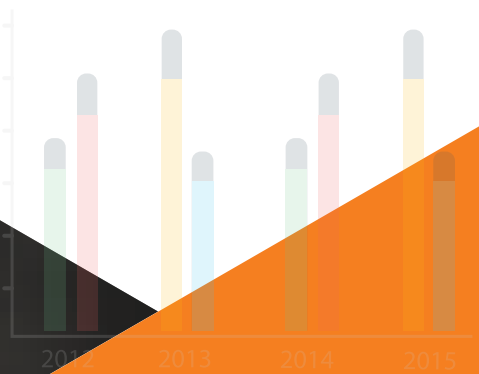
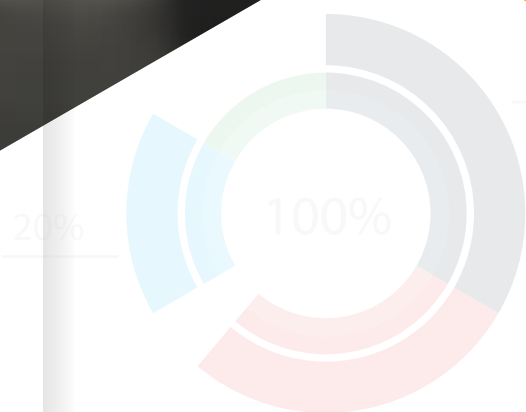


2015-16

ANNUAL REPORT



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



45%



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 2016, 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 principles generally accepted in India including the Accounting Standards applicable to non-corporate entities issued by Institute of Chartered Accountants of 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 of the financial statements that give a true and fair view 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 of 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 31st March, 2016, and its loss 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 of account 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, June 29, 2016

IFMR Trust

Balance Sheet as at 31- March-2016

(Amount in INR)

PARTICULARS	Note No.	As on 31-March-2016	As on 31-March-2015
I. EQUITY and LIABILITIES			
General Fund		1,000	1,000
Reserves and Surplus	3	251,271,830	272,708,952
Non Current Liabilities			
Other Long-term Liabilities	4	564,628,532	564,628,532
Long-Term Provision	5	1,129,762	1,474,412
		565,758,294	566,102,944
Current Liabilities			
Trade Payables	6	1,140,617	3,071,110
Other Current Liabilities	7	484,020	1,001,484,085
Short-Term Provisions	8	5,598,226	4,032,846
		7,222,863	1,008,588,041
TOTAL		824,253,987	1,847,400,937
ASSETS			
Non-Current assets			
Fixed Assets	9		
Tangible Assets		9,932,142	10,702,851
Intangible Assets		212,130	530,324
Non-current investments	10	469,507,488	469,507,488
Long-term loans and advances	11	196,912,286	232,042,218
		676,564,046	712,782,881
Current assets			
Current Investments	10	62,336,000	106,166,000
Cash and Cash Equivalents	12	17,501,086	8,057,301
Short-term Loans and Advances	13	67,852,855	1,020,394,755
		147,689,941	1,134,618,056
TOTAL		824,253,987	1,847,400,937

See accompanying notes forming part of the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of IFMR Trust

Bhavani Balasubramanian
Partner

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

Place: Chennai

Date: 29th June 2016

IFMR Trust

Profit and Loss Account for the year ended 31-March-2016

(Amount in INR)

Particulars	Note No.	For the year ended 31-March-2016	For the year ended 31-March-2015
INCOME			
Revenue from Operations	14	36,680,611	38,575,881
Other Income	15	7,092,203	652,258,105
TOTAL REVENUE (I)		43,772,814	690,833,986
EXPENDITURE			
Employee Benefits Expense	16	16,870,912	18,574,743
Depreciation	9	1,447,085	1,746,306
Interest and Finance Expense	17	15,009	5,027,104
Other Expenses	18	46,876,930	56,027,872
TOTAL EXPENSES (II)		65,209,936	81,376,025
Profit for the year before tax (I-II)		(21,437,122)	609,457,961
Tax Expenses :			
a Current tax expenses for current year		-	55,659,000
b Deferred Tax		-	28,465,343
		-	84,124,343
Profit for the year		(21,437,122)	525,333,618

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of IFMR Trust

Bhavani Balasubramanian
Partner

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

Place: Chennai

Date: 29th June 2016

IFMR Trust
Cashflow Statement for the Year ended 31-March- 2016

(Amount in INR)

Particulars	For the year ended 31-March-2016	For the year ended 31-March-2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	(21,437,122)	609,457,961
<u>Adjustments for:</u>		
Depreciation	1,447,085	1,746,306
Interest income on fixed deposit	-	(26,880,327)
Loss on Assets Written off	-	4,043
Provision Written Back	(303,777)	(344,000)
Gain on Sale of Investments in shares	-	(611,700,408)
Gain on Sale of Investments in Mutual Funds	(4,956,220)	(12,968,009)
Provision for Gratuity	(344,650)	29,038
Bad debts	-	-
Advances written off	-	-
Provision for diminution in value of investments	330,000	-
Operating Loss before working capital changes	(25,264,684)	(40,655,396)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Long-term Loans and Advances	46,554,525	63,408,392
Short-term Loans and Advances	952,541,901	24,632,096
<u>Adjustments for increase/(decrease) in operating Liabilities:</u>		
Trade Payables	(1,930,493)	(1,197,209)
Other current Liabilities	(1,000,065)	393,011
Short Term provisions	1,869,157	(438,171)
Cash generated from operations	972,770,341	46,142,723
Less: Income Taxes paid/(Refunded)	11,424,593	66,886,358
Net cash used in operating activities (A)	961,345,748	(20,743,635)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on Fixed assets	(414,869)	(769,768)
Proceeds from Sale of fixed assets	56,687	57,955
Purchase of Investments - Current	(296,862,019)	(797,800,000)
Purchase of Investments - Non Current	-	-
Proceeds from sale of investments - non-current	-	573,100,001
Proceeds from sale of investments - current	345,318,239	720,168,009
Interest Received - Fixed deposits	-	26,880,327
Net cash generated from Investing activities (B)	48,098,038	521,636,524
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(1,000,000,000)	(500,000,000)
Net cash used in financing activities (C)	(1,000,000,000)	(500,000,000)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	9,443,786	892,889
Cash & Cash Equivalents at the beginning of the year	8,057,301	7,164,412
Cash & Cash Equivalents at the end of the year	17,501,086	8,057,301
Reconciliation of cash and cash equivalents:		
Cash and Cash Equivalents as per Balance sheet (Refer Note No 12)	17,501,086	8,057,301
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	17,501,086	8,057,301
Cash and cash equivalents at the end of the year comprises of		
(a) cash on hand	8,994	2,351
(b) Balances with banks in Savings Account	17,492,092	4,662,061
(c) Balances with banks in Deposit Account	-	2,500,000

See accompanying notes forming part of the financial statement

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of IFMR Trust

Bhavani Balasubramanian
Partner

Bindu Ananth
President

V.Vijayaraghavan
Head - Corporate Centre

Place: Chennai

Date: 29th June 2016

IFMR TRUST

Notes to financial statements

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 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 TRUST

- 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 Services Private Limited ("Ankur"): Ankur is a private limited company incorporated under the Companies Act, 1956. Ankur was a non-deposit taking Non-banking Finance Company incorporated on January 9, 1995 and was engaged in the business of providing financial services. The Company voluntarily surrendered the Certificate of Registration (COR) issued by Reserve Bank of India (RBI) and RBI has cancelled the COR vide its letter dated May 12, 2016. It is proposed to merge Ankur with its Parent Company IRCS and the Board has also approved the scheme for merger. Ankur is in the process of filing petition before the Hon'ble High Court of Chennai for merger.
- 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).

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.

IFMR TRUST

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 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 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.

2.5 Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is 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.

2.6 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.

IFMR TRUST

2.7 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.

2.8 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

Employees are not provided with compensated absence benefit.

2.9 Service Tax Input Credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the same.

2.10 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Trust has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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

Particulars	As on 31-March-2016		As on 31-March-2015	
Note 3: Reserves and Surplus				
Surplus / (Deficit) in profit and loss A/c				
Opening balance	272,708,952		(252,624,666)	
Add: Profit for the year	(21,437,122)		525,333,618	
Closing balance		251,271,830		272,708,952
Note 4: 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.24)		1,129,762		1,474,412
Total		1,129,762		1,474,412
Note 6: Trade Payables				
Sundry Creditors		1,140,617		3,071,110
Total		1,140,617		3,071,110
Note 7: Other Current Liabilities				
Current maturity of long term borrowings				
-Term Loans from ICICI Bank Limited (Refer Note 22)		-		1,000,000,000
Statutory Liabilities		461,020		1,419,485
Other Liabilities		23,000		64,600
Total		484,020		1,001,484,085
Note 8: Short-Term Provisions				
Provision for Employee Benefits (Refer Note No.24)		40,873		
Other Provisions		5,557,353		4,032,846
Total		5,598,226		4,032,846

IFMR Trust
Notes forming part of Financial Statements

Note 9: Fixed Assets

Asset	Gross Block				Depreciation				Net Block	
	As on 01-April-2015	Additions during the year	Deletions during the year	As on 31-March-2016	As on 01-April-2015	For the year	Deletions during the year	As on 31-March-2016	As on 31-March-2016	As on 31-March-2015
<u>Tangible Assets</u>										
Land	2,901,342	-	-	2,901,342	-	-	-	-	2,901,342	2,901,342
Furniture and Fittings	8,032,197			8,032,197	3,393,288	463,891	-	3,857,179	4,175,018	4,638,909
Computers	15,431,521	354,801	216,309	15,570,013	15,244,431	218,476	159,622	15,303,285	266,728	187,090
Office Equipments	6,157,715	60,068	-	6,217,783	3,357,564	420,220	-	3,777,784	2,439,999	2,800,151
Vehicles	542,801	-	-	542,801	367,442	26,304	-	393,746	149,055	175,359
Leasehold Improvements	48,013,742	-	-	48,013,742	48,013,742	-	-	48,013,742	(0)	-
										-
										-
<u>Intangible Assets</u>										
Software	12,991,551	-	-	12,991,551	12,461,227	318,194	-	12,779,421	212,130	530,324
Total	94,070,869	414,869	216,309	94,269,429	82,837,694	1,447,085	159,622	84,125,157	10,144,272	11,233,175
Previous Year	94,130,165	769,768	829,064	94,070,869	81,858,455	1,746,306	767,067	82,837,694	11,233,175	12,271,710

IFMR Trust

Notes forming part of Financial Statements

Particulars	As on 31-March-2016		As on 31-March-2015	
Note 10: Non-Current Investments				
<i>In Subsidiaries (Unquoted)</i>				
IFMR Rural Finance Services Private Limited (21,149,990 Equity Shares (Previous Year 21,149,990 Equity Shares) of INR 10 each)		211,499,900		211,499,900
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 Holdings Private Limited (1,436,000 Equity Shares (Previous Year 1,436,000 Equity Shares) of INR 100 each)		143,600,000		143,600,000
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)	-
		455,599,800		455,599,800
<i>Investments 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>Investments 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>				
IFMR Rural Finance Private Limited (1,00,000 Shares (Previous Year 1,00,000 Shares) of 100 Each)		10,000,000		10,000,000
		10,000,000		10,000,000
Total Non-Current Investments		469,507,488		469,507,488
Current Investments				
<i>Investments in Mutual Funds (Trade, Unquoted)</i>				
Baroda Pioneer PSU Equity Fund 200,000 Units (Previous year 2,00,000) of Rs.10 each Less: Provision for Diminution	2,000,000 (664,000)	1,336,000	2,000,000 (334,000)	1,666,000
Indiabulls Liquid Fund - Existing Plan Growth (Previous year 16,590.765 Units of Rs.1356.7161 each)		-		22,500,000
Birla Sun Life Treasury Optimizer Plan - Growth Reg (Previous year - 173,116.808 Units of Rs.173.2934 each)		-		30,000,000
Franklin India Ultra Short Bond Fund - Direct (Previous year - 1,619,896.651 Units of Rs.18.5197 each)		-		30,000,000
ICICI Prudential Flexible Income - Reg. Plan Growth		-		22,000,000
Franklin Templeton Mutual Fund 1,522,718.622 Units (Previous year - NIL) of Rs.20.3583 each		31,000,000		-
Baroda Pioneer Treasury Advantage Fund - Plan A Growth 11,399.081 Units (Previous year - NIL) of Rs.6.6800 each		20,000,000		-
ICICI Prudential Ultra Short Term Fund - Reg. Plan Growth 653,312.950 Units (Previous year - NIL) of Rs.15.3066 each		10,000,000		-
Total Current Investments		62,336,000		106,166,000

IFMR Trust

Notes forming part of Financial Statements

Particulars	As on 31-March-2016		As on 31-March-2015	
Note 11: Long-Term Loans and Advances				
<u>Unsecured, considered good</u>				
Security Deposits		51,548,040		55,527,636
Loans and Advances to Related Party (Refer Note 26)		36,319,192		52,418,921
Other Loans and Advances	46,303,075		91,203,803	
Less: Provisions	-	46,303,075	(18,425,528)	72,778,275
Advance Taxes (Net of Provision Current year - 61,373,051 (PY - INR 61,373,051))		62,741,979		51,317,386
Total		196,912,286		232,042,218
Note 12: Cash and Cash Equivalents				
Cash on hand		8,994		1,046
Balances with Banks in				
- Savings account		17,492,092		8,056,255
Total		17,501,086		8,057,301
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3		17,501,086		8,057,301
Note 13: Short-Term Loans and Advances				
Considered good				
Loans and Advances to Related Parties (Refer Note 26)				
- Receivable for sale of shares (Refer Note 21)		-		950,000,000
- Other Advances		63,177,933		65,962,405
Deposits:				
- Security Deposits for Employees		688,630		999,510
- Other Deposits		11,388		11,388
Prepaid Expenses		334,223		268,227
Advances recoverable in cash or in kind or for value to be received		1,143,448		349,308
Loans to Others		85,632		35,841
Interest Accrued but not due		664,542		927,486
Balances with authorities		1,747,059		1,840,590
Amount recoverable towards remuneration	140,000		120,000	
Less: Remuneration payable to Trustees	(140,000)	-	(120,000)	-
Considered doubtful				
Loans and Advances to Related Parties	15,436,677		13,128,268	
Less: Provisions	(15,436,677)	-	(13,128,268)	-
Advances recoverable in cash or in kind or for value to be received	-		1,344,826	
Less: Provisions	-	-	(1,344,826)	-
Total		67,852,855		1,020,394,755

IFMR Trust
Notes forming part of Financial Statements

(Amount in INR)

Particulars	For the year ended 31-March-2016		For the year ended 31-March-2015	
Note 14: Revenue from Operations				
Interest on Loans		9,698,093		13,409,892
Income from Shared Services		2,735,641		4,811,150
Income from Infrastructure Services		24,246,877		20,354,839
Total		36,680,611		38,575,881
Note 15: Other Income				
Gain on Sale of Investments in shares (Net)		-		611,700,408
Gain on Sale of Investments in Mutual Funds (Net)		4,956,220		12,968,009
Provisions no longer required written back:				
- Gratuity	303,777			
- Others	-	303,777	344,000	344,000
Dividend Income		245,830		245,830
Interest on Fixed Deposits with Bank		-		26,880,327
Miscellaneous Income		1,586,376		119,531
Total		7,092,203		652,258,105
Note 16: Employee Benefits Expense				
Salaries, Allowances and Bonus		14,278,236		16,732,675
Contribution to Provident Fund, Labour Welfare Fund		750,205		879,831
Staff Welfare Expenses		1,842,471		845,241
Gratuity		-		116,996
Total		16,870,912		18,574,743
Note 17: Interest and Finance Expenses				
Bank Charges		15,009		24,686
Processing Charges on Loan		-		5,000,000
Interest on TDS		-		2,418
Total		15,009		5,027,104
Note 18: Other Expenses				
Grants		6,000,000		11,000,000
Rent and Amenities (Net)		8,917,615		5,799,429
Repairs and Maintenance				
- Computers	430,077		351,865	
- Building	4,105,432		3,961,838	
- Others	1,137,432	5,672,941	642,612	4,956,315
Postage and Telegrams		23,358		37,226
Printing and Stationery		1,013,578		294,281
Telephone Expenses		311,024		373,688
Consumables		-		5,859
Travelling and Conveyance		2,097,519		3,002,285
Consultancy Charges		1,482,510		1,150,200
Legal and Professional Charges		7,134,470		18,072,882
Conference and Seminar Expenses		1,118,423		29,447
Office Expenses		8,021,665		6,177,692
Sponsorship Charges		250,000		-
Annual Maintenance Charges		46,649		-
Website Maintenance and Internet Expenses		1,000,563		896,366
Auditors' Remuneration				
- For Statutory Audit (inclusive of Service Tax)	800,000		800,000	
- For Tax Audit	75,000		75,000	
- For Out of Pocket Expenses	45,300	920,300	46,530	921,530
Provision for Diminution in Value of Investments		330,000		-
Fixed Assets written off		-		4,043
Advances written off (Refer Note 20b)	19,770,354		15,172,970	
Investment written off	-		64,049,160	
Less : Transfer from Provision made in earlier years (Refer note 28)	(17,461,945)	2,308,409	(76,310,389)	2,911,741
Miscellaneous Expenses		227,906		394,888
Total		46,876,930		56,027,872

IFMR TRUST

19. Expenditure in Foreign Currency

Particulars	2015- 16	2014-15
	INR	INR
Legal and Professional charges	753,953	Nil
Total	753,953	Nil

20. 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 in the absence of profitability of their business activities and ability to repay outstanding amounts:

(Amount in INR)			
Name of the Entity	Type of Investment	Amount written off (FY 2015-16)	Amount written off (FY 2014-15)
Investment in Subsidiaries:			
NE Rural Tourism Private Limited	Equity Shares	NIL	21,653,300
NE Emerging Channels Services Private Limited	Equity Shares	NIL	11,366,880
NE Agri Services Private Limited	Equity Shares	NIL	11,207,580
NE Green Power Private Limited	Equity Shares	NIL	1,044,900
NE Milkrush Private Limited	Equity Shares	NIL	641,900
NE Aqua Private Limited	Equity Shares	NIL	99,900
NE Crafts and Apparels Private Limited	Equity Shares	NIL	99,900
NE Education Private Limited	Equity Shares	NIL	99,900
NE Rural BPO Company Private Limited	Equity Shares	NIL	99,900
Other Investments:			
Earthy Goods & Services Private Limited	Debentures	NIL	15,985,000
Desi Power (Kosi) Private Limited	Preference Shares	NIL	1,750,000
Total		NIL	64,049,160

IFMR TRUST

b. Advances given to the following companies have been written off:

(Amount in INR)

Name of the Entity	Amount written off (FY 2015-16)	Amount written off (FY 2014-15)
Earthy Goods & Services Private Limited	NIL	12,473,764
Pudhuaaru Kshetriya Gramin Financial Services (PKGFS)	NIL	1,198,591
Sahastradhara Kshetriya Gramin Services (SKGS)	NIL	858,462
NE Rural Tourism Private Limited	NIL	299,757
Dhanei Kshetriya Gramin Services (DKGS)	NIL	274,825
NE Green Power Private Limited	NIL	27,064
NE Milkcrush Private Limited	NIL	22,993
Other advances	13,44,826	17,514
Jagannatha Financials Services Limited	18,425,528	Nil
Total	19,770,354	15,172,970

21. During the year 2013-14, the trust had sold the shares held by them in IFMR Capital Finance Private Limited, IFMR Investment Adviser Services Private Limited and IFMR Rural Channels and Services Private Limited to IFMR Holdings Private Limited for a consideration of INR 998,477,719. Out of the total Consideration an amount of INR 950,000,000 was outstanding as on 31st March 2015 which has been settled during the year.

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 1,000,000,000 was outstanding as on 31st March 2015, which has been repaid during the year.

Additional information to the financial Statements

23. **Contingent liabilities and commitments (to the extent not provided for)**

IFMR TRUST

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	Income Tax Appellate Tribunal
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 and INR 1,000,000/- on 28th July 2015, INR 2,000,000/- on 31st August 2015 and INR 2,000,000/- on 24th September 2015 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 Income Tax Appellate Tribunal

***Out of total demand of INR 22,593,930, an amount of INR 2,500,000/- has been deposited on 25th February 2016 with the concerned authorities as per the order given by the honourable High Court of Madras.

Accounting Standard Disclosures

24. 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 2016

Amount in INR

Movements in Accrued Liability		
	2015-16	2014-15

IFMR TRUST

Accrued Liability as at beginning of the period:	1,474,412	1,445,374
Interest Cost	115,004	126,126
Current Service Cost	134,539	252,492
Benefits Paid	NIL	(87,958)
Actuarial (gain) / loss	(553,320)	(261,622)
Accrued Liability as at the end of the period	1,170,635	1,474,412
Amounts to be recognized in the Balance Sheet		
Present Value of obligations as on the accounting date	1,170,635	1,474,412
Liability to be recognized in the Balance Sheet	1,170,635	1,474,412
Expenses to be recognized in Profit and Loss Account		
Interest Cost	115,004	126,126
Current Service Cost	134,539	252,492
Net Actuarial (gain) / loss	(553,320)	(261,622)
Net Expenses to be recognized in Profit and Loss Account	(303,777)	116,996

Particulars	2015-16	2014-15
	Amount in INR	Amount in INR
Reconciliation		
Net Liability as at the beginning of the year	1,474,412	1,445,374
Net Expenses in Profit and Loss Account	(303,777)	116,996
Benefits Paid	NIL	(87,958)
Net Liability as at the end of the Year	1,170,635	1,474,412
Principal Actuarial Assumptions		
Interest Rate (Liabilities)	7.46	7.80
Return on Assets	N.A	N.A
Mortality Table	IALM(2006-08)	IAL (2006-08)
Resignation Rate per annum	3.00%	10.00%
Salary Escalation Rate	10.00%	10.00%

Notes:

- i) The estimate of future salary increase takes in to account inflation, seniority, promotion and other relevant factors.
- ii) Discount rate is the prevailing market yields used by LIC for similar computations.

IFMR TRUST

iii) Experience Adjustments:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
On plan Liability (gain)/loss	(553,320)	(3,77,293)	(1,17,263)	(4,05,853)	(1,089,040)
On plan Assets (gain) / loss	NIL	Nil	Nil	Nil	Nil
Present Value of benefit obligations	1,170,635	1,474,412	1,445,374	1,219,078	1,028,790
Fair Value of Plan Assets	NIL	Nil	Nil	Nil	Nil
Excess of obligation over plan assets	1,170,635	1,474,412	1,445,374	1,219,078	1,028,790

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, Kshama Fernandes and Sucharita Mukherjee - Directors

ii) Associates:

IKP Center for Advancement in Agricultural Practices

iii) Subsidiaries:

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

IFMR TRUST

- IFMR Mezzanine Finance Private Limited
- IFMR Finance Foundation
- IFMR Rural Finance Services Private Limited
- IFMR Investment Adviser Services Private Limited (a subsidiary of IFMR Capital)
- IFMR Rural Channels and Services Private Limited (IRCS) (a subsidiary of IFMR Holdings)
- IFMR Ventures India Private Limited
- Pudhuaaru Financial Services Private Limited (PFSP), (a subsidiary of IRCS)
- Ankur Securities Private Limited ((a subsidiary of IRCS)
- IFMR Investment Managers Private Limited (a subsidiary of IFMR Capital)

(b) Key Management Personnel:

Bindu Ananth, President of IFMR Trust

(c) Transactions with related parties during the year:

(Amount in INR)

Related Party	Transaction	For the Year ended 31st March 2016	For the Year ended 31st March 2015
IFMR Trusteeship Services Private Limited	Remuneration to Trustees	20,000	20,000
	Advance given	46,960	22,209
IFMR Ventures India Private Limited	Advance given	1,227	2,833,022
	Advance payable	562,500	Nil
IFMR Holdings Private Limited	Deferred consideration received for sale of equity shares in subsidiaries	950,000,000	48,477,719
	Other Advances	19,914,444	15,875,156
	Fixed Asset Transfer	55,827	57,955
	Investment - Equity Shares	NIL	143,500,000
	Space Sharing Cost	6,997,214	1,587,085
	Employee sharing cost	1,568,561	554,099
IFMR Investment Managers Private Limited	Investment - Equity Shares	NIL	NIL
	Space Sharing Cost	250,600	NIL

IFMR TRUST

Related Party	Transaction	For the Year ended 31st March 2016	For the Year ended 31st March 2015
	Advance given	21,706	38,980
IFMR Rural Finance Services Private Limited	Investment- Preference Shares	NIL	10,000,000
	Advance given	NIL	4,938,558
	Assets Transferred	NIL	42,570
	Space Sharing Cost	NIL	1,587,156
	Employee Sharing Cost	NIL	2,803,106
IFMR Rural Channels and Services Private Limited	Advance given	303,139	671,665
	Advance Received Back	1,548,598	159,984
	Space Sharing Cost	2,736,939	3,258,440
	Employee Sharing Cost	30,592	108,752
Pudhuaaru Kshetriya Gramin Financial Services	Advance Written Off	NIL	408,591
Sahastradhara Kshetriya Gramin Services	Advance Written Off	NIL	454,462
NE Emerging Channels Services Private Limited	Advance given	NIL	41,314
	Advances Received Back	NIL	127,125
	Investment - Equity Shares	NIL	11,266,890
	Investment - Written off	NIL	11,366,880
IFMR Capital Finance Private Limited	Advance given	2,790,066	1,561,249
	Space Sharing Cost	11,749,365	6,691,785
	Employee Sharing cost	238,465	143,671
	Advances Received Back	NIL	57,281

IFMR TRUST

Related Party	Transaction	For the Year ended 31st March 2016	For the Year ended 31st March 2015
IFMR Mezzanine Finance Private Limited	Space Sharing Cost	152,366	1,164,345
	Employee Sharing Cost	82,784	383,491
	Advances Received	73,971	345,223
NE Agri Services Private Limited	Investment- Written off	NIL	11,207,581
NE Aqua Private Limited	Investment- Written off	NIL	99,900
NE Crafts Apparel and Furnishings	Investment- Written off	NIL	99,900
NE Education Private Limited	Investment- Written off	NIL	99,900
NE Rural BPO Company Private Limited	Investment- Written off	NIL	99,900
IFMR Investment Adviser Services Private Limited	Space Sharing Cost	717,273	116,489
	Employee Sharing Cost	NIL	786,520
	Advances Received Back	3,172,482	344,612
	Advance given	264,005	826,909
IFMR Finance Foundation	Advance given	3,929,282	2,567,918
	Space Sharing Cost	1,600,002	1,980,511
	Employee Sharing Cost	821,465	858,909
	Grant Given	6,000,000	11,000,000
Pudhuaaru Financial Services Private Limited	Advance given	18,709	15,730
	Space Sharing Cost	690,237	NIL
NE Green Power Private Limited	Investment in Equity Shares	NIL	945,000
	Advance Written Off	NIL	27,064
	Investment- Written off	NIL	1,044,900
NE Milkrush Private Limited	Investment in Equity Shares	NIL	542,000

IFMR TRUST

Related Party	Transaction	For the Year ended 31st March 2016	For the Year ended 31st March 2015
	Advance Written Off	NIL	22,993
	Investment- Written off	NIL	641,900
NE Rural Tourism Private Limited	Investment in Equity Shares	NIL	21,553,400
	Advance Written Off	NIL	299,757
	Investment- Written off	NIL	21,653,300
IKP Center for Advancement in Agricultural Practices	Advance Given	11,393	8,988
Bindu Ananth - Key Managerial Personnel	Salary	7,260,000	7,200,000

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

(Amount in INR)

Related Party	Transaction	As at 31 st March, 2016	As at 31 st March, 2015
IFMR Trusteeship Services Private Limited	Remuneration to Trustees	140,000	120,000
	Advance Receivable	185,489	138,529
IFMR Ventures India Private Limited***	Advance given and outstanding	15,436,677	15,997,950
	Investment in Equity Shares	999,900	999,900
IFMR Rural Finance Services Private Limited	Investment in Equity Shares	211,499,900	211,499,900
	Investment - Preference Shares	NIL	10,000,000
	Advance given and outstanding	NIL	39,426,028
IFMR Holdings Private Limited	Advance given - deferred receivable for	NIL	950,000,000

IFMR TRUST

Related Party	Transaction	As at 31 st March, 2016	As at 31 st March, 2015
	sale of equity shares in subsidiaries		
	Other Advances	40,044,456	2,958,258
	Investment - Equity Shares	143,600,000	143,600,000
IFMR Investment Managers Private Limited	Advance given and outstanding	105,306	212,163
IFMR Rural Channels and Services Private Limited	Advance given and outstanding	567,662	337,008
IFMR Capital Finance Private Limited	Advance given and outstanding	2,518,397	1,057,414
IFMR Mezzanine Finance Private Limited	Advance given and outstanding	708,628	2,918,601
	Investment in Equity Shares	100,400,000	100,400,000
IFMR Investment Advisor Services Private Limited	Advance given and outstanding	442,237	2,462,966
IFMR Finance Foundation	Investment in Equity Shares	99,900	99,900
	Advance given and outstanding	18,600,726	17,559,723
Pudhuaaru Financial Services Private Limited	Advance given and outstanding	2,536	268,465
IKP Center for Advancement in Agricultural Practices	Investment in Equity Shares	49,000	49,000
	Advance given and Outstanding	2,496	8,987

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

IFMR TRUST

lease amounting to INR 8,917,615 (Previous year INR 5,799,429) have been charged to Profit and Loss Account.

Finance leases:

The trust has not taken any finance lease.

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 2.15 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)

Description	Opening Balance	Additions	Release	Closing Balance
Provision for doubtful loans & advances				
- On Long Term Loans and Advances	18,425,528	-	18,425,528	-
			-	
Provision for doubtful other advances			-	
- On Long Term Loans and Advances	-	-	-	-
- Short Term Loans and Advances	14,473,094	2,308,409	1,344,826	15,436,677
			-	
Provision for diminution in the value of investments			-	
- On Non-Current Investments	999,900		-	999,900
- Current Investments	334,000	330,000	-	664,000
Total	34,232,522	2,638,409	19,770,354	17,100,577

IFMR TRUST

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: 29th June 2016