 542,801 | - | - | 542,801 | 336,496 | 30,946 | - | 175,359 | 206,305 |
| Leasehold Improvements | 48,013,742 | - | - | 48,013,742 | 48,013,742 | - | - | 48,013,742 | - |
| Intangible Assets | | | | | | | | | |
| Software | 12,466,551 | 525,000 | - | 12,991,551 | 11,957,009 | 504,218 | - | 530,324 | 509,542 |
| Total | 94,130,165 | 769,768 | 829,064 | 94,070,869 | 81,858,455 | 1,746,306 | 767,067 | 11,233,175 | 12,271,710 |

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

| Particulars | As on March 31, 2015 | | As on March 31, 2014 | |
|--|----------------------|-------------|----------------------|-------------|
| Note 10: Non-Current Investments | | | | |
| <u>In Subsidiaries (Unquoted)</u> | | | | |
| IFMR Rural Finance Services Private Limited (21,149,990 Equity Shares (Previous Year 18,299,990 Equity Shares) of INR 10 each) | | 211,499,900 | | 187,999,900 |
| 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 Investment Managers Pvt Ltd (Refer Note No.20) (1000 Equity Shares (Previous Year NIL Equity Shares) of INR 100 each) | | - | | 100,000 |
| IFMR Holidngs Private Limited (1,436,000 Equity Shares (Previous Year NIL Equity Shares) of INR 100 each) | | 143,600,000 | | 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 Pudhuaaru Kshetriya Gramin Financial Services (Refer Note No.20) | (999,900) | - | (999,900) | - |
| Additional Share Capital Issued (NIL Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each) | | | | |
| Less: Provision for Diminution | - | | (100,000) | |
| Dhanei Kshetriya Gramin Services (Refer Note 20) (NIL Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each) | - | | 100,000 | |
| Additional Share Capital Issued Less: Provision for Diminution | - | | (100,000) | |
| Sahastradhara Kshetriya Gramin Services (Refer Note 20) (NIL Equity Shares (Previous Year 1,000 Equity Shares) of INR 100 each) | - | | 100,000 | |
| Less: Provision for Diminution | - | | (100,000) | |
| NE Aqua Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | - | | 99,900 | |
| Less: Provision for Diminution | - | | (99,900) | |
| NE Crafts Apparel and Furnishings Company Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | - | | 99,900 | |
| Less: Provision for Diminution | - | | (99,900) | |
| NE Education Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | - | | 99,900 | |
| Less: Provision for Diminution | - | | (99,900) | |
| NE Emerging Channels Services Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,999 Equity Shares) of INR 10 each) | - | | 99,990 | |
| Additional Share Capital Issued Less: Provision for Diminution | - | | (99,990) | |
| NE Green Power Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | - | | 99,900 | |
| Additional Share Capital Issued Less: Provision for Diminution | - | | (99,900) | |
| NE Milkcrush Private Limited (Refer Note 19a) (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | - | | 99,900 | |
| Less: Provision for Diminution | - | | (99,900) | |

IFMR Trust
Notes forming part of Consolidated Financial Statements

Amount in INR

| Particulars | As on March 31, 2015 | | As on March 31, 2014 | |
|---|----------------------|-------------|----------------------|-------------|
| NE Rural BPO Company Private Limited (Refer Note 19a) | - | | 99,900 | |
| (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | | | | |
| Less: Provision for Diminution | - | - | (99,900) | - |
| NE Rural Tourism Private Limited (Refer Note 19a) | - | | 99900 | |
| (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | | | | |
| Less: Provision for Diminution | - | - | (99,900) | - |
| (NIL Equity Shares (Previous Year 9,990 Equity Shares) of INR 10 each) | | | | |
| NE Agri Services Private Limited (Refer Note 19a) | - | | 3,999,900 | |
| (NIL Equity Shares (Previous Year 399,990 Equity Shares) of INR10 each) | | | | |
| Less: Provision for Diminution | - | - | (3,999,900) | - |
| | | 455,599,800 | | 288,699,800 |
| <u>Investments held for sale - Unquoted</u> | | | | |
| IFMR Capital Finance Private Limited (Refer Note 20) | - | | | 138,299,593 |
| (Nil Equity Shares (Previous Year 13,774,105 Equity Shares) of INR 10 each) | | | | |
| | | - | | 138,299,593 |
| <u>In Associates (Unquoted)</u> | | | | |
| IKP Center For Advancement in Agricultural Practices | | 49,000 | | 49,000 |
| (4,900 Equity Shares (Previous Year 4,900 Equity Shares) of INR 10 each) | | | | |
| | | 49,000 | | 49,000 |
| <u>In Other Companies (Unquoted)</u> | | | | |
| Education Initiatives Private Limited | | 3,375,108 | | 3,375,108 |
| (24,583 Equity Shares (Previous Year 24,583 Equity Shares) of INR 1 each) | | | | |
| Aarusha Homes Private Limited | | 483,580 | | 483,580 |
| (48,358 Equity share (Previous Year 48,358 Equity Shares) of INR 10 each) | | | | |
| | | 3,858,688 | | 3,858,688 |
| <u>Investments in Preference Shares</u> | | | | |
| Desi Power (Kosi) Private Limited (Refer Note 19a) | - | | 1,750,000 | |
| (NIL shares (Previous Year 3,198 shares) of INR100 Each) | | | | |
| Less: Provision for Diminution | - | - | (1,750,000) | - |
| IFMR Rural Finance Private Limited | | 10,000,000 | | - |
| (1,00,000 Shares of 100 Each) | | | | |
| | | 10,000,000 | | - |
| <u>Investments in Debentures</u> | | | | |
| Earthy Goods & Services Private Limited (Refer Note 19a) | - | | 15,985,000 | |
| (NIL (Previous Year 91), 15% Debentures of INR 100,000/- Each) | | | | |
| Less: Provision for Diminution | - | - | (15,985,000) | - |
| Total Non-Current Investments | | 469,507,488 | | 430,907,081 |
| <u>Current Investments</u> | | | | |
| <u>Investments in Mutual Funds (Trade, Unquoted)</u> | | | | |
| Baroda Pioneer PSU Equity Fund | 2,000,000 | | 2,000,000 | |
| 200,000 Units (Previous year 2,00,000) of Rs.10 each | | | | |
| Less: Provision for Diminution | (334,000) | 1,666,000 | (678,000) | 1,322,000 |
| Franklin Templeton Mutual Fund | | - | | 13,900,000 |
| NIL Units (Previous year 824,490.329) of Rs.16.8589 each | | | | |
| Indiabulls Liquid Fund - Existing Plan Growth | | 22,500,000 | | - |
| 16,590.765 Units (Previous year NIL) of Rs.1356.7161 each | | | | |
| Birla Sun Life Treasury Optimizer Plan - Growth Reg | | 30,000,000 | | - |
| 173,116.808 Units (Previous year - NIL) of Rs.173.2934 each | | | | |
| Franklin India Ultra Short Bond Fund - Direct | | 30,000,000 | | - |
| 1,619,896.651 Units (Previous year - NIL) of Rs.18.5197 each | | | | |
| ICICI Prudential Flexible Income - Reg. Plan Growth | | 22,000,000 | | - |
| 83,816.964 Units (Previous year - NIL) of Rs.262.4767 each | | | | |
| Total Current Investments | | 106,166,000 | | 15,222,000 |

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

| Particulars | As on March 31, 2015 | | As on March 31, 2014 | |
|--|----------------------|--------------------|----------------------|--------------------|
| Note 11: Long-Term Loans and Advances | | | | |
| <u>Unsecured, considered good</u> | | | | |
| Advance Subscription towards Proposed Investment in Equity Shares (Refer Note below) | - | | 142,121,397 | |
| Less: Provision for Doubtful Advances | - | - | (118,621,397) | 23,500,000 |
| Security Deposits | | 55,527,636 | | 60,164,918 |
| Loans and Advances to Related Parties | | 52,418,921 | | 60,000,000 |
| Other Loans and Advances | 91,203,803 | | 130,152,767 | |
| Less: Provisions | (18,425,528) | 72,778,275 | (29,684,461) | 100,468,306 |
| Advance Taxes (Net of Provision) | | 51,317,386 | | 40,090,028 |
| Total | | 232,042,218 | | 284,223,252 |
| Note: | | | | |
| *1. Advance subscription of INR 142,121,397 as at 31 March 2014 represents the proposed investment of INR 25,900,000 in the shares of Pudhuaru Kshetriya Gramin Financial Services(PKGFS), INR 44,750,000 in the shares of Dhanei Kshetriya Gramin Services(DKGS), INR 36,750,000 in the shares of Sahastradhara Kshetriya Gramin Financial Services(SKGS), INR 23,500,000 in the shares of IFMR Rural Finance Services Private Limited and INR 11,221,397 in the shares of NE Emerging Channels Services Private Limited (NEECS) against which shares were allotted during the current year | | | | |
| Note 12: Cash and Cash Equivalents | | | | |
| Cash on hand | | 1,046 | | 2,351 |
| Balances with Banks in | | | | |
| - Savings account | | 8,056,255 | | 4,662,061 |
| - Deposit Account | | - | | 2,500,000 |
| Total | | 8,057,301 | | 7,164,412 |
| Of the above, the balances that meet the definition of Cash Equivalents as per AS 3 | | 8,057,301 | | 7,164,412 |
| Note 13: Short-Term Loans and Advances | | | | |
| <u>Considered goods</u> | | | | |
| Loans and Advances to Related Parties (Refer Note 26) | | | | |
| - Receivable for sale of shares (Refer Note 21) | | 950,000,000 | | 998,477,719 |
| - Other Advances | | 65,962,405 | | 42,141,069 |
| Deposits: | | | | |
| - Security Deposits for Employees | | 999,510 | | 1,412,750 |
| - Other Deposits | | 11,388 | | 87,255 |
| Prepaid Expenses | | 268,227 | | 418,085 |
| Advances recoverable in cash or in kind or for value to be received | | 349,308 | | 58,218 |
| Loans to Others | | 35,841 | | 777,521 |
| Interest Accrued but not due | | 927,486 | | 1,363,742 |
| Balances with authorities | | 1,840,590 | | 290,492 |
| Amount recoverable towards remuneration | 120,000 | | 100,000 | |
| Less: Remuneration payable to Trustees | (120,000) | - | (100,000) | - |

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

| Particulars | As on March 31, 2015 | | As on March 31, 2014 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | | | | |
| Considered doubtful Loans and Advances to Related Parties | 13,128,268 | | 43,408,837 | |
| Less: Provisions | (13,128,268) | - | (43,408,837) | - |
| Advances recoverable in cash or in kind or for value to be received | 1,344,826 | | 1,369,361 | |
| Less: Provisions | (1,344,826) | - | (1,369,361) | - |
| Loans to Others | - | | 15,765 | |
| Less: Provisions | - | - | (15,765) | - |
| Total | | 1,020,394,755 | | 1,045,026,851 |
| Note 14: Interest Income | | | | |
| Interest on Loans | | 13,409,892 | | 9,953,528 |
| Interest on Fixed Deposits with Bank | | 26,880,327 | | 587,377 |
| Total | | 40,290,219 | | 10,540,905 |
| Note 15: Other Income | | | | |
| Income from Shared Services | | 4,811,150 | | 5,148,496 |
| Income from Infrastructure Services | | 20,354,839 | | 25,621,167 |
| Gain on Sale of Investments in shares (Net) (Refer Note 20) | | 611,700,408 | | 276,005,553 |
| Gain on Sale of Investments in Mutual Funds (Net) | | 12,968,009 | | 2,012,674 |
| Provisions no longer required written back: | | | | |
| - Others | 344,000 | 344,000 | 3,049,239 | 3,049,239 |
| Dividend Income | | 245,830 | | - |
| Miscellaneous Income | | 119,531 | | 63,033 |
| Total | | 650,543,767 | | 311,900,162 |
| Note 16: Staff costs | | | | |
| Salaries, Allowances and Bonus | | 16,732,675 | | 19,334,166 |
| Contribution to Provident Fund, Labour Welfare Fund | | 879,831 | | 830,899 |
| Staff Welfare Expenses | | 845,241 | | 1,223,186 |
| Gratuity | | 116,996 | | 226,296 |
| Total | | 18,574,743 | | 21,614,547 |

IFMR Trust
Notes forming part of Financial Statements

Amount in INR

| Particulars | As on March 31, 2015 | | As on March 31, 2014 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | | | | |
| Note 17: Other Expenses | | | | |
| Grants | | 11,000,000 | | 6,800,000 |
| Rent and Amenities (Net) | | 5,799,429 | | 9,427,390 |
| Repairs and Maintenance | | | | |
| - Computers | 351,865 | | 129,851 | |
| - Building | 3,961,838 | | 5,091,988 | |
| - Others | 642,612 | 4,956,315 | 579,538 | 5,801,377 |
| Postage and Telegrams | | 37,226 | | 26,289 |
| Printing and Stationery | | 294,281 | | 382,474 |
| Telephone Expenses | | 373,688 | | 483,731 |
| Consumables | | 5,859 | | - |
| Travelling and Conveyance | | 3,002,285 | | 2,957,844 |
| Consultancy Charges | | 1,150,200 | | 1,238,205 |
| Legal and Professional Charges | | 18,072,882 | | 5,755,660 |
| Conference and Seminar Expenses | | 29,447 | | 54,645 |
| Recruitment Charges | | - | | 15,994 |
| Office Expenses | | 6,177,692 | | 7,758,436 |
| Sponsorship Charges | | - | | 100,000 |
| Website Maintenance and Internet Expenses | | 896,366 | | 1,024,658 |
| 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 |
| Provision for Dimunition in Value of Investments | | - | | 10,000 |
| Fixed Assets written off | | 4,043 | | - |
| Advances written off during the year (Refer Note 19b) | 15,172,970 | | 53,988 | |
| Investment written off (Refer Note 19a) | 64,049,160 | | - | |
| Less : Transfer from Provison made in earlier years | (76,310,389) | 2,911,741 | - | 53,988 |
| Bad Debts | | - | | 80,000 |
| Miscellaneous Expenses | | 441,418 | | 278,267 |
| Total | | 56,027,872 | | 44,468,784 |
| Note 18: Interest and Finance Expense | | | | |
| Bank Charges | | 24,686 | | 247 |
| Processing Charges on Loan | | 5,000,000 | | - |
| Intererst on TDS | | 2,418 | | - |
| Total | | 5,027,104 | | 247 |

IFMR Trust

19. 19. Write Off of Investments:

- a. As part of the restructuring process of the subsidiaries of the Trust, the investments held in the following subsidiaries and other entities were written off during the year in the absence of profitability of their business activities and ability to repay outstanding amounts

| Name of the Entity | Type of Investment | Amount written off |
|---|--------------------|--------------------|
| Investment in Subsidiaries: | | |
| NE Rural Tourism Private Limited | Equity Shares | 21,653,300 |
| NE Emerging Channels Services Private Limited | Equity Shares | 11,366,880 |
| NE Agri Services Private Limited | Equity Shares | 11,207,580 |
| NE Green Power Private Limited | Equity Shares | 1,044,900 |
| NE Milkrush Private Limited | Equity Shares | 641,900 |
| NE Aqua Private Limited | Equity Shares | 99,900 |
| NE Crafts and Apparels Private Limited | Equity Shares | 99,900 |
| NE Education Private Limited | Equity Shares | 99,900 |
| NE Rural BPO Company Private Limited | Equity Shares | 99,900 |
| Other Investments: | | |
| Earthy Goods & Services Private Limited | Debentures | 15,985,000 |
| Desi Power (Kosi) Private Limited | Preference Shares | 1,750,000 |
| Total | | 64,049,160 |

- b. Advances given to the following companies have been written off during the current year:

| Name of the Entity | Amount written off |
|---|--------------------|
| Earthy Goods & Services Private Limited | 12,473,764 |
| Pudhuaaru Kshetriya Gramin Financial Services (PKGFS) | 1,198,591 |
| Sahastradhara Kshetriya Gramin Services (SKGS) | 858,462 |
| NE Rural Tourism Private Limited | 299,757 |
| Dhanei Kshetriya Gramin Services (DKGS) | 274,825 |
| NE Green Power Private Limited | 27,064 |
| NE Milkrush Private Limited | 22,993 |
| Other advances | 17,514 |
| Total | 15,172,970 |

20. During the year, the Trust has sold the investments made in the following companies:

| Name of the Company | Type of shares | Number of shares sold | Consideration | Profit on Sale | Cumulative Loss on Sale | Provision made in earlier years written back | (Excess)/ short provision * |
|--|----------------|-----------------------|---------------|----------------|-------------------------|--|-----------------------------|
| IFMR Capital Finance Private Limited | Equity | 13,774,105 | 750,000,000 | 611,700,408 | - | - | - |
| Pudhuaaru Kshetriya Gramin Financial Services (PKGFS)* | Equity | 2,521,000 | 10,000 | - | 25,200,000 | 26,000,000 | -800,000 |

IFMR Trust
Notes forming Financial Statements

| | | | | | | | |
|---|------------|-----------|--------------------|--------------------|--------------------|--------------------|-----------------|
| Dhanei Kshetriya Gramin Services (DKGS)* | Equity | 4,509,900 | 10,000 | - | 45,089,000 | 44,850,000 | 239,000 |
| Sahastradhara Kshetriya Gramin Services (SKGS)* | Equity | 3,644,600 | 10,000 | - | 36,436,000 | 36,850,000 | -414,000 |
| IFMR Investment Managers Private Limited | Preference | 1,000 | 100,000 | - | - | - | - |
| Total | | | 750,130,000 | 611,700,408 | 106,725,000 | 107,700,000 | -975,000 |

* INR 975,000 representing excess provision has been adjusted against the investments and advances written off during the year in Note 17 - Other Expenses.

21. During the previous year IFMR Trust has transferred the shares held in IFMR Capital Finance Private Limited, IFMR Investment Adviser Services Private Limited and IFMR Rural Channels and Services Private Limited to its subsidiary, IFMR Holdings Private Limited for a consideration of INR 998,477,719. As per the terms of the agreement for purchase, the consideration is payable by IFMR Holdings Private Limited on deferred basis not later than 11 months, either by way of a) cash, or, b) by issuance of redeemable preference shares of the Company equivalent to the value of sale consideration.

During the current year, IFMR Holdings Private Limited has made a payment of INR 48,477,719 on 26 March 2015 and the balance receivable has been disclosed under Note 13 "Other Current Assets", pursuant to the extension of time provided by the Trust for payment of the balance amount of deferred consideration until September 30, 2015.

22. ICICI Bank Limited had granted a corporate rupee loan facility of INR 1,500,000,000 vide a facility agreement dated 31st March 2008, of which INR 500,000,000 was due for repayment in December 2014 and the balance INR 1,000,000,000 in March 2015. The Trust has repaid INR 500,000,000 as per the above terms and had requested for an extension for the repayment of INR 1,000,000,000 until 28th June 2015, which has been granted by the lender.

Additional information to the financial Statements

23. 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 profit and loss account | 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 profit and loss account and disallowance of incubation | 46,467,030** (Previous Year - 91,296,850) | AY 2010-11 | Commissioner of Income Tax (Appeals), Chennai |
| 3 | Income Tax Act, 1961 | Disallowance of entire expenditure | 22,593,930 | AY 2012-13 | Commissioner of Income Tax (Appeals) |

* 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

IFMR Trust
Notes forming part of Financial Statements

Accounting Standard Disclosures

25. 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 2015

Amount in INR

| Movements in Accrued Liability | 2014-15 | 2013-14 |
|---|------------------|------------------|
| Accrued Liability as at beginning of the period: | 1,445,374 | 1,219,078 |
| Interest Cost | 126,126 | 97,526 |
| Current Service Cost | 252,492 | 355,817 |
| Benefits Paid | (87,958) | Nil |
| Actuarial (gain) / loss | (261,622) | (227,047) |
| Accrued Liability as at the end of the period | 1,474,412 | 1,445,374 |
| Amounts to be recognized in the Balance Sheet | | |
| Present Value of obligations as on the accounting date | 1,474,412 | 1,445,374 |
| Liability to be recognized in the Balance Sheet | 1,474,412 | 1,445,374 |
| Expenses to be recognized in Profit and Loss Account | | |
| Interest Cost | 126,126 | 97,526 |
| Current Service Cost | 252,492 | 355,817 |
| Net Actuarial (gain) / loss | (261,622) | (227,047) |
| Net Expenses to be recognized in Profit and Loss Account | 116,996 | 226,296 |
| Reconciliation | | |
| Net Liability as at the beginning of the year | 1,445,374 | 1,219,078 |
| Net Expenses in Profit and Loss Account | 116,996 | 226,296 |
| Benefits Paid | (87,958) | Nil |
| Net Liability as at the end of the Year | 1,474,412 | 1,445,374 |
| Principal Actuarial Assumptions | | |
| Interest Rate (Liabilities) | 7.80 | 9.00 |
| 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 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| On plan Liability (gain)/loss | (3,77,293) | (1,17,263) | (4,05,853) | (1,089,040) | (726,000) |
| On plan Assets (gain) / loss | Nil | Nil | Nil | Nil | Nil |
| Present Value of benefit obligations | 1,474,412 | 1,445,374 | 1,219,078 | 1,028,790 | 1,635,000 |
| Fair Value of Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Excess of obligation over plan assets | 1,474,412 | 1,445,374 | 1,219,078 | 1,028,790 | 1,635,000 |

Details relating to experience adjustments are provided to the extent available

IFMR Trust

Notes forming part of Financial Statements

25. 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'.

26. 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, and Sucharita Mukherjee
- Directors

ii) Associates:

IKP Center for Advancement in Agricultural Practices

iii) Subsidiaries:

- o IFMR Holdings Private Limited
- o IFMR Capital Finance Private Limited (a subsidiary of IFMR Holdings)
- o IFMR Mezzanine Finance Private Limited
- o IFMR Finance Foundation
- o IFMR Rural Finance Services Private Limited
- o IFMR Investment Adviser Services Private Limited (a subsidiary of IFMR Capital)
- o IFMR Rural Channels and Services Private Limited (IRCS) (a subsidiary of IFMR Holdings)
- o Pudhuaaru Kshetriya Gramin Financial Services (PKGFS) till 17th Mar 2015
- o Dhanei Kshetriya Gramin Services (DKGS) till 17th Mar 2015
- o Sahastradhara Kshetriya Gramin Services (SKGS) till 17th Mar 2015
- o IFMR Ventures India Private Limited
- o NE Emerging Channels Services Private Limited (Application for Winding up submitted)
- o NE Agri Services Private Limited (Application for Winding up submitted)
- o NE Processed Foods Private Limited (wound-up during 2010-11 & revived on 23rd May 2011)
- o NE Green Power Private Limited (Application for Winding up submitted)
- o NE Milkrush Private Limited (Application for Winding up submitted)
- o NE Rural Tourism Private Limited (Application for Winding up submitted)
- o Pudhuaaru Financial Services Private Limited (PFSP), (a subsidiary of IRCS)
- o Ankur Securities Private Limited ((a subsidiary of IRCS)
- o IFMR Investment Managers Private Limited (a subsidiary of IFMR Capital)

(b) Key Management Personnel:

Bindu Ananth, President of IFMR Trust

IFMR Trust
Notes forming part of Consolidated Financial Statements

(c) Transactions with related parties during the year:

(Amount in INR)

| Related Party | Transaction | For the Year ended 31st March 2015 | For the Year ended 31st March 2014 |
|--|---|------------------------------------|------------------------------------|
| IFMR Trusteeship Services Private Limited | Remuneration to Trustees | 20,000 | 20,000 |
| | Advance given | 22,209 | 24,370 |
| IFMR Ventures India Private Limited | Advance given | 2,833,022 | 12,420 |
| IFMR Holdings Private Limited | Advance given - deferred receivable for sale of equity shares in subsidiaries | NIL | 998,477,719 |
| | Other Advances | 15,875,156 | 789,286 |
| | Fixed Asset Transfer | 57,955 | NIL |
| | Investment - Equity Shares | 143,500,000 | 100,000 |
| | Space Sharing Cost | 1,587,085 | 84,270 |
| | Employee sharing cost | 554,099 | 36,302 |
| IFMR Investment Managers Private Limited | Investment -Equity Shares | NIL | 100,000 |
| | Advance given | 38,980 | 178,082 |
| IFMR Rural Finance Services Private Limited | Investment- Preference Shares | 10,000,000 | NIL |
| | Advance given | 4,938,558 | 1,634,181 |
| | Assets Transferred | 42,570 | NIL |
| | Investment - Equity shares | NIL | 5,000,000 |
| | Space Sharing Cost | 1,587,156 | 8,794,238 |
| | Employee Sharing Cost | 2,803,106 | 3,329,252 |
| IFMR Rural Channels and Services Private Limited | Advance given | 671,665 | 1,505,192 |
| | Advance Received Back | 159,984 | 823,457 |
| | Space Sharing Cost | 3,258,440 | 3,749,460 |
| | Employee Sharing Cost | 108,752 | 1,094,160 |
| | Employee Sharing Cost | 1,094,160 | 741,863 |
| Pudhuaaru Kshetriya Gramin Financial Services | Advance given | NIL | 19,620 |
| | Advance Written Off | 408,591 | NIL |
| | Advances Received Back | NIL | 19,220 |
| Sahastradhara Kshetriya Gramin Services | Advance Given | NIL | 40,719 |
| | Advance Written Off | 454,462 | NIL |
| NE Emerging Channels Services Private Limited | Advance given | 41,314 | 85,780 |
| | Advances Received Back | 127,125 | NIL |
| | Investment -Equity Shares | 11,266,890 | NIL |
| | Investment - Written off | 11,366,880 | NIL |
| | Share Application money adjusted against land purchase | NIL | 2,680,603 |
| IFMR Capital Finance Private Limited | Advance given | 1,561,249 | 1,670,055 |
| | Space Sharing Cost | 6,691,785 | 10,268,526 |
| | Employee Sharing cost | 143,671 | 285,237 |
| | Advances Received Back | NIL | 57,281 |

IFMR Trust
Notes forming part of Consolidated Financial Statements

| Related Party | Transaction | For the Year ended 31st March 2015 | For the Year ended 31st March 2014 |
|--|-----------------------------|------------------------------------|------------------------------------|
| IFMR Mezzanine Finance Private Limited | Advance given | NIL | 1,067,523 |
| | Advances Received Back | NIL | 1,501,893 |
| | Space Sharing Cost | 1,164,345 | 1,198,744 |
| | Employee Sharing Cost | 383,491 | 413,864 |
| | Advances Received | 345,223 | NIL |
| NE Agri Services Private Limited | Advance given | NIL | 132,842 |
| | Investment- Written off | 11,207,581 | NIL |
| NE Aqua Private Limited | Investment- Written off | 99,900 | NIL |
| NE Crafts Apparel and Furnishings | Investment- Written off | 99,900 | NIL |
| NE Education Private Limited | Investment- Written off | 99,900 | NIL |
| NE Rural BPO Company Private Limited | Investment- Written off | 99,900 | NIL |
| IFMR Investment Adviser Services Private Limited | Space Sharing Cost | 116,489 | 375,675 |
| | Employee Sharing Cost | 786,520 | 58,116 |
| | Advances Received Back | 344,612 | NIL |
| | Advance given | 826,909 | 269,790 |
| IFMR Finance Foundation | Advance given | 2,567,918 | 630,750 |
| | Space Sharing Cost | 1,980,511 | 1,713,692 |
| | Employee Sharing Cost | 858,909 | 465,983 |
| | Grant Given | 11,000,000 | 6,800,000 |
| Pudhuaaru Financial Services Private Limited | Advance given | 157,230 | 823,839 |
| | Space Sharing Cost | NIL | 128,338 |
| | Advance received back | NIL | 820,211 |
| NE Green Power Private Limited | Advance given | 32,636 | 54,103 |
| | Advance given | NIL | 32,636 |
| | Investment in Equity Shares | 945,000 | NIL |
| | Advance Written Off | 27,064 | NIL |
| NE Milkrush Private Limited | Investment- Written off | 1,044,900 | NIL |
| | Advance given | NIL | 22,950 |
| | Investment in Equity Shares | 542,000 | NIL |
| | Advance Written Off | 22,993 | NIL |
| NE Rural Tourism Private Limited | Advance given | NIL | 40,889 |
| | Investment in Equity Shares | 21,553,400 | NIL |
| | Advance Written Off | 299,757 | NIL |
| IKP Center for Advancement in Agricultural Practices | Space Sharing Cost | NIL | 220,000 |
| | Advance Given | 8,988 | 25,662 |
| | Advances Received Back | NIL | 329,397 |
| Bindu Ananth - Key Managerial Personnel | Salary | 7,200,000 | 6,600,000 |

IFMR Trust
Notes forming part of Financial Statements

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

(Amount in INR)

| Related Party | Transaction | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---|------------------------|------------------------|
| IFMR Trusteeship Services Private Limited | Remuneration to Trustees | 120,000 | 100,000 |
| | Advance Receivable | 138,529 | 95,377 |
| IFMR Ventures India Private Limited | Advance given and outstanding | 15,997,950 | 13,140,688 |
| | Investment in Equity Shares | 999,900 | 999,900 |
| IFMR Rural Finance Services Private Limited | Investment in Equity Shares | 211,499,900 | 187,999,900 |
| | Share Application money | NIL | 23,500,000 |
| | Investment - Preference Shares | 10,000,000 | NIL |
| | Advance given and outstanding | 39,426,028 | 25,265,702 |
| IFMR Holdings Private Limited | Advance given - deferred receivable for sale of equity shares in subsidiaries | 950,000,000 | 998,477,719 |
| | Other Advances | 2,958,258 | 789,286 |
| | Investment - Equity Shares | 100,000 | NIL |
| IFMR Investment Managers Private Limited | Advance given and outstanding | 212,163 | 177,462 |
| | Investment - Equity Shares | 100,000 | 100,000 |
| IFMR Rural Channels and Services Private Limited | Advance given and outstanding | 337,008 | 1,712,140 |
| IFMR Capital Finance Private Limited | Advance given and outstanding | 1,057,414 | 2,279,374 |
| | Investment in Equity Shares | NIL | 137,741,050 |
| IFMR Mezzanine Finance Private Limited | Advance given and outstanding | 2,918,601 | 1,691,595 |
| | Investment in Equity Shares | 100,400,000 | 100,400,000 |
| IFMR Investment Advisor Services Private Limited | Advance given and outstanding | 2,462,966 | 1,158,029 |
| IFMR Finance Foundation | Investment in Equity Shares | 99,900 | 99,900 |
| | Advance given and outstanding | 17,559,723 | 7,592,129 |
| Pudhuaaru Financial Services Private Limited | Advance given and outstanding | 268,465 | 190,563 |
| IKP Center for Advancement in Agricultural Practices | Investment in Equity Shares | 49,000 | 49,000 |
| | Advance given and Outstanding | 8,987 | 15,027 |

27. 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 9,091,378 (Previous year INR 9,427,390) have been charged to Profit and Loss Account.

Finance leases:

The trust has not taken any finance lease.

28. 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 2015 | As at 31 March 2014 |
|--|---------------------|---------------------|
| Deferred Tax Asset: | | |
| Carried forward long term capital losses | Nil | (28,297,849) |
| Long term capital losses for the FY 2013-14 eligible to be carried forward | Nil | (167,494) |
| Net Deferred Tax (Asset) / Liability | Nil | (28,465,344) |

29 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 | - | 11,258,933 | 18,425,528 |
| Provision for doubtful other advances | | | | |
| - On Long Term Loans and Advances | 118,621,397 | - | 118,621,397 | - |
| - Short Term Loans and Advances | 44,793,963 | - | 30,320,869 | 14,473,094 |
| Provision for diminution in the value of investments | | | | |
| - On Non-Current Investments | 23,834,090 | - | 22,834,190 | 999,900 |
| - Current Investments | 678,000 | - | 344,000 | 334,000 |
| Total | 217,611,911 | - | 183,379,389 | 34,232,522 |

30. 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: 12th June 2015