

**IFMR Advisory Services
Private Limited**

**Financial Statements
for the year ended
31st March 2013**

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar, Chennai - 600 017
Tel : +91 (44) 6688 5000
Fax : +91 (44) 6688 5050

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IFMR ADVISORY SERVICES PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IFMR ADVISORY SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

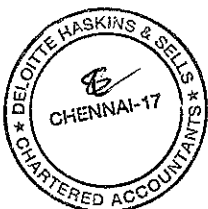
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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.



Deloitte Haskins & Sells

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

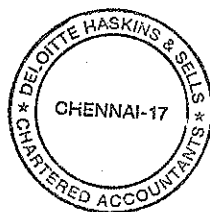
1. The requirements of Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, are not applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations 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 Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

Bhavani Balasubramanian

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

CHENNAI, May 27, 2013



IFMR ADVISORY SERVICES PRIVATE LIMITED
Balance Sheet as at 31 March, 2013

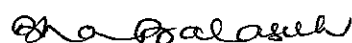
(Amount in INR)

	Note No.	As at 31 March 2013
A. EQUITY and LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	3	3,500,000
(b) Reserves and Surplus	4	(806,871)
		2,693,129
(2) Non Current Liabilities		
Long-Term Provisions	5	49,475
		49,475
(3) Current Liabilities		
(a) Trade Payables	6	613,561
(b) Other Current liabilities	7	24,710
		638,271
TOTAL		3,380,875
B. ASSETS		
(1) Non-Current Assets		
Fixed Assets		
Tangible Assets	10	39,013
		39,013
(2) Current Assets		
(a) Cash and Cash Equivalents	8	2,272,554
(b) Short-Term Loans and Advances	9	1,069,308
		3,341,862
TOTAL		3,380,875

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Bhavani Balasubramanian
Partner

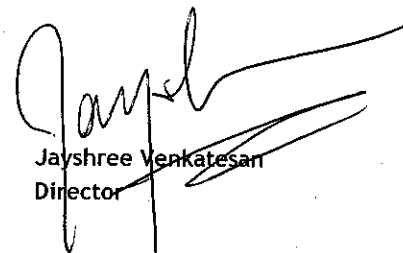
Place: Chennai
Date: 27th May 2013



For and on behalf of the Board of Directors



Bindu Ananth
Director



Jayshree Venkatesan
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Statement of Profit and Loss for the period ended from 27 September 2012 to 31 March 2013

(Amount in INR)

	Note No.	For the period from 27 September 2012 to 31 March 2013
INCOME (I)		-
EXPENSES		
Employee Benefits Expense	11	51,691
Depreciation	10	9,887
Other Expenses	12	745,293
TOTAL EXPENSES (II)		806,871
Loss for the Period Before Tax (I-II)		(806,871)
Tax Expenses:		
a) Tax Expenses for the Current Period		-
b) Deferred Tax		-
Loss for the Period		(806,871)
Earnings per share (of Rs.100 each)		
Basic	15	(157.32)
Diluted	15	(157.32)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



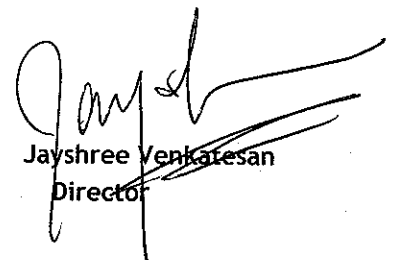
Bhavani Balasubramanian
Partner

Place: Chennai
Date: 27th May 2013



For and on behalf of the Board of Directors


Bindu Ananth
Director


Jayshree Venkatesan
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Cash Flow Statement for the period ended from 27 September 2012 to 31 March 2013

(Amount in INR)

	For the period from 27 September 2012 to 31 March 2013
CASH FLOW FROM OPERATING ACTIVITIES:	
Loss for the year before Tax	(806,871)
<u>Adjustments for:</u>	
Depreciation	9,887
Provision for Gratuity	49,475
Operating Loss before Working Capital Changes	(747,509)
<u>Changes in working capital:</u>	
Adjustments for (increase)/decrease in Operating Assets	
Short Term Loans & Advances	(1,069,308)
Adjustments for increase/(decrease) in Operating Liabilities	
Current Liabilities	638,271
Cash used in operations	(1,178,546)
Net income taxes Paid/(Refunded)	-
Net Cash used in Operations Activities (A)	(1,178,546)
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(48,900)
Net Cash used in Investing Activities (B)	(48,900)
CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from issue of Equity Shares	2,500,000
Proceeds from issue of Preference Shares	1,000,000
Net cash generated from Financing Activities (C)	3,500,000
Net Increase in Cash and Cash Equivalents (A+B+C)	2,272,554
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	2,272,554
Reconciliation of Cash and Cash equivalents:	
Cash and Cash Equivalents as per Balance sheet (Refer Note 8)	2,272,554
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 8	2,272,554
Cash and cash equivalents at the end of the period comprises of:	
Balances with banks in Current Account	2,272,554

See accompanying notes forming part of the financial statements

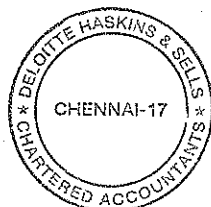
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

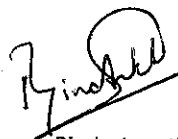


Bhavani Balasubramanian
Partner

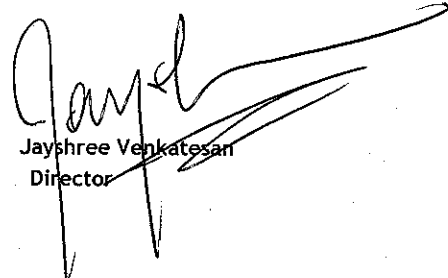
Place: Chennai
Date: 27th May 2013



For and on behalf of the Board of Directors



Bindu Ananth
Director



Jayshree Venkatesan
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Notes forming part of financial statements

1. Corporate Information

IFMR Advisory Services Private Limited ("IFMR Advisory") was incorporated on 27th September 2012, under The Companies Act, 1956 as a wholly owned subsidiary of IFMR Trust with the aim to undertake the business of facilitating investments and act as advisors to provide financial/ investment advice to both Indian and Foreign Investors. The Company has applied to the Securities and Exchange Board of India for grant of registration as investment advisor under Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared on accrual basis under the historical cost convention.

The Company is a subsidiary of IFMR Trust, which is not a Small and Medium Sized entity (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has also been classified as non-SMC and has complied with the accounting standards as applicable to a non - SMC.

2.2 Use of estimates

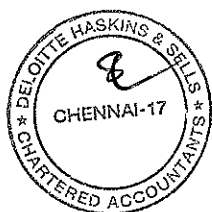
The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires the management estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Fixed Assets and Depreciation:

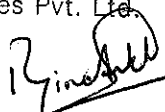
Fixed assets are carried at historical cost less accumulated depreciation and impairment losses, where applicable. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working 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, which are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956:

Asset category	Depreciation rate
Computers	60%

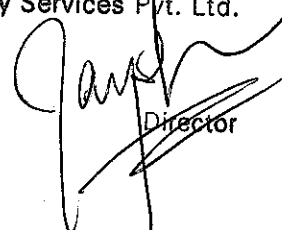
Assets individually costing less than Rs.5,000/- added during the year are fully depreciated.



For IFMR Advisory Services Pvt. Ltd.


Director

For IFMR Advisory Services Pvt. Ltd.


Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

2.4 Employee benefits:

Employee benefits include provident fund and gratuity.

Defined contribution plans:

As the number of employees on the rolls of the Company is less than the statutory minimum required for Provident Fund (PF) registration, no registration is required to be made by the Company with Provident Fund department and no remittances have been made to appropriate Authorities.

Gratuity

The Company accounts for its liability for future gratuity benefits based on the actuarial valuation, as at the balance sheet date, determined by an Independent Actuary using the Projected Unit Credit method and is provided for. The company's gratuity plan is non-funded.

Actuarial gains and losses are recognized in the statement of Profit and Loss account in the year in which they occur.

Compensated absences

Benefits of Compensated absences are not provided to the employees of the company.

2.5 Taxes on Income:

i) Current Tax:

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961

ii) 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 are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses 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 Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.6 Provisions and Contingencies:

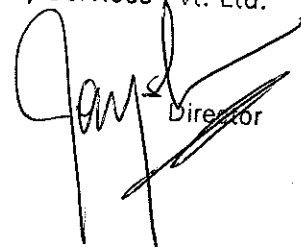
Provisions are recognised only when the Company has a present or legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent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



For IFMR Advisory Services Pvt. Ltd.


Director

For IFMR Advisory Services Pvt. Ltd.


Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

2.7 Service tax input credit:

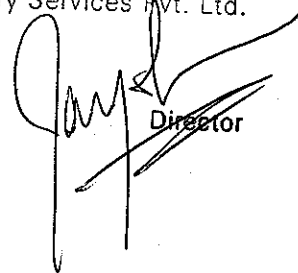
Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the same.



For IFMR Advisory Services Pvt. Ltd.


Director

For IFMR Advisory Services Pvt. Ltd.


Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Note 3: Share Capital

Particulars	As at 31 st March 2013 (Amount in INR)	
Authorized		
25,000 Equity Shares of Rs.100 each with voting rights	2,500,000	
10,000 8% redeemable non-convertible cumulative preference shares of Rs.100 each	1,000,000	
Total	3,500,000	
Issued, Subscribed and Fully Paid-Up		
25,000 Equity Shares of Rs.100 each with voting rights	2,500,000	
10,000 8% Redeemable Non-Convertible Cumulative Preference Shares of Rs.100 each	1,000,000	
Total	3,500,000	
(a) Details of Shares held by each Shareholder more than 5% of Shares		
Name of the Shareholder	As at 31 st March 2013	
	No. of Shares held	% of Shareholding
IFMR Trust (Controlling Entity) and its nominee - Equity Shares	25,000	100
IFMR Trust (Controlling Entity) - Preference Shares	10,000	100

(b) Terms / rights attached to Equity Shares:

- The Company has only one class of Equity Shares having par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms / rights attached to Preference Shares:

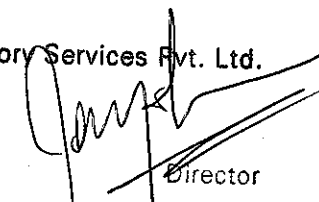
During the current period, the Company issued 10,000 8% Redeemable Non-Convertible Cumulative Preference Shares of Rs.100 each to IFMR Trust (Controlling Entity) represented by IFMR Trusteeship Services Private Limited. These Preference Shares are redeemable at par at the end of 4 years from the date of allotment i.e. 28th February 2013.

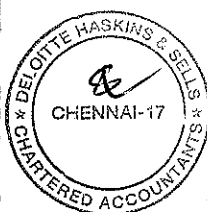
The preference shareholder is entitled to vote only on resolution placed before the Company which directly affects the rights attached to such preference shares as set out in Section 87 of the Companies Act, 1956.

For IFMR Advisory Services Pvt. Ltd.


Director

For IFMR Advisory Services Pvt. Ltd.


Director



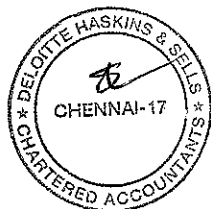
IFMR ADVISORY SERVICES PRIVATE LIMITED

(d) Movement of Shares:

Particulars	As at 31 st March 2013	
	No. of Shares	Amount in INR
<u>Equity Shares:</u>		
Shares issued during the period	25,000	2,500,000
Shares outstanding at the end of the period	25,000	2,500,000
<u>Preference Shares:</u>		
Shares issued during the period	10,000	1,000,000
Shares outstanding at the end of the period	10,000	1,000,000

For IFMR Advisory Services Pvt. Ltd.

For IFMR Advisory Services Pvt. Ltd.



Director

Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Particulars	As at
	31 March 2013 Amount in INR
Note 4: Reserves and Surplus	
Deficit in Statement of Profit and Loss	
Opening Balance	-
ADD: Loss for the period	(806,871)
Closing balance	(806,871)
Note 5: Long Term Provisions	
Provision for Employee Benefits:	
Provision for Gratuity	49,475
	49,475
Note 6: Trade Payables	
Sundry Creditors	115,260
Advance from Related Parties (Refer Note 14)	498,301
	613,561
Note 7: Other Current Liabilities	
Statutory Liabilities	10,517
Other Liabilities	14,193
	24,710
Note 8: Cash and Cash Equivalents	
Cash and cash equivalents as defined in AS-3	
Balance in Current account	2,272,554
	2,272,554
Note 9: Short Term Loans and Advances	
Advance to Related Parties (Refer Note 14)	995,725
Advances Recoverable in Cash or in kind or for value to be received	73,583
	1,069,308

For IFMR Advisory Services Pvt. Ltd. For IFMR Advisory Services Pvt. Ltd.



[Signature]
Director

[Signature]
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements

Note 10: Fixed Assets

(Amount in INR)

Asset	Gross Block	Depreciation	Net Block
	Acquired and held as on 31st March 2013	For the period	As on 31st March, 2013
Tangible Assets			
Computers	48,900	9,887	39,013
Total	48,900	9,887	39,013

For IFMR Advisory Services Pvt. Ltd.

For IFMR Advisory Services Pvt. Ltd.

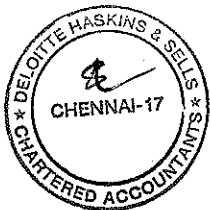


[Handwritten Signature]
 Director

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 Director

IFMR ADVISORY SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements

Particulars	For the period ended 31 March 2013
	Amount in INR
Note 11: Employee Benefits Expense	
Salaries and Wages	-
Staff Welfare Expenses	2,216
Gratuity	49,475
	51,691
Note 12: Other Expenses	
Rent and Amenities	128,332
Repairs and Maintenance	2,900
Printing and Stationery	10,402
Telephone Expenses	11,341
Travelling and Conveyance	39,292
Legal and Professional Charges	364,824
Rates and Taxes	73,967
Auditors' Remuneration	
For Statutory Audit (inclusive of Service Tax)	112,360
Miscellaneous expenses	1,875
	745,293



For IFMR Advisory Services Pvt. Ltd.

[Signature]
Director

For IFMR Advisory Services Pvt. Ltd.

[Signature]
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Disclosures under Accounting Standards

13. Employee Benefits:

The company's obligation towards gratuity is a defined benefit plan and no fund is being maintained. The details for actuarial valuation are given below:

Amount in INR

Particulars	2012-13
Movements in Accrued Liability	
Accrued Liability as at beginning of the period:	NIL
Interest Cost	NIL
Current Service Cost	NIL
Actuarial (gain) / loss	49,475
Accrued Liability as at the end of the period:	49,475
Amounts to be recognized in the Balance Sheet	
<i>Present Value of obligations as on the accounting date:</i>	49,475
<i>Fair Value of the Plan Assets:</i>	NIL
<i>Liability to be recognized in the Balance Sheet:</i>	49,475
Expenses to be recognized in Statement of Profit and Loss	
<i>Interest Cost</i>	NIL
<i>Current Service Cost</i>	NIL
<i>Net Actuarial (gain) / loss</i>	49,475
Net Expenses to be recognized in Statement of Profit and Loss	49,475

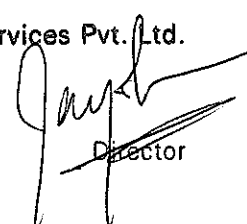
Principal Actuarial Assumptions

<i>Interest Rate (Liabilities)</i>	8.00%
<i>Return on Assets</i>	N.A.
<i>Mortality Table</i>	LIC (94-96)
<i>Resignation Rate per annum</i>	10.00%
<i>Salary Escalation Rate</i>	10.00%

For IFMR Advisory Services Pvt. Ltd.


Director

For IFMR Advisory Services Pvt. Ltd.


Director



IFMR ADVISORY SERVICES PRIVATE LIMITED

Note:-

- 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.
- iii) Experience Adjustments:

Particulars	2012-13
On plan Liability (gain)/loss	49,475
On plan Assets (gain) / loss	Nil
Present Value of benefit obligations	49,475
Fair Value of Plan Assets	Nil
Excess of obligation over plan assets	49,475

Details relating to experience adjustments are provided to the extent available.

14. Related party disclosures

Information relating to related party transaction for the period ended 31st March 2013 (as identified by management and relied upon by Auditors)

a) Parties where control exists:

Controlling Entity: IFMR Trust - Represented by IFMR Trusteeship Services Private Limited

b) Fellow Subsidiaries with whom the Company had transactions during the period:

IFMR Mezzanine Finance Private Limited

Transaction with related parties during the period:

Related Party	Transaction	For the period ended 31st March 2013
		Amount in INR
IFMR Trust	Equity Shares Allotted	2,500,000
	Preference Shares Allotted	1,000,000
	Employee Sharing Cost	225,419
	Infrastructure Cost	115,498
	Reimbursement of expenses	157,384
IFMR Mezzanine Finance Private Limited	Reimbursement of expenses	995,725



For IFMR Advisory Services Pvt. Ltd.

[Signature]
Director

For IFMR Advisory Services Pvt. Ltd.

[Signature]
Director

IFMR ADVISORY SERVICES PRIVATE LIMITED

Outstanding balances with related parties as on balance sheet date:

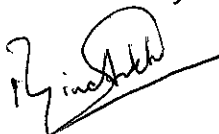
Related Party	Transaction	As at 31 st March 2013 Amount in INR
IFMR Trust	Advances payable	498,301
IFMR Mezzanine Finance Private Limited	Advance Receivable	995,725

15. Earnings per share - Basic and Diluted:

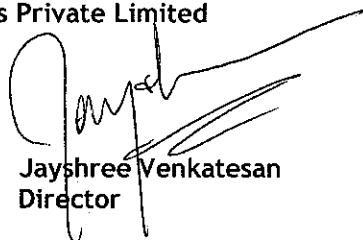
	For the period ended 31st March 2013 Amount in INR
Loss for the year attributable to equity shareholders	(806,871)
Weighted average shares outstanding during the year	5,129
Basic earnings per share	(157.32)
Diluted earnings per share	(157.32)

16. The Company was incorporated on 27th September 2012 and the first accounts have been prepared in the format prescribed by the Revised Schedule VI of the Companies Act, 1956 for the period 27th September 2012 to 31st March 2013. Consequently, there are no comparative figures to be disclosed.

For and on behalf of the Board
IFMR Advisory Services Private Limited



Bindu Ananth
Director



Jayshree Venkatesan
Director

Place: Chennai
Date: 27th May 2013

