



# V. NAGARAJAN & CO.,

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIAN GRAMEEN SERVICES

### Report on the financial statements

We have audited the accompanying financial statements of **INDIAN GRAMEEN SERVICES ("the Company")**, incorporating accounts of the Livelihood and Finance Innovation Fund and the operation relating to "Banking Correspondent" for financial inclusion services as permitted by Reserve Bank of India, which comprise the Balance Sheet as at March 31<sup>st</sup>, 2016, the Statement of Profit and loss account and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

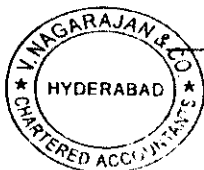
### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, to whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design and procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, 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 on the financial statements.



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# V. NAGARAJAN & CO.,

Chartered Accountants

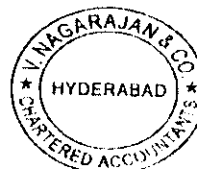
## Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

## Report on other legal and regulatory requirements

1. Since the Company is registered under section 8 of the Companies Act, 2013 (corresponding provision to Section 25 of Companies Act, 1956), the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of accounts as required by the law have been kept by the company, so far as appears from our examination of the books maintained at the Head office and all the branches of the company visited by us; the Company also has maintained separate set of books for the Livelihood and Finance Innovation Fund, a fund bestowed upon the company, in trust, and for operations of "banking correspondent" which relates to certain activities which are in the nature of business;
  - c) the Balance Sheet, the statement of 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) with respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us;
    - i) the company has disclosed the impact of pending litigations which would impact its financial position- refer note no.: 6 to the notes to accounts to financial statements.
    - ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) there were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

Pahalgam | May 21<sup>st</sup>, 2016



for V. NAGARAJAN & Co.,  
Chartered Accountants

  
(A.G. SITARAMAN)  
Partner

ICAI Firm Regn. No.: 04879N | M. No.: 017799



# V. NAGARAJAN & CO.,

*Chartered Accountants*

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **INDIAN GRAMEEN SERVICES** ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

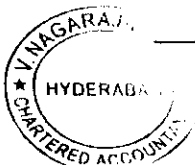
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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





# V. NAGARAJAN & CO.,

*Chartered Accountants*

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

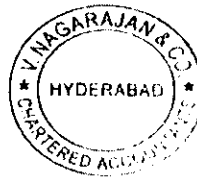
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*for V. NAGARAJAN & CO.,*  
*Chartered Accountants*

Pahalgam| May 21<sup>st</sup>, 2016



*A.G. Sitaraman*

**(A.G. SITARAMAN)**

*Partner*

M. No.: 017799| ICAI Firm Reg. No.: 04879 N

# INDIAN GRAMEEN SERVICES

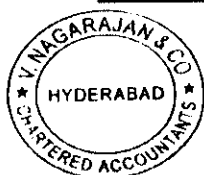
CIN: U85320DL1987NPL027141

Address: F-5, Ground Floor, Kailash Colony, Greater Kailash Part I,  
New Delhi -110048, India, Ph: 011- 41730252, www.basixindia.com, info@basixindia.com

## Audited Financial Statement

(All amounts in ₹ except otherwise stated)

BALANCE SHEET AS AT	Note No.	31-Mar-16	31-Mar-15
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3.1	82,500	82,500
(b) Corpus fund	3.2	47,853,331	47,077,849
(c) Reserves and surplus	3.3	36,278,918	38,274,245
<b>Sub Total</b>		<b>84,214,749</b>	<b>85,434,595</b>
<b>Non-Current liabilities</b>			
(a) Long-term borrowings	3.4	92,110,000	92,110,000
(b) Committed project based grants	3.5	69,929,244	67,443,958
<b>Sub Total</b>		<b>162,039,244</b>	<b>159,553,958</b>
<b>Current liabilities</b>			
(a) Trade payables	3.6	32,959,157	27,318,175
(c) Other current liabilities	3.7	93,239,882	124,963,193
(d) Due for collection (receivable from micro borrowers RBL Bank and Yes Bank Ltd as banking correspondent) - per contra		-	1,034,024,378
<b>Sub Total</b>		<b>126,199,039</b>	<b>1,186,305,746</b>
<b>Total</b>		<b>372,453,032</b>	<b>1,431,294,298</b>
<b>II. ASSETS</b>			
<b>Non-Current assets</b>			
(a) Fixed assets	3.8		
i) Tangible assets		26,760,138	29,670,693
(b) Non-current investments	3.9	508,925	508,925
(c) Deferred tax assets (net)	3.10	1,830,040	241,924
(d) Long term loans and advances	3.11	175,643,979	164,927,509
(e) Due for collection (receivable from micro borrowers RBL Bank and Yes Bank Ltd as banking correspondent) - per contra		-	1,034,024,378
<b>Sub Total</b>		<b>204,743,082</b>	<b>1,229,373,429</b>
<b>Current assets</b>			
(a) Trade receivables	3.12	21,661,705	19,990,290
(b) Cash and cash equivalents	3.13	122,211,843	163,607,174
(c) Other current assets	3.14	23,836,402	18,323,407
<b>Sub Total</b>		<b>167,709,951</b>	<b>201,920,870</b>
<b>Total</b>		<b>372,453,032</b>	<b>1,431,294,298</b>
Significant Accounting Policies and Notes on Accounts	1-2		
Supplementary Information	4-9		
Project Wise Receipts and Payments Account	10		
<i>The accompanying notes form an integral part of these financial statements.</i>			



As per our report of even date  
for **V. NAGARAJAN & CO.,**  
Chartered Accountants

*A.G. Sitaraman*  
**(A.G. SITARAMAN)**

Partner

ICAI Firm No. 04879N | M. No.: 017799

For and on behalf of the Board of Directors of  
**INDIAN GRAMEEN SERVICES**

*Vijay Mahajan*  
**(Vijay Mahajan)**  
Chairman

*Arijit Guha*  
**(Arijit Guha)**  
Managing Director

May 21st, 2016 | Pahalgaon

Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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## Audited Financial Statement

(All amounts in ₹ except otherwise stated)

STATEMENT OF PROFIT AND LOSS		31-Mar-16	31-Mar-15
	Note No.		
<b>REVENUE:</b>			
Revenue from operations	3.15	283,557,642	370,366,949
Other income	3.16	21,001,592	17,590,683
Reversal of provision for non-performing assets		-	1,656,359
Reversal of excess provision for expenses		-	827,584
<b>Total</b>		<b>304,559,234</b>	<b>390,441,576</b>
<b>EXPENDITURE:</b>			
Employee benefits expense	3.17	102,756,013	161,615,194
Operation and other expenses	3.18	192,017,587	217,038,724
Finance costs	3.19	2,241,369	2,324,831
Provision/(reversal of provision) for non-performing assets		5,412,286	-
Depreciation and amortisation expense	3.8	1,254,653	2,919,557
<b>Total</b>		<b>303,681,909</b>	<b>383,898,305</b>
<b>Profit before tax</b>		<b>877,325</b>	<b>6,543,271</b>
<b>Prior period expenses</b>		-	<b>3,910,607</b>
<b>Tax expense:</b>			
(a) Income Tax			
- Current year tax		1,200,000	1,000,000
(b) Deferred Tax / (Assets)			
- Deferred tax assets		(1,588,116)	1,704,815
<b>Profit after tax</b>		<b>1,265,441</b>	<b>(72,152)</b>
Earning per equity share [Basic and diluted]		Rs. 1,534	Rs. -87
Weighted average number of equity shares (face value of ₹ 100 each)		825	825
Significant Accounting Policies and Notes on Accounts	1- 2		
Supplementary Information	4-9		
Project Wise Receipts and Payments Account	10		

The accompanying notes form an integral part of these financial statements.

As per our report of even date  
for **V. NAGARAJAN & CO.,**  
Chartered Accountants

  
**(A.G. SITARAMAN)**  
Partner

ICAI Firm No. 04879N | M. Nu.: 017799

For and on behalf of the Board of Directors of  
**INDIAN GRAMEEN SERVICES**

  
**(Vijay Mahajan)**  
Chairman

  
**(Anjit Dutta)**  
Managing Director



May 21st, 2016 | Pahalgam

Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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## Audited Financial Statement

(All amounts in ₹. except otherwise stated)

CASH FLOW STATEMENT	31-Mar-16	31-Mar-15
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxation and after exceptional items	877,325	6,543,271
<b>Adjustment for Non-cash (income) / expenditure:</b>		
Depreciation and amortisation expense	1,254,653	2,919,557
Reversal of provision for non-performing assets	5,412,286	(2,483,943)
<b>Operating profit before changes in operating assets</b>	<b>7,544,264</b>	<b>6,978,885</b>
<b>Adjustments for:</b>		
(Increase)/ decrease in trade receivables	(1,671,415)	2,630,380
(Increase)/ decrease in long term loans and advances	(12,117,415)	18,707,183
(Increase)/ decrease in other current assets	(5,512,996)	32,384,064
Financial inclusion transactions - outflow	(652,413,789)	(14,512,726)
(Decrease)/increase in trade payables	5,640,981	9,484,714
Financial inclusion transactions - inflow	652,413,789	14,512,726
(Decrease)/increase in current liabilities	(31,723,310)	17,949,939
<b>Net cash generated from operating activities before tax</b>	<b>(37,839,891)</b>	<b>88,135,165</b>
Less: Income tax paid	5,211,341	21,499,538
<b>Net cash generated from operating activities after tax</b>	<b>(A) (43,051,232)</b>	<b>66,635,627</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(415,276)	(2,258,963)
Sale of fixed assets	2,071,177	-
<b>Net cash flow from investing activities</b>	<b>(B) 1,655,901</b>	<b>(2,258,963)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	-	-
<b>Net cash generated from financing activities</b>	<b>(C) -</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	(41,395,331)	64,376,664
<b>Cash and cash equivalents at the beginning of the year</b>	<b>163,607,174</b>	<b>99,230,510</b>
<b>Cash and cash equivalents at the end of the year [refer Note: 3.13]</b>	<b>122,211,843</b>	<b>163,607,174</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date  
for **V. NAGARAJAN & CO.,**  
Chartered Accountants

  
**(A.G. SITARAMAN)**  
Partner

ICAI Firm No. 04879N | M. No.: 017799

May 21st, 2016 | Pahalgam

For and on behalf of the Board of Directors of  
**INDIAN GRAMEEN SERVICES**

  
**(Vijay Mahajan)**  
Chairman

  
**(Anilit Datta)**  
Managing Director

Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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## Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

### 1) Note on Activities of the Company:

- 1.1 Indian Grameen Services (IGS) (herein after referred as 'the Company') is a not-for-profit organization engaged mainly in developing, pilot-testing and incubating innovative livelihood promotion solutions for the poor. It has been licensed under section 25 of the Indian Companies Act, 1956 by the Government of India to operate on certain conditions, mainly being that the company shall apply its profits, if any, or other income solely in promotion of its objects, and is prohibited from payment of any dividend to its members. Further the Company is registered under Section 12A of the Income Tax Act, 1961.
- 1.2 The Company's operations broadly divided into two major thrust areas involving Grant based development support in the field of Livelihood Promotion and Fee based Business Support Services and Activities to augment, expand and achieve scales in the promotion of Livelihoods in India.
- 1.3 The Developmental Activities involves research and development (R&D) for identifying appropriate livelihood opportunities to the masses and intervention points for supporting rural producers. In addition, Company builds the implementation (HRD) capabilities of various institutions and enabling them to deliver cost effective livelihood promotion activities, by involving itself in supporting different aspects of livelihoods, including to various community based organizations at grass root level. The Company earns service fees for these R&D, HRD and institutional support activities from various sources, which are also further supported by grants and endowments.
- 1.4 Business Support Services include acting a Banking Correspondent for various banks, to provide financial inclusion services at rural and semi urban areas, besides providing limited financial services to SHGs, Producer Companies, NGOs, etc from its Livelihood Promotion Fund.

*The Developmental Activities: Under this Division, during the year, IGS had taken up the following major initiatives:*

- 1.5 A) Action Research: IGS focus is on the sub-sector / vector intervention. It identifies potential sub-sectors / vectors (e.g. Groundnut, Cotton, Paddy, Soybean, Mushroom, Lac, Tassar, Milk, Handicraft, Water, Rural Power, etc.) In its area of operations, which can support a large number of livelihoods in the rural areas. As part of sub-sector studies, the bottlenecks are identified and appropriate intervention strategies in collaboration with key players are developed. Micro-intervention to test these strategies is then taken up for assessing their applicability on the ground and then scaled up to promote employment opportunities and livelihoods of poor people.
- 1.6 B) Livelihood Triad Services: Studies and research on promoting livelihoods of poor people reveals that poor people/ small and marginal producers living in far flung areas face lots of challenge in developing a portfolio of sustainable livelihoods for them and their families and a mix of services is to be offered to make them sustainable. IGS has been working with these communities and provides livelihoods triad services which is a mix of financial inclusion services (savings credit, remittances, insurance etc.), institutional development and policy support by working in groups and media and finally provide technical support services like market linkages, Agriculture extension, entering into contract farming, support in buying and selling activities directly or through a collaboration with various banks, research agencies, companies, government agencies among others. IGS also works on sectors like clean drinking water, sanitation, energy which has a direct link on the livelihoods and welfare of the poor masses.

### 2) Significant Accounting Policies:

#### 2.1 Basis of preparation of financial statements:

The financial statements have been prepared under historical cost convention on an accrual basis and in accordance with generally accepted accounting principles in India and specifically to comply in all material respects with the notified Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013 ('the Act').

The Consolidated financial statements of the company includes two important business divisions related to main objects of the company for Financial Inclusion, viz. (A) Business Correspondent and (B) Livelihood and Microfinance Promotion Fund (LAMP Fund), besides Grants and Consulting Based Services on Livelihood Promotion and Financial Inclusion.

#### 2.2 Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actuals and estimates are recognized in the period they materialize.

#### 2.3 Revenue recognition:

- 2.3.1 Revenue from livelihood promotion activities is recognised on the basis of proportionate completion of the contract with reference to the stage of performance and corresponding income.
- 2.3.2 Income from development services is recognized on proportionate completion method, measured by reference to the proportion of work completed under each contract.
- 2.3.3 Interest on loans to CBOs/NGOs is recognized on accrual basis, except in the case of Non-performing assets ("NPAs").
- 2.3.4 Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- 2.3.5 Income from banking Correspondence Operations are recognised as per Contracts with the respective Principal Bank, after all the adjustments
- 2.3.6 Amount received against written-off loan is recognized on receipt basis.



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Audited financial statements for the year ended March 31, 2016



# INDIAN GRAMEEN SERVICES

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Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

## 2.4 Fixed assets and depreciation:

- 2.4.1 Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- 2.4.2 The assets purchased (net of sale proceeds) are shown in the Balance Sheet at written down value under the head 'Fixed Assets', the corresponding amount is reflected as Fund balance under the head 'ASSETS ACQUISITION FUND' to reflect the depreciated value of the assets being utilized by the Company.
- 2.4.3 Depreciation is provided on the written down value at the following rates on pro-rata basis from the day the asset is put into use.
- 2.4.4 No depreciation has been provided on office flats acquired out of corpus funds.
- 2.4.5 The rate assumed for calculating the depreciation under written down value method is calculating as per Part- C of Schedule-II of Companies Act, 2013 as follows:

Class of fixed assets	Useful life as per Companies Act, 2013	Depreciation rate under Companies Act, 2013
Furniture & Fixtures	10 years	25.89%
Office equipment	5 years	45.07%
Professional Equipment (computers & software)	3 years	63.16%
Professional Equipment (Others)	5 years	45.07%
Vehicles	10 years	25.89%

- 2.4.6 Assets costing upto Rs. 5,000 individually are fully depreciated in the year of purchase.

## 2.5 Investments:

Long-term investments are shown at cost. Provision for diminution in value is made, if in the opinion of the management the decline is considered other than temporary. Current investments are shown at cost and the fall in value as compared to cost is provided for.

## 2.6 Policy on provisioning for loans:

The Policy, in respect of provision for loan losses, is designed to be higher than those prescribed under various statutory directives from time to time, since the credit provided from the Fund is an un-secured one, as well as, credit is extended to nascent NGO-MFIs and CO-MFIs with an aim to hit the targeted poor families.

Overdue	Provision in % of loan outstanding	Remarks
Up to 6 Months	10%	Based on quarterly assessment
More than 6 months less than 12 months	20%	
More than 12 months	100%	
Identified Loss Assets and Assets with an age of 12 months after 100% provisioning	100%	Based on proposal from LAMP Fund Manager for write off with details on efforts and reasoning for such write off with due approval from LAMP Fund Committee.

## 2.7 Retirement benefits:

The company has schemes of retirement benefits having provident fund and gratuity fund in respect of which the Company's contribution to the funds are charged to respective projects. The gratuity benefits of the company are administered by a trust formed for this purpose through the schemes of Life Insurance Corporation of India. Gratuity is being computed as per statutory norms and paid to the trust.

## 2.8 Foreign currency transactions:

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of transactions. Liabilities and receivables in foreign currency are converted at the exchange rate prevailing at the close of the financial year and net gain or losses are recognized in the statement of profit and loss account.

## 2.9 Provisions and contingencies:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation can not be made

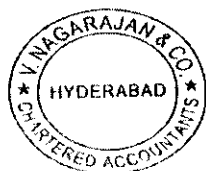
## 2.10 Accounting for taxes on Income:

Deferred tax expense or benefit is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situation, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

## 2.11 Earning per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

CIN: U05320DL1987NPL027141

Address: F-5, Ground Floor, Kailash Colony, Greater Kailash Part - I,  
New Delhi - 110048, India, Ph: 011- 41730252, www.basixindia.com, info@basixindia.com

## Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

### 3) Notes on accounts

#### 3.1 Share capital

	31-Mar-16	31-Mar-15
<i>Authorised:</i>		
10,000 equity shares of Rs. 100 each	1,000,000	1,000,000
<i>Issued, subscribed and paid-up:</i>		
825 equity shares of Rs.100 each fully paid-up	82,500	82,500

#### 3.1.1 The details of shareholders holding more than 5% of shares set out below:

	31-Mar-16	31-Mar-15
Deep Joshi	9.94%	9.94%
Bharti Gupta Ramola	9.94%	9.94%
Sankar Datta	9.94%	9.94%
Others	70.18%	70.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### 3.2 Corpus fund

	31-Mar-16	31-Mar-15
Sir Ratan Tata Trust	12,789,367	12,694,580
Add: Interest transferred from Note 3.3 (A)	128,529	94,787
	12,917,896	12,789,367
Swiss Agency for Development and Cooperation	34,288,483	33,659,509
Add: Interest transferred from Note 3.3 (A)	646,953	628,973
	34,935,436	34,288,482
<b>Total</b>	<b>47,853,331</b>	<b>47,077,849</b>

In order to protect the value of the corpus fund against inflation, the company invests following amount into the corpus fund at the end of each financial year.

- 10% of the interest earned or unutilized portion of interest whichever is greater, as per Section (e) of the agreement with Sir Ratan Tata Trust.
- 10% of the interest earned on the corpus fund investment from Swiss Agency for Development Cooperation, which in the judgment of the Company hedges against inflation as per Section 3 of the Agreement.
- Being a contractual obligation, irrespective of the net deficit/ or surplus, the company continues to provide for the above hedging.

#### 3.3 Reserves and surplus

	31-Mar-16	31-Mar-15
<b>A: Surplus in profit and loss account</b>		
Opening balance	32,839,221	29,905,325
Additions during the year	1,265,441	(72,152)
Assets/depreciation (as per contra)	839,377	4,743,617
Assets/depreciation (as per contra)- Deletion	2,071,181	-
<i>Appropriations:</i>		
Interest transferred to Corpus fund as per contractual obligation	(775,482)	(723,759)
Transfer to commitment based projects fund [note 3.6 (A)]	(2,485,286)	(1,013,810)
Transfer to capital grant/subsidy		
	33,754,452	32,839,221
<b>B: Assets acquisition fund (net of depreciation)</b>		
Opening balance	5,435,024	10,006,225
Assets/depreciation (As per contra)	(839,377)	(4,743,617)
Assets/depreciation (as per contra)- Deletion	(2,071,181)	-
Assets purchased from Grant Fund		172,416
	2,524,466	5,435,024
<b>Total</b>	<b>36,278,918</b>	<b>38,274,245</b>



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Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

CIN: U85320DL1987NPL027141

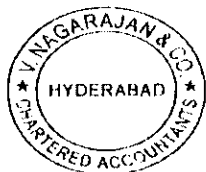
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## Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

	31-Mar-16	31-Mar-15
<b>3.4 Long-term borrowings</b>		
<i>Unsecured</i>		
The Ford Foundation, New York City, USA # - lamp Fund	92,110,000	92,110,000
<b>Total</b>	<b>92,110,000</b>	<b>92,110,000</b>
Loan availed from Ford Foundation, USA, rate of interest 1% and Exchange Fluctuation Rate 4%. Repayable in 4 equal installments commencing from May 29, 2020. As per the loan agreement, at the end of the each anniversary (May 31), Company shall deposit into Exchange Rate Fluctuation Account, in US\$ equivalent of an amount which is four percent of the loan outstanding amount.		
<b>3.5 Committed project based grants</b>		
<b>Development International Desjardines (DID)</b>		
Opening balance	67,443,958	66,430,148
Less: Transferred from Statement of profit & loss account (note 3.3 (A))	2,485,286	1,013,810
<b>Total</b>	<b>69,929,244</b>	<b>67,443,958</b>
<b>3.6 Trade payables</b>		
Sundry creditors	32,959,157	27,318,175
<b>Total</b>	<b>32,959,157</b>	<b>27,318,175</b>
<b>3.7 Other current liabilities</b>		
Statutory dues	1,410,846	4,071,068
Payable to staff	4,941,911	17,259,439
Interest accrued but not due on borrowings	718,583	675,145
BCSA float deposit	5,316,034	1,272,089
Exchange fluctuation reserve	32,130,595	25,310,394
Income received in advance	47,521,913	34,471,877
Provision for Income Tax	1,200,000	1,000,000
Payable to RBL Bank		40,903,181
<b>Total</b>	<b>93,239,882</b>	<b>124,963,193</b>
<b>3.9 Non-current investments</b>		
<b>Corpus Fund (Non-trade, Unquoted and valued at cost)</b>		
12.60 % Govt. of India Stock 2018	508,925	508,925
5,000 units of Rs. 100/- each (Market value not available) (provided by Sir Ratan Tata Trust)		
<b>Total</b>	<b>508,925</b>	<b>508,925</b>
<b>3.10 Deferred tax assets</b>		
Major component of deferred tax assets consist of the followings:		
(a) Depreciation and amortization expense	1,830,040	241,924
<b>Total</b>	<b>1,830,040</b>	<b>241,924</b>
<b>3.11 Long term loans and advances</b>		
<i>Unsecured, considered good</i>		
Telephone and rent deposits	2,011,103	2,607,576
TDS recoverable	54,742,116	50,730,775
<i>Other loans and advances</i>		
Loan to NGOs/CBOs/Co-operatives/Producer Company (LAMP Fund)		
- Unsecured and considered good	116,870,711	105,111,458
- Unsecured and considered doubtful	12,622,705	11,668,070
Less: Provision for non-performing assets	(10,602,656)	(5,190,370)
<b>Total</b>	<b>175,643,979</b>	<b>164,927,509</b>



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Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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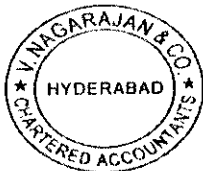
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Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

	31-Mar-16	31-Mar-15
<b>3.12 Trade receivables</b>		
Outstanding for less than six months		
Unsecured, considered good	21,661,705	19,990,290
<b>Total</b>	<b>21,661,705</b>	<b>19,990,290</b>
<b>3.13 Cash and cash equivalents</b>		
Cash in hand	-	924,255
Balance with banks		
- in current accounts	25,653,382	77,431,782
- in current account on behalf of BCSA's	6,543,235	1,447,263
	<b>32,196,617</b>	<b>79,803,300</b>
- in deposit accounts		
Out of Corpus fund provided by:		
Sir Ratan Tata Trust	13,801,351	13,542,758
Swiss Agency for Development and Cooperation	10,296,232	9,300,000
Out of Project/loan fund provided by:		
Ford Foundation - Exchange fluctuation reserve	31,671,870	26,617,850
Ford Foundation	9,000,000	17,431,850
DID Fund	7,644,831	-
Other project fund	17,600,942	16,911,415
	<b>90,015,226</b>	<b>83,803,873</b>
<b>Total</b>	<b>122,211,843</b>	<b>163,607,174</b>
<b>3.14 Other current assets</b>		
Advances to staff, others & projects	3,179,624	2,331,385
Interest accrued on term deposits and investments	4,087,826	2,827,959
Interest accrued on loans	2,724,398	1,335,827
Prepaid expenses	372,835	947,682
Prepaid taxes (pending for refund on appeal)	7,062,429	7,062,429
Stock of work in progress (Income net)	6,409,290	3,818,125
<b>Total</b>	<b>23,836,402</b>	<b>18,323,407</b>
<b>3.15 Revenue from operations</b>		
Revenue from development operations		
- Business correspondent for financial inclusion	150,827,732	216,030,659
- Institutional development	27,648,139	25,528,340
- Action research and development services	-	4,157,895
Revenue from livelihood promotion activities	87,320,122	106,727,728
Interest on loans to CBO/NGOs	17,761,649	17,922,327
<b>Total</b>	<b>283,557,642</b>	<b>370,366,949</b>
<b>3.15 Other income</b>		
Interest on term deposits	8,566,011	6,794,919
Rental income	6,933,016	7,460,350
Sale of solar lantern	-	2,011,425
Returnable Grant received back	366,621	75,000
Miscellaneous income	5,135,944	1,248,989
<b>Total</b>	<b>21,001,592</b>	<b>17,590,683</b>



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Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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## Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

### 3.17 Employee benefits expense

	31-Mar-16	31-Mar-15
Salaries, wages and bonus	92,270,571	143,828,682
Contributions to provident and other funds	8,903,456	15,313,914
Staff welfare expenses	1,554,154	1,596,534
Gratuity	27,833	876,064
<b>Total</b>	<b>102,756,013</b>	<b>161,615,194</b>

### 3.18 Operation and other expenses

	31-Mar-16	31-Mar-15
Program expenditure	16,700,333	51,033,660
Consultancy expenses	56,406,058	57,115,627
Travel and conveyance	24,012,571	38,201,698
Loss on Foreign exchange fluctuation expense	6,820,203	5,814,916
Service charges to livelihood service providers	70,645,596	26,217,321
Rent	5,354,428	7,635,767
Office maintenance expenses	2,673,925	5,466,884
Postage and telecommunications	2,350,566	4,304,604
Books, printing and stationery	1,024,925	2,489,174
Solar lantern materials consumed	-	1,787,672
Bad debts written-off	-	6,151,402
Meeting expenses	1,450,000	2,585,421
Training expenses	330,791	588,921
Rates and taxes	813,632	1,285,602
Payments to the auditor		
- as auditor	458,000	898,880
- for taxation matters	229,000	289,886
- for other services	535,216	-
- for reimbursement of expenses	389,548	607,600
Repairs and maintenance	134,684	277,078
Director's sitting fee	187,500	150,000
Sundry advances written off	199,363	495,570
Assets written off	1,158,106	-
Unrecovered advances of RBL under Business correspondent transactions	-	3,389,893
Other expenses	143,142	251,148
<b>Total</b>	<b>192,017,587</b>	<b>217,038,724</b>

### 3.19 Finance costs

	31-Mar-16	31-Mar-15
Interest on long term borrowings	921,100	921,100
Bank charges	1,320,269	1,403,731
<b>Total</b>	<b>2,241,369</b>	<b>2,324,831</b>

## 4) Supplementary Information:

### 4.1 Business Correspondent for Financial Inclusion:

4.1.1 These accounts pertain to Business Correspondent services provided by IGS to the following banks as on March 31, 2016

Name of the Bank	No of Branches/BC SA outlet	No of Deposit / Savings Accounts	Deposit/ Savings Amount in lakhs	No of outstanding credit account	Disbursement Amounts in Lakhs	No of Field Staff
<b>Syndicate Bank</b>						
BSCA appointed/ Accounts opened	1,359	668,332	5,346	-	-	304
BSCA / accounts Enable	1,359	668,332	-	-	-	-
<b>Total</b>	<b>1,359</b>	<b>668,332</b>	<b>5,346</b>	<b>-</b>	<b>-</b>	<b>304</b>

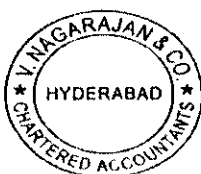
4.1.2 The company is extending Financial Inclusion services as a Business Correspondent of RBL Bank(RBL), Yes Bank Ltd.(YBL), and Syndicate Bank, in tune with its objects for promotion of Financial Inclusion Services to the poor and less privileged in the unbanked areas of India, under various commercial banks. This is as per RBI circular no. RBI/2011-12/100 DBOD.NO.BL.BC.33/22.01.001/2011-12, dated July 01, 2011 and subsequent circulars issued by RBI from time to time.

#### 4.1.2.1 RBL Bank (RBL):

The BC operations with RBL has been discontinued w.e.f. July 16, 2015.

#### 4.1.2.2 Yes Bank Ltd (YBL):

The BC operations with YBL has been discontinued w.e.f. December 15, 2015.



Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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## Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

### 4.1.2.3 Syndicate Bank:

For deposit and withdrawal of the customers of Syndicate Bank, the Company operates as a business correspondent through its mobile banking platform, enabled and integrated with the Bank's Core Banking Platform. Mainly to facilitate financial inclusion the company is working in rural areas and is outsourced to one of its associate concerns viz. BASIX Sub-K I Transactions Limited.

- In respect of its Business Correspondent agreement with Syndicate Bank and operationalization thereof, the Company holds term deposit certificates issued by bank in the joint name of Business Correspondent Service Agent's (BCSA's) and the Company.
- These deposits are entirely funded by BCSAs and not reflected in the books of the Company.
- The Bank has a lien on the term deposits to the extent of loan advanced by it to BCSAs on purchase of equipment by BCSA.
- Upon release of the lien, the Term deposits will be available to the Company as security against float balances made available by the company to BCSAs for operations between the customers of the bank and the bank.

### 4.2 Livelihood financial services

4.2.1 The Company is engaged in the study of institutions and delivery models to suggest and develop alternative implementation models for NREGA and SGSY, with a view to improve access to savings, technology assisted financial inclusion services. In pursuit of the same the company provides specific grant based (returnable / non returnable) and subsidized financial support (Loans) to various NGOs and CBMFIs through the corpus / long term funds provided by various International Developmental Institutions.

4.2.2 Livelihood and Microfinance Promotion Fund (LAMP Fund) The overall goal of the LAMP Fund is to contribute towards improvement in livelihood situation in rural India, especially for the disadvantaged sections of the society, through developing products and supporting financial services to small NGO microfinance institutions (NGO-MFIs), as well as community owned microfinance institutions (CO-MFIs). The funding is provided by Development International Desjardins, Canada (DID) and Ford Foundation, besides own funds of the company, through long term loans and grants.

In 2008, Ford Foundation supported through a long term loan of Rs. 92 million towards expansion of the LAMP fund and with the mandate of promoting large number of small & medium livelihood promoting institution in the different states of India.

### Summary of Activities as on March 31, 2016

Particulars	During the year	Cumulative
<b>Loans:</b>		
No. of Loans Sanctioned	30	241
No. of Loans Disbursed (Including Previous Sanction)	25	235
No. of active clients	69	69
Amount of Loans Sanctioned (₹. '000's)	116,000	576,590
Loans Disbursed (₹. '000's)	94,500	537,090
Loans Outstanding (₹. '000's)		129,493
<b>Development Support to CBO/NGOs (Returnable and Operating Grants):</b>		
No. of Clients		178
Value of Development Support Sanctioned (₹. '000's)		43,225
Development Support Disbursed (₹. '000's)		36,567

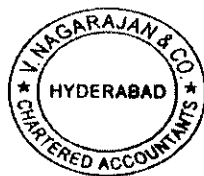
4.2.3 Loan to NGOs/CBOs/Co-operatives/Producer Company portfolio has been classified as per LAMP Fund Committee policy. The details are as follows:

### As on March 31, 2016

Asset classification	Classification criteria	No. of accounts	Amount Outstanding	Provision
Standard assets	0-180 days	56	116,870,711	40,045
Non-performing assets				
Sub-standard assets	181-365 days	4	2,575,119	515,024
Doubtful assets	Above 365 days	9	10,047,586	10,047,586
<b>Total</b>		<b>69</b>	<b>129,493,416</b>	<b>10,602,655</b>

### As at 31 March 2015

Asset classification	Classification criteria	No. of accounts	Amount Outstanding	Provision
Standard assets	0-180 days	58	109,340,795	422,934
Non-performing assets				
Sub-standard assets	181-365 days	4	3,339,123	667,825
Doubtful assets	Above 365 days	5	4,099,610	4,099,610
<b>Total</b>		<b>67</b>	<b>116,779,528</b>	<b>5,190,369</b>



Handwritten signatures and initials.

Audited financial statements for the year ended March 31, 2016

# INDIAN GRAMEEN SERVICES

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Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2016

(All amounts in ₹ except otherwise stated)

## 5) Segment Information

Based on the analysis of the company's business model and considering the management structure, financial reporting and on consideration of the differential risk and return of segments, the management has classified its business operations into the following operating and reportable segments viz. (a) Financial inclusion fund based / BC based (b) Program based revenue contracts (c) Grants

Particulars	31-Mar-16			
	Financial inclusion fund based / BC based	Program based revenue contracts	Grants	Total
I Segment Revenue	192,685,141	16,692,535	95,181,561	304,559,237
% of total revenue	63.27%	5.48%	31.25%	100.00%
II Segment expenditure	183,868,788	30,704,385	89,108,739	303,681,912
% of total expenditure	60.55%	10.11%	29.34%	100.00%
III Segment result	8,816,353	(14,011,850)	6,072,822	877,325
% of total result on revenue	2.89%	-4.60%	1.99%	0.29%

Note:

(a) Fixed Assets used in the business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

## 6) Contingent liability and capital commitments:

### A. Contingent liability:

#### 6.1 Income Tax Liability:

a) in respect of Assessment year 2007-08, based on the decision and direction by Hon'ble Income tax Appellate Tribunal, Delhi, the assessment stands nullified and the Commissioner of Income tax (Appeals) has been directed to examine the matter of dispute afresh, based on the directions so issued. Pending this examination, the company has not provided any liability for tax due aggregating to Rs. 192.77 lacs against which the department has adjusted tax deducted at source of Rs. 70.62Lacs which is due to the company and disclosed as an asset in the accounts.

b) in view of the predominant, business activities carried by the company, the tax liability if any, on the business operations of company as may be perceived by the Income tax Authorities has been considered in the accounts.

### B. Commitments : Nil (Previous year: Nil)

## 7) Dues to Micro and Small enterprises:

The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. Under these circumstances, the information, if any, required to be disclosed under the Act, has not yet been ascertained.

## 8) Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either "Nil" or "Not applicable" has not been furnished.

## 9) Prior year comparatives:

Corresponding figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the figures of the current year.



As per our report of even date  
for **V. NAGARAJAN & CO.,**  
Chartered Accountants

*A.G. Sitaraman*

(A.G. SITARAMAN)  
Partner

ICAI Firm No. 04879N | M. No.: 017799

May 21st, 2016 | Pahalgam

For and on behalf of the Board of Directors of  
**INDIAN GRAMEEN SERVICES**

*Vijay Mahajan*  
(Vijay Mahajan)  
Chairman

*Anil Dutta*  
(Anil Dutta)  
Managing Director

# INDIAN GRAMEEN SERVICES

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Notes to Audited Financial Statement for the year ended March 31, 2016

Note 3.8 : Fixed Assets

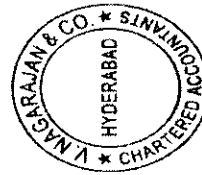
(All amounts in ₹ except otherwise stated)

S. N.	Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on April 01, 2015	Additions during the year	Sale / Transfer/ Adj. during the year	As on March 31, 2016	As on April 01, 2015	During the year and additions	Sale / Transfer/ Adj. during the year	As on March 31, 2016	As on March 31, 2015
<b>Tangible Assets</b>										
<b>Out of Corpus Fund:</b>										
I	Land & Buildings	24,235,669	-	-	24,235,669	-	-	-	24,235,669	24,235,669
	<b>Total [A]</b>	<b>24,235,669</b>	<b>-</b>	<b>-</b>	<b>24,235,669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,235,669</b>	<b>24,235,669</b>
<b>Out of Other Funds:</b>										
I	Agriculture Land	1,483,758	-	-	1,483,758	-	-	-	1,483,758	1,483,758
II	Furniture and Fixtures	3,036,811	-	1,418,210	1,618,603	2,350,216	1,40,595	1,091,783	1,459,028	686,595
III	Professional Equipment	8,361,819	392,425	2,018,402	6,735,842	6,952,733	544,609	1,264,316	6,233,026	1,409,086
IV	Professional Equipment (computer software)	4,358,368	-	-	4,358,368	4,358,368	-	-	4,358,368	-
V	Professional Equipment (others)	1,926,456	-	135,251	1,791,205	1,786,078	52,861	115,116	1,723,823	140,378
VI	Office Equipment	7,505,034	22,850	4,660,289	2,867,595	5,789,826	516,588	3,749,758	2,556,657	310,938
	<b>Total [B]</b>	<b>26,672,246</b>	<b>415,276</b>	<b>8,232,153</b>	<b>18,855,371</b>	<b>21,237,222</b>	<b>1,254,653</b>	<b>6,160,972</b>	<b>16,330,902</b>	<b>5,435,024</b>
	<b>Grand total [A+B]</b>	<b>50,907,915</b>	<b>415,276</b>	<b>8,232,153</b>	<b>43,091,040</b>	<b>21,237,222</b>	<b>1,254,653</b>	<b>6,160,972</b>	<b>16,330,902</b>	<b>29,670,683</b>
	<b>Previous year</b>	<b>48,648,952</b>	<b>2,258,963</b>	<b>-</b>	<b>50,907,915</b>	<b>14,407,058</b>	<b>6,830,164</b>	<b>-</b>	<b>21,237,222</b>	<b>34,241,894</b>

Note:

- Depreciation has been provided on written down value method at the rates prescribed by Schedule II of the Companies Act, 2013
- Individual assets acquired for Rs. 5,000 or less are fully depreciated in the year of acquisition.

As per our report of even date  
 for V. NAGARAJAN & CO.,  
 Chartered Accountants



*(Signature)*  
 (A.G. SITARAMAN)  
 Partner

ICAI Firm No. 048791 | M. No. 017799

May 21st, 2016 | Palalgaon

For and on behalf of the Board of Directors of  
 INDIAN GRAMEEN SERVICES

*(Signature)*  
 (Vijay Mahajan)  
 Managing Director



# INDIAN GRAMEEN SERVICES

CKR: UB8320DL987NP.027141  
 Address: F-3, Ground Floor, Kalibah Colony, Greater Kailash Part - I,  
 New Delhi - 110048, India, Ph: 011-41730252, www.basixindia.com, info@basixindia.com

## Notes to Audited Financial Statement for the year ended March 31, 2016

### Note 4.3 - Related party disclosures

(All Amount in ₹ except otherwise stated)

Name of the party	Nature of Relationship	Nature of transaction	Type of transaction	31-Mar-16		31-Mar-15	
				Transaction Amount	(Payable) / Receivable	Transaction Amount	(Payable) / Receivable
Bhartiya Samruddhi Investment and Consulting Services Ltd	Entity in which Directors have significant influence	Rent & Reimbursement of Electricity Charges	Receipt	2,014,395	-	2,281,939	(6,10,185)
BASIX Krishi Samruddhi Ltd	Entity in which Directors have significant influence	Consolidation Fees paid to Annual License Fee for usage of Vitran SP	Payment	-	-	4,000,000	-
Institute of Livelihood Research and Training	Entity in which Directors have significant influence	Rent and reimbursement of expenses	Payment	200,000	50,008	127,650	255,108
BASIX Consulting and Technology Services Limited	Entity in which Directors have significant influence	Rent and reimbursement of expenses	Receipt	272,344	-	66,000	-
BASIX Academy for Building Lifelong Employability	Entity in which Directors have significant influence	Grant	Payment	1,250,000	-	-	-
		Grant	Receipt	-	-	100,000	-
		Consultancy fees/Training	Payment	593,426	-	-	-
		Rent and reimbursement of expenses	Receipt	366,761	-	31,097	-
		Consultancy fees/Training	Payment	156,000	-	-	-
		Rent and reimbursement of expenses	Receipt	24,000	289,764	60,000	262,344
		Support rendered for Syndicate Bank as a Business Correspondent	Payment	47,811,538	(12,461,094)	42,259,057	(6,308,476)
		Rent and reimbursement of expenses	Receipt	634,972	-	467,520	-
		Sale of fixed assets	Receipt	919,819	-	-	-
		Business facilitation fee	Receipt	314,350	-	-	-
		Rent and reimbursement of expenses	Receipt	5,277,482	-	5,444,990	-
		Rent and reimbursement of expenses	Receipt	204,943	459,017	12,000	-
		Sale of solar stock	Receipt	-	-	387,171	390,542
		Rent and reimbursement of expenses	Receipt	12,000	-	12,000	-
		Rent and reimbursement of expenses	Receipt	12,000	10,114	12,000	-
		Purchases of fixed assets	Payment	-	-	71,100	-
		Rent and reimbursement of expenses	Receipt	12,000	-	12,000	(2,250)
		Rent and reimbursement of expenses	Receipt	12,000	-	12,000	-
		Rent and reimbursement of expenses	Receipt	24,000	-	16,000	16,000
Mr. Vijay Mahajan	Key management Personnel			-	-	-	-
Mr. Mihir Sahana	Key management personnel up to September 30, 2014	Remuneration	Payment	-	-	1,437,951	-
Mr. Arjit Dutta	Key management personnel w.e.f October 01, 2014	Remuneration	Payment	3,229,164	-	1,234,200	-

As per our report of even date  
 for V. NAGARAJAN & CO.,  
 Chartered Accountants



*Agha Anwar*  
 (A.G. SITARAMAN)  
 Partner  
 ICAI Firm No. 048794 | M. No. 617799

May 21st, 2016 | Palgham

For and on behalf of the Board of Directors of

INDIAN GRAMEEN SERVICES

*Arjit Dutta*  
 Arjit Dutta  
 Managing Director

*Vijay Mahajan*  
 Vijay Mahajan  
 Chairman

**INDIAN GRAMSEEN SERVICES**

Return to Audited Financial Statement for the year ended March 31, 2015  
 Note 19 : CONSOLIDATED PROJECT BASED RECEIPTS AND PAYMENTS ACCOUNTS AS ON MARCH 31, 2015

PARTICULARS	PERIOD OF EXECUTION		FOUND BALANCE			RECEIVE			EXPENDITURE			Closing Balance (Carried over from 31/03/2014)	Closing Balance (Carried over from 31/03/2014)	Closing Balance (Carried over from 31/03/2014)	
	Starting Date	Ending Date	Project Value Under Execution	Project Value Under Execution	Project Value Under Execution	Opening Balance (Carried over from 31/03/2014)	Receipts during the year	Payments during the year	Opening Balance (Carried over from 31/03/2014)	Receipts during the year	Payments during the year				Net
<b>UNCOMMITTED - BUREAU LEVEL</b>															
Expenditure Socialized, Jammu & Kasmir - Newer Sanction Projects	01/04/13	31/03/15	16,218,594	10,979,574	5,239,018	10,658,572	5,433,027	5,239,018	5,239,018						
Subsidized Network A&S UP/MS - Newer Sanction Projects	01/04/15	31/03/16	5,468,161	1,677,750	2,693,803	5,468,161	1,677,750	2,693,803	5,468,161						
Solidified Regional (UP/MS) Centre - Newer Sanction Projects	01/04/14	31/03/15	9,972,053	1,677,750	2,693,803	9,972,053	1,677,750	2,693,803	9,972,053						
Subsidized Regional (UP/MS) Centre - Newer Sanction Projects	01/04/14	31/03/15	1,508,352	1,312,134	1,963,819	1,508,352	1,312,134	1,963,819	1,508,352						
Solidified Regional (UP/MS) Centre - Newer Sanction Projects	01/04/15	30/06/16	381,875		381,875			381,875							
Better Farm Practices (UP/MS) - Maharashtra (Maharashtra)	01/04/13	31/03/16	2,413,424	2,413,424	2,413,424	2,413,424		2,413,424							
MS Foundation - Various States	01/04/13	31/03/16	34,334,081	26,980,252	7,543,829	35,872,285	7,543,829	28,328,456	7,543,829						
MS Foundation - Maharashtra (Maharashtra)	01/04/14	30/06/16	2,740,000	761,152	2,018,848	2,740,000	761,152	2,018,848	2,740,000						
MS Foundation - Various States	01/04/13	31/03/16	5,865,000		5,865,000	5,865,000		5,865,000							
MS Foundation - Maharashtra (Maharashtra)	01/04/13	30/06/16	19,730,223	11,624,837	6,295,388	21,355,122	6,295,388	15,059,734	6,295,388						
Small Foundation - Maharashtra (Maharashtra)	01/04/13	31/03/16	3,494,085	576,861	2,917,224	3,494,085	576,861	2,917,224	3,494,085						
Water for People - Maharashtra (Maharashtra)	01/04/13	30/06/16	1,832,536	1,246,092	366,444	1,832,536	1,246,092	366,444	1,832,536						
Water for People - Maharashtra (Maharashtra)	01/04/14	30/06/16	1,272,835	3,863,831	428,764	1,272,835	3,863,831	428,764	1,272,835						
ICDS & ECE in Action - Maharashtra (Maharashtra)	01/04/13	31/03/16	10,985,473	9,106,137	1,879,336	10,985,473	9,106,137	1,879,336	10,985,473						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	638,282		638,282	638,282		638,282	638,282						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	1,605,658		1,605,658	1,605,658		1,605,658	1,605,658						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	1,254,549		1,254,549	1,254,549		1,254,549	1,254,549						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	1,509,182		1,509,182	1,509,182		1,509,182	1,509,182						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	2,115,780		2,115,780	2,115,780		2,115,780	2,115,780						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	2,028,387		2,028,387	2,028,387		2,028,387	2,028,387						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	1,025,081		1,025,081	1,025,081		1,025,081	1,025,081						
ITC Limited - Maharashtra (Maharashtra)	01/04/13	31/03/16	1,061,536		1,061,536	1,061,536		1,061,536	1,061,536						
The Regional - Maharashtra (Maharashtra)	01/04/13	31/03/16	2,118,741		2,118,741	2,118,741		2,118,741	2,118,741						
The Regional - Maharashtra (Maharashtra)	15/06/15	14/06/16	2,684,000		2,684,000	2,684,000		2,684,000	2,684,000						
Foreign Agency Centre	30/06/15	31/03/16	9,036,246		9,036,246	9,036,246		9,036,246	9,036,246						
Foreign Agency Centre	15/06/15	14/06/16	15,538,884		15,538,884	15,538,884		15,538,884	15,538,884						
<b>UNCOMMITTED - BUREAU LEVEL</b>															
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	01/04/13	31/03/16	12,245,000	2,673,796	7,571,234	10,045,500	4,098,000	5,122,500	3,171,380						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	01/04/13	31/03/16	4,067,000	2,188,753	1,878,247	6,114,000	2,442,000	2,442,000	672,833						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	02/02/13	30/06/16	16,333,000	10,793,979	5,578,221	8,571,800	6,125,800	5,184,984	5,184,984						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	15/06/15	14/06/16	4,060,000	1,300,000	1,780,000	4,060,000	1,300,000	1,780,000	1,300,000						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	01/04/13	31/03/16	2,372,000	1,650,000	772,000	3,224,000	1,650,000	1,650,000	1,650,000						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	15/06/15	14/06/16	30,915,000	18,837,664	12,077,336	12,366,000	3,091,500	15,477,500	5,813,588						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	01/04/14	31/03/17	10,445,000	4,050,136	6,194,864	2,048,000	3,073,500	3,295,909	2,295,909						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	13/06/14	30/06/17	2,827,000	1,348,956	918,044	2,327,000	1,094,800	1,094,800	144,201						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	07/08/13	06/08/15	2,473,000	2,371,186	102,814	2,473,000	2,371,186	102,814	102,814						
Small Farmers Agribusiness Consortium - Maharashtra (Maharashtra)	07/08/13	06/08/15	1,194,288	1,641,934	4,582,254	710,438	6,193,868	1,354,837	1,354,837						



**INDIAN GRAMEEN SERVICES**

Notes to Annual Financial Statement for the year ended March 31, 2016  
 Note 18 - CONSOLIDATED PROJECT BASED RECEIPTS AND PAYMENTS ACCOUNTS AS ON MARCH 31, 2016

PARTICULARS	PERIOD OF EXECUTION		PAID BALANCE		INCOME		EXPENDITURE		Pending amounts to be adjusted to balance sheet	Total Fund Utilization	CLOSING BALANCE	
	Starting Date	Ending Date	Project Value (Rupee Lakhs)	Subsidy on Fund (Rupee Lakhs)	Opening Balance (Rupee Lakhs) as on March 31, 2015	Income (Rupee Lakhs)	Project Value (Rupee Lakhs)	Subsidy on Project (Rupee Lakhs)			Other Income (Rupee Lakhs)	Address (Rupee Lakhs)
<b>A</b>												
Small Enterprises Agri Business Cluster - Project	21/Nov/14	15/Nov/15	1,10,000	1,10,000	1,10,000	1,10,000	2,471,897	2,471,897	2,471,897	1,10,000	1,10,000	1,10,000
Small Enterprises Agri Business Cluster - Project	21/Nov/14	15/Nov/15	16,245,000	1,61,648	1,63,263	1,63,263	1,716,645	1,716,645	1,716,645	16,245,000	16,245,000	16,245,000
Small Enterprises Agri Business Cluster - Project	01/Nov/15	31/Mar/16	5,078,800	-	5,078,800	5,078,800	1,842,310	1,842,310	1,842,310	5,078,800	5,078,800	5,078,800
Small Enterprises Agri Business Cluster - Project	01/Nov/15	31/Mar/16	8,253,670	-	8,253,670	8,253,670	1,899,159	1,899,159	1,899,159	8,253,670	8,253,670	8,253,670
Small Enterprises Agri Business Cluster - Project	22/Nov/15	31/Mar/16	68,720	1,64,896	2,33,616	2,33,616	1,502,483	1,502,483	1,502,483	68,720	1,64,896	2,33,616
National Bank for Agriculture and Rural Development - Project for Small Enterprises Agri Business Cluster	01/Nov/15	31/Mar/16	1,911,682	614,138	2,525,820	2,525,820	428,672	428,672	428,672	1,911,682	614,138	2,525,820
Regional Waterlines Watershed Mission - Project	01/Nov/15	31/Mar/16	2,746,971	1,107,624	3,854,595	3,854,595	16,408	16,408	16,408	2,746,971	1,107,624	3,854,595
MABAB - PPO - Other	22/Nov/15	31/Mar/16	800,000	-	800,000	800,000	-	-	-	800,000	-	800,000
Scholarship Scheme - Project	26/Nov/15	31/Mar/16	344,800	-	344,800	344,800	42,420	42,420	42,420	344,800	-	42,420
NGO - Strengthening the capabilities of women producer organizations in Andhra Pradesh	01/Nov/15	31/Mar/16	500,000	-	500,000	500,000	-	-	-	500,000	-	500,000
Indian Agency Service					2,87,772	2,87,772	1,131,111	1,131,111	1,131,111	2,87,772	1,131,111	1,418,883
<b>Total India Fund - Charitable (H)</b>			1,80,902,145	55,461,854	2,36,364,000	2,36,364,000	34,041,293	34,041,293	34,041,293	1,80,902,145	55,461,854	2,36,364,000
<b>Grand Total</b>			1,80,902,145	55,461,854	2,36,364,000	2,36,364,000	34,041,293	34,041,293	34,041,293	1,80,902,145	55,461,854	2,36,364,000
<b>B. UNCOMMITTED FUNDS</b>												
Service Agency for Development Cooperation - Service Fund					6,483,379	6,483,379	1,996,516	1,996,516	1,996,516	6,483,379	1,996,516	8,479,895
Action Research and Development Services - General Fund					3,285,399	3,285,399	50,431	50,431	50,431	3,285,399	50,431	3,335,830
Technical Development Services - General Fund (including other income)					7,510,934	7,510,934	21,624,829	21,624,829	21,624,829	7,510,934	21,624,829	29,135,763
Technical Development Services - General Fund (including other income)					2,042,342	2,042,342	6,348,243	6,348,243	6,348,243	2,042,342	6,348,243	8,390,585
Indian Grammen Services General Fund (Interest & Other Income)					5,806,965	5,806,965	5,806,965	5,806,965	5,806,965	5,806,965	5,806,965	11,613,930
Technical Development Services - General Fund (including other income)					2,731,234	2,731,234	2,731,234	2,731,234	2,731,234	2,731,234	2,731,234	5,462,468
Technical Development Services - General Fund (including other income)					113,285,211	113,285,211	113,285,211	113,285,211	113,285,211	113,285,211	113,285,211	226,570,422
Technical Development Services - General Fund (including other income)					418,431	418,431	418,431	418,431	418,431	418,431	418,431	836,862
Technical Development Services - General Fund (including other income)					55,392,929	55,392,929	47,682,256	47,682,256	47,682,256	55,392,929	47,682,256	1,03,075,185
<b>Total of Uncommitted Funds - (H)</b>					1,84,542,614	1,84,542,614	2,01,602,565	2,01,602,565	2,01,602,565	1,84,542,614	2,01,602,565	3,86,145,179
<b>Total of Lump Fund (H)</b>												
<b>Grand Total - (H)</b>												
Technical Development Services - General Fund (including other income)					1,10,979,793	1,10,979,793	1,10,979,793	1,10,979,793	1,10,979,793	1,10,979,793	1,10,979,793	2,21,959,586
Technical Development Services - General Fund (including other income)					1,195,976	1,195,976	1,195,976	1,195,976	1,195,976	1,195,976	1,195,976	2,391,952
Technical Development Services - General Fund (including other income)					183,620	183,620	183,620	183,620	183,620	183,620	183,620	367,240
<b>Total of Lump Fund (H)</b>												
<b>Grand Total - (H)</b>												

As per our report of Director  
**INDIAN GRAMEEN SERVICES**  
 Hyderabad  
 28/03/2016

For V. NAGARAJAN & CO.  
 Chartered Accountants  
**V. Nagarajan & Co.**  
 HYDERABAD  
 CHARTERED ACCOUNTANTS

As per our report of Director  
 As per our report of Director  
 As per our report of Director  
 As per our report of Director