

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH**

Report on the Financial Statements

We have audited the accompanying financial statements of **INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH** ("the Institute"), a society registered under the Societies Registration Act XXI of 1860, which comprise the Balance Sheet as at 31st March, 2015, the Income and Expenditure account and Cash Flow Statement of the Institute for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Institute'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 Institute in accordance with accounting principles generally accepted in India, including Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Institute and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 the 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.

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 the 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 the internal financial controls relevant to the Institute's preparation of financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the adequacy and operating effectiveness of the Institute'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 on the financial statements.



Fraser & Ross

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Institute as at 31st March, 2015, and the excess of income over expenditure and cash flows for the year ended on that date.

Other Matter

We did not audit the financial information the funds transferred directly by donors to the Centre for Economic Research in Pakistan (CERP), a consultant of the Institute more specifically explained in Note 11.3, and the corresponding expenses incurred amounting to Rs.12,538,586 (USD 203,818) for the period ended 31st March, 2015 (Previous year- Rs.2,089,969 (USD 33,790)). These financial information have been incorporated in the financial statements based on a certificate provided by the auditors of CERP that has been furnished to us by the Management on which we have placed reliance and our opinion, in so far as it relates to the amounts and disclosures included in respect of the financial information is based solely on the certificate of the other auditors.

Our opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Institute so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Income and Expenditure Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Income and Expenditure Account and Cash Flow Statement comply with the Accounting Standards applicable to non-corporate entities issued by the Institute of Chartered Accountants of India.

For **Fraser & Ross**
Chartered Accountants
(Firm Registration No. 000829S)

Bhavana Balasubramanian

Bhavani Balasubramanian
Partner
Membership No. 22156

CHENNAI, 08th July, 2015



Institute for Financial Management and Research
(Registered under the Societies Registration Act XXI of 1860)



Balance Sheet as at 31 March 2015

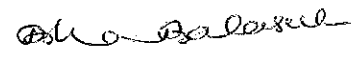
SOURCES OF FUNDS	Schedules	As at 31 March 2015 Rs.	As at 31 March 2014 Rs.
Unrestricted funds General fund	1	878,467,696	840,126,445
Restricted funds Research project funds	2	695,964,276	442,476,798
Deferred Income (Refer note 11.5)		15,300,000	-
Current liabilities and provisions	3	321,299,942	162,759,167
TOTAL		1,911,031,914	1,445,362,410
APPLICATION OF FUNDS			
Fixed assets Tangible assets Capital work in progress (Refer note 11.4)	4	765,751,750 140,212,105	124,523,172 624,890,558
Current assets	5	894,966,047	604,492,189
Loans, advances and deposits	6	110,102,012	91,456,491
TOTAL		1,911,031,914	1,445,362,410
See accompanying notes forming part of the financial statements	10-11		

In terms of our report attached.
For Fraser & Ross
Chartered Accountants

Chennai
Date : 08.07.2015


N. Vaghul
Chairman

 
C.V. Krishnan D. Sundaram
President Governor


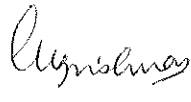

Bhavani Balasubramanian
Partner



Institute for Financial Management and Research
(Registered under the Societies Registration Act XXI of 1860)
Income and Expenditure Account for the Period ended 31 March 2015

Particulars	Schedule	Year Ended 31 March 2015			Year ended 31 March 2014		
		General Fund	Research project	Total	General Fund	Research project	Total
		Rs.	funds	Rs.	Rs.	funds	Rs.
INCOME							
Course and Seminar fees		193,052,279	-	193,052,279	149,060,628	-	149,060,628
Project Grants transferred from Research project Funds			101,671,106	101,671,106		159,841,060	159,841,060
Project reimbursements		3,299,175	420,741,767	424,040,942	2,668,222	335,987,167	338,655,389
Other Income	7	37,370,582	26,723,184	64,093,766	25,013,893	18,457,805	43,471,698
TOTAL (A)		233,722,036	549,136,057	782,858,093	176,742,743	514,286,032	691,028,775
EXPENDITURE							
Course and Seminar expenses		57,318,226	-	57,318,226	56,899,815	-	56,899,815
Research project expenses		5,418,044	500,297,722	505,715,766	3,172,963	475,391,617	478,564,580
Employee benefit expenses	8	78,755,444	14,497,949	93,253,393	65,324,719	8,630,304	73,955,023
Administrative and general expenses	9	45,539,440	18,801,066	64,340,506	16,790,499	15,025,918	31,816,417
Depreciation and amortisation expenses		36,658,943	7,301,233	43,960,176	3,883,163	5,387,769	9,270,932
Less: Share of expenses absorbed under project expenses		(18,309,312)	(10,773,801)	(29,083,113)	(18,492,024)	(14,111,848)	(32,603,872)
TOTAL (B)		205,380,785	530,124,169	735,504,954	127,579,135	490,323,760	617,902,895
Excess of income over expenditure		28,341,251	19,011,888	47,353,139	49,163,608	23,962,272	73,125,880
Surplus on sale of land and building		-	-	-	387,148,420	-	387,148,420
Excess of Income over Expenditure transferred to :-		28,341,251	19,011,888	47,353,139	436,312,028	23,962,272	460,274,300
General fund		28,341,251	-	28,341,251	436,312,028	-	436,312,028
Research project funds		-	19,011,888	19,011,888	-	23,962,272	23,962,272
See accompanying notes forming part of the financial statements	10-11						

In terms of our report attached.
For Fraser & Ross
Chartered Accountants

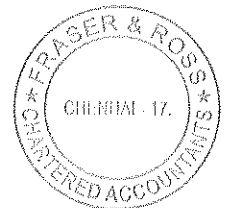

Chennai :
Date : 08.07.2015

N. Vaghul
Chairman

C.V. Krishnan
President

D. Sundaram
Governor

Bhavani Balasubramanian
Partner



INSTITUTE FOR FINANCIAL MANAGEMENT & RESEARCH
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Cash Flow Statement for the year ended 31 March 2015

Particulars	For the year ended 31 March 2015 Rs.	For the year ended 31 March 2014 Rs.
Cashflow from operating activities		
Surplus for the year	47,353,139	460,274,300
Adjustments for		
Depreciation	43,960,176	9,270,932
Loss on sale of asset (net)	172,977	1,026,192
Surplus on sale of land and building	-	(387,148,420)
Provision for Employee Benefits	1,708,724	(1,446,904)
Interest income	(53,915,830)	(40,895,496)
Surplus before changes in Current Assets / Current Liabilities:	39,279,186	41,080,604
Decrease/ (Increase) in Current Assets	1,966,041	(29,666,638)
Increase in Current Liabilities	165,043,541	15,490,304
Cash generated from Operations	206,288,768	26,904,270
Net Income tax paid	(4,987,931)	(8,245,820)
Net Cash Flow from Operating Activities	201,300,837	18,658,450
Cash Flow From Investing Activities		
Interest on Deposits	39,020,175	45,674,924
Proceeds from sale of fixed assets	469,205	393,389,591
Capital Expenditure on Fixed Assets including Capital Advances	(217,631,582)	(441,722,017)
Investment in Fixed Deposits	(149,493,457)	(331,046,879)
Net Cash Flow used in Investing Activities	(327,635,659)	(333,704,381)
Cash Flow From Financing Activities		
Contribution to General Fund	10,000,000	15,000,000
Deferred Income (Specific Contribution)	15,300,000	-
Grants received in advance	234,475,590	6,294,392
Net Cash Flow from Financing Activities	259,775,590	21,294,392
Net Increase/ (Decrease) In Cash and Cash Equivalents	133,440,768	(293,751,539)
Cash & Cash Equivalents at the beginning of the year	184,969,435	478,720,974
Cash & Cash Equivalents at the end of the year	318,410,203	184,969,435
Reconciliation of Cash & Cash equivalents:		
Cash & bank balances as per Balance Sheet (Refer Schedule 5)	798,950,539	516,016,314
Less: Deposits - original maturity more than 3 months	480,540,336	331,046,879
Net Cash & Cash equivalents (as defined in AS 3 Cash Flow Statement) included in Schedule 5	318,410,203	184,969,435
Cash and cash equivalents at the end of the year comprises of		
(a) Cheques in Hand	-	508,596
(a) Balances with banks		
- in current account	2,064,068	3,772,154
- in savings account	13,338,882	10,688,685
- in deposit accounts - original maturity 3 months or less	303,007,253	170,000,000
	318,410,203	184,969,435

In terms of our report attached.
For FRASER & ROSS
Chartered Accountants

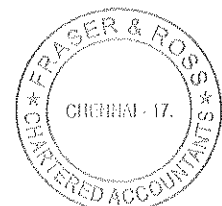
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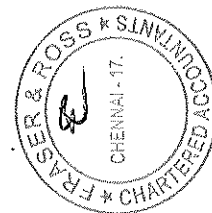


Institute for Financial Management and Research
Schedules forming part of the financial statements

Schedule 4 - Fixed assets

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	Balance as at 1 April 2014	Additions	Deletions	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	Elimination on disposal of assets	Balance as at 31 March 2015	Balance as at 31 March 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	7,903,136	-	-	7,903,136	-	-	-	7,903,136	7,903,136
Leasehold land	84,271,987	-	-	84,271,987	1,914,556	805,762	-	81,551,669	82,357,431
Buildings	7,955,773	513,077,490	-	521,033,263	3,838,572	19,879,017	-	497,315,674	4,117,201
Roads	-	16,194,130	-	16,194,130	-	1,214,560	-	14,979,570	-
Electrical fittings	539,630	71,715,066	-	72,254,696	482,887	5,305,994	-	66,465,815	56,743
Furniture and office equipment	28,476,548	21,014,853	43,140	49,448,261	20,766,935	2,983,117	10,801	25,709,010	7,709,613
Computers	49,445,141	14,550,877	878,264	63,117,754	33,700,393	6,129,229	681,462	23,959,594	15,744,748
Air-conditioners	3,869,130	22,956,980	90,600	26,735,510	3,379,931	2,778,238	90,600	20,667,941	489,199
Miscellaneous and other equipment	8,134,436	23,203,837	538,200	30,800,073	3,218,865	4,310,577	125,164	23,395,795	4,915,571
Vehicle	989,613	2,816,962	-	3,806,575	901,800	140,848	-	2,763,927	87,813
Library books	9,823,803	300,741	-	10,124,544	8,827,533	306,249	-	990,762	996,270
Software	532,925	-	-	532,925	387,483	106,585	-	38,857	145,442
TOTAL	201,942,122	685,830,936	1,550,204	886,222,854	77,418,955	43,960,176	908,027	765,751,750	124,523,172
Previous Year	204,390,930	16,467,354	18,916,162	201,942,122	79,796,818	9,270,932	11,648,795	124,523,172	124,594,112

* Note : Depreciation on land represents amortisation of leasehold land over the lease period



Institute for Financial Management and Research
Schedules forming part of the financial statements

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs.		Rs.	
	General Fund	Research Project Fund	General Fund	Research Project Fund
Schedule 1 - General fund				
Opening balance	840,126,445		388,814,417	
Add: Contribution to General Fund	10,000,000		15,000,000	
Add: Excess of income over expenditure	28,341,251		436,312,028	
	878,467,696		840,126,445	-
Schedule 2 - Research project funds				
Opening balance		442,476,798		412,220,134
Add: Grant received during the year		336,146,696		166,135,452
Less: Transferred to Income and Expenditure account in respect of current year utilisation		(101,671,106)		(159,841,060)
Add: Excess of income over expenditure		19,011,888		23,962,272
	-	695,964,276	-	442,476,798
Schedule 3 - Current liabilities and provisions				
<u>Current liabilities</u>				
Sundry creditors	24,460,957	19,595,993	17,977,724	20,838,223
Payables on purchase/ construction of fixed assets	16,991,154	-	25,202,644	-
Library deposits	2,505,228	-	3,817,388	-
Funds received in advance for projects		186,003,212		46,116,260
Fees received in advance	45,699,392		31,265,257	
Other liabilities	2,155,303	14,044,932	4,571,924	4,834,700
Gratuity payable	1,699,201	1,381,324	822,741	479,439
Provision for compensated absences	3,682,296	3,080,950	4,937,180	1,895,687
	97,193,531	224,106,411	88,594,858	74,164,309
Schedule 5 - Current assets				
Interest accrued on deposits	35,812,354	-	20,916,699	-
Accounts receivable				
Fees/ program income receivable	3,714,908	-	3,636,992	-
Amounts receivable from donors against reimbursement of project expenses (Refer Note No 11.7)	-	56,488,246	-	63,922,184
Cash and bank balances				
Cheques in Hand				508,596
Cash in Hand				
Balances with banks				
- in current account	2,064,068		3,772,154	
- in savings account	3,312,282	10,026,600	10,298,756	389,929
- in deposit accounts	783,547,589		501,046,879	
TOTAL	828,451,201	66,514,846	539,671,480	64,820,709
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow statements	308,383,603	10,026,600	184,579,506	389,929
Schedule 6 - Loans and advances				
Advances recoverable in cash or in kind	2,536,663	4,306,534	1,179,109	4,750,915
Capital advances	8,464,941		197,338	
Amounts to be billed to donors against reimbursement of project expenses (Refer Note no 11.7)	-	49,005,447	-	45,066,559
Income tax deducted at source	11,220,745	7,854,828	8,889,844	5,197,798
Prepaid expenses	12,741,443		11,439,344	
Sundry deposits	9,020,233	4,951,178	10,223,761	4,511,823
TOTAL	43,984,025	66,117,987	31,929,396	59,527,095



Institute for Financial Management and Research
Schedules forming part of the financial statements

Particulars	For the year ended 31 March 2015			For the year ended 31 March 2014		
	Rs.			Rs.		
	General fund	Research project funds	Total	General fund	Research project funds	Total
Schedule 7 - Other Income						
Interest on						
- Deposits	29,553,886	23,559,980	53,113,866	21,999,321	18,329,122	40,328,443
- Savings bank account	592,094	209,870	801,964	468,508	98,545	567,053
- Income tax refund	57,287	815,608	872,895	-	-	-
- Staff advances	36,416	-	36,416	56,732	-	56,732
Miscellaneous receipts	7,125,499	2,137,726	9,263,225	2,448,199	30,138	2,478,337
Profit on sale of Assets	5,400	-	5,400	41,133	-	41,133
TOTAL	37,370,582	26,723,184	64,093,766	25,013,893	18,457,805	43,471,698
Schedule 8 - Employee cost						
Establishment expenses	72,482,779	14,466,449	86,949,228	59,256,181	8,597,949	67,854,130
Contribution to Provident and other funds	5,285,146	-	5,285,146	4,475,696	-	4,475,696
Staff welfare expenses	987,519	31,500	1,019,019	1,592,842	32,355	1,625,197
TOTAL	78,755,444	14,497,949	93,253,393	65,324,719	8,630,304	73,955,023
Schedule 9 - Administrative expenses						
Auditors remuneration	1,688,894	-	1,688,894	1,112,433	-	1,112,433
Advertisement expenses	854,991	-	854,991	284,925	-	284,925
Books and periodicals	4,525,130	-	4,525,130	2,713,371	17,000	2,730,371
Postage and telegrams	272,894	260,075	532,969	477,337	126,648	603,985
Printing and stationery	522,057	77,440	599,497	401,301	54,226	455,527
Legal & Professional Fees	534,340	65,000	599,340	955,824	-	955,824
Travelling expenses	2,623,114	2,308,445	4,931,559	513,040	1,328,948	1,841,988
Miscellaneous expenses	76,470	349,598	426,068	68,457	226,563	295,020
New Campus Expenses	1,280,492	-	1,280,492	-	-	-
Shortfall on service tax and interest	1,644	-	1,644	-	-	-
Security charges	3,709,184	-	3,709,184	851,071	-	851,071
Faculty Education Grant	-	-	-	1,503,726	-	1,503,726
Loss on sale of assets	-	178,377	178,377	-	1,067,325	1,067,325
Rent	-	14,238,197	14,238,197	-	11,570,714	11,570,714
Electricity and water charges	8,527,622	-	8,527,622	2,197,552	-	2,197,552
Rates and taxes	1,835,855	-	1,835,855	246,048	-	246,048
Insurance	360,652	336,755	697,407	56,065	55,462	111,527
Repairs and maintenance						
-Buildings	13,758,610	-	13,758,610	2,506,394	-	2,506,394
-House Keeping	-	-	-	-	-	-
-Computers/ website/ software	4,089,373	987,179	5,076,552	1,662,223	579,032	2,241,255
-Vehicles	26,226	-	26,226	525,009	-	525,009
Meeting expenses	851,892	-	851,892	715,723	-	715,723
TOTAL	45,539,440	18,801,066	64,340,506	16,790,499	15,025,918	31,816,417



INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH
(Registered under the Societies Registration Act XXI of 1860)

Notes to the Financial Statements for the year ended 31 March 2015

10. Significant Accounting Policies:

10.1 Basis of Accounting:

The financial statements of the Institute have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the recognised accounting policies and practices, to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

10.2 Income:

- a) All Donations, Grants, Endowments and monies received towards project funds are accounted on receipt basis.
- b) General donations and grants are treated as capital receipts and taken to General Fund.
- c) Grants whose primary condition is that the Institute should purchase, construct or otherwise acquire capital assets are treated as deferred income which is recognised in the Income and Expenditure account on a systematic and rational basis over the useful life of the asset.
- d) Fellowships, endowments and grants received for specific purposes are kept in the respective funds.
- e) Monies received towards joint research project are taken to project fund.
- f) Reimbursements receivable for project expenses are treated as income on accrual basis.
- g) Interest income is accounted on a time proportion basis

10.3 Fixed Assets and Depreciation:

Assets are recorded at cost of acquisition and any directly attributable expenditure on making the asset ready for its intended use. Depreciation on fixed assets is charged on the straight-line method at the following rates:

Asset Category	Rate %
Leasehold land	Over the lease period
Buildings	5
Electrical fittings and furniture	10
Roads	10
Air-conditioners	15
Other miscellaneous equipment	25
Computer including software, vehicles and library books	20

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.



Notes to the Financial Statements for the year ended 31 March 2015

10.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

10.5 Cash flow statement

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

10.6 Employee Benefits:

Defined contribution plans:

- a. **Provident Fund:** Contributions are made to the recognized Provident Fund Trust (PF Trust) and are expensed to the Income and Expenditure account. The interest rate payable by the PF Trust is notified by the Government. The Institute has an obligation to make good the shortfall, if any, between the return from investments and the notified interest rate and recognize such obligation as an expense.
- b. **Super Annuation Fund:** The Institute makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge its liabilities towards super annuation to the employees. The Institute has no other liability other than its contribution.

Defined benefit plans (Long term employee benefits):

Gratuity: The Institute makes its contribution to a Gratuity fund administered by the Life Insurance Corporation of India (LIC) to discharge gratuity liability to the employees. The Institute accounts for its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined by actuary consultant using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

Compensated absences: The Institute records its liability for compensated absences based on actuarial valuation as at the balance sheet date using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

Short term employee benefits are recognized as an expense as per the Institute's scheme based on expected obligations on an undiscounted basis.



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Notes to the Financial Statements for the year ended 31 March 2015

10.7 Foreign Currency Transaction:

- a. All foreign contributions received as grants are recorded at the rates prevailing on the date when the credit is given by the bank, to the Institute's account. Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realised exchange loss/ gain are dealt with in the Income and Expenditure account.
- b. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Income and Expenditure account.

10.8 Segment Reporting:

The Institute identifies primary segments based on the dominant source, nature of operations and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating surplus / deficit amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Institute. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, specific costs and allocated / apportioned common costs are accounted on the basis of transactions which are pre-approved by the management. Revenue, expenses, assets and liabilities which relate to the Institute as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

11. Notes on Accounts:

11.1 Segment reporting

The Institute operates in two segments namely Business School & Research Centers. The segments are identified based on the nature of activities and the internal organization and management structure. The operating segments are the segments for which separate financial information is available. The Segment reporting is given on this classification.



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Particulars	For the year ended 31st March 2015			For the year ended 31st March 2014			Amount Rs.	
	Business Segments		Eliminations	Total	Business Segments			Eliminations
	B-School	Research Centers			B-School	Research Centers		
Segment Revenue	196,351,454	522,412,873	-	718,764,327	151,728,850	509,940,075	661,668,925	
Intersegment Revenue	18,309,312	10,773,801	-	29,083,113	18,492,024	-	18,492,024	
Total	214,660,766	533,186,674	-	747,847,440	170,220,874	509,940,075	680,160,949	
Segment Expense	223,690,097	540,897,970	-	764,588,067	146,071,159	504,435,608	650,506,767	
Segment Result	(90,29,331)	(7,711,296)	-	(16,740,627)	24,149,715	5,504,467	29,654,182	
Operating Income	(90,29,331)	(7,711,296)	-	(16,740,627)	24,149,715	5,504,467	29,654,182	
Other Income	37,370,582	26,723,184	-	64,093,766	412,162,313	18,457,805	430,620,118	
Surplus for the year	28,341,251	19,011,888	-	47,353,139	436,312,028	23,962,272	460,274,300	

Particulars	For the year ended 31st March 2015			For the year ended 31st March 2014			Amount Rs.
	Business Segments		Total	Business Segments		Total	
	B-School	Research Centers		B-School	Research Centers		
Segment Assets	1,753,814,637	157,217,277	1,911,031,914	1,299,402,769	145,959,641	1,445,362,410	
Segment Liabilities	112,493,531	224,106,411	336,599,942	88,594,858	74,164,309	162,759,167	
Other Information							
Capital Expenditure	674,388,171	11,442,765	685,830,936	637,697	15,829,657	16,467,354	
Depreciation & Amortization	36,658,943	7,301,233	43,960,176	3,883,163	5,387,769	9,270,932	



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11.2 Employee Benefits:

The Institute makes Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Institute is required to contribute a specified percentage of the payroll costs to fund the benefits. In the case of Provident Fund, the Institute has an obligation to make good the shortfall, if any, between the return from investments and the notified interest rate on the Provident Fund Trust (PF Trust). The Institute recognized Rs. 1,371,809 (Year ended 31 March, 2014 Rs. 1,405,301) for Provident Fund contributions, Rs.1,406,058 (Year ended 31 March, 2014 Rs. 1,654,113) for Superannuation Fund contributions. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The details of actuarial valuation in respect of Gratuity liability are given below:

		Rs.	
i.	Projected benefit obligation as at the beginning of the year	11,001,273	9,564,624
	Service cost	2,459,041	23,04,320
	Interest cost	888,189	782,546
	Actuarial Loss/(gains)	254,042	(407,743)
	Benefits Paid	(2,265,008)	(1,242,474)
	Projected benefit obligation at the end of the year	12,337,537	11,001,273
ii.	Fair value of plan assets as at the beginning of the year	9,699,093	9,564,624
	Expected return on plan assets	806,547	807,166
	Contributions	1,302,180	562,733
	Benefits paid	(2,265,008)	(1,242,474)
	Actuarial gain/(losses) on plan assets	(285,800)	7,044
	Fair value of plan assets	9,257,012	9,699,093
iii.	Amount recognized in the Balance Sheet	31.3.2015	31.3.2014
	Projected benefit obligation at the end of the year	12,337,537	11,001,273
	Fair value of plan assets at the end of the year	9,257,012	9,699,093
	Liability recognized in the balance Sheet	3,080,525	1,302,180
iv.	Cost of the defined plan for the Year	31.3.2015	31.3.2014
	Current service cost	2,459,041	2,304,320
	Interest on obligation	888,189	782,546
	Expected return on planned assets	(806,547)	(807,166)
	Net actuarial losses recognised in the year	539,842	(414,787)
	Net cost recognized in the Income and expenditure account	3,080,525	1,864,913
v.	Assumptions	31.3.2015	31.3.2014
	Discount Rate	8%	9%
	Expected rate of return	8.75%	8.75%
	Salary escalation	8%	8%



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Actuarial Calculations (Gratuity Plan) as per AS 15:

		Rs.	
		31.03.2015	31.03.2014
1	Defined Benefit Obligation at end of the period	12,337,537	11,001,273
2	Plan Assets at end of the period	9,257,012	9,699,093
3	Funded Status	(3,080,525)	(1,302,180)
4	Experience Adjustments on Plan liabilities	(349,271)	(265,170)
5	Experience Adjustments on plan Assets	(285,800)	7,044

- 11.3 In addition to the expenditure incurred by the project for which payments have been made under the CLEAR grant, the World Bank made the below mentioned direct payments to the Centre for Economic Research in Pakistan (CERP) towards projects carried out as per the agreement amounting to USD 203,818/- (Rs.12,538,586) (Previous Year USD 33,790/-, Rs. 2,089,969):

The total contract value is USD 287,489.54.

- a. USD 62,935/- (Rs.3,782,709) for the period December 2013 to March 2014 for which invoices were received in July 2014 and
- b. USD 140,883/-(Rs. 8,755,877) for the period April 2014 to February 2015.

These payments have been accounted under the Project Income & Expenditure based on the project report, statement of receipts and payments for the project submitted by CERP and certificate received from the auditors of CERP.

- 11.4 Capital work-in-progress amounting to Rs. 140,212,105 represents additions to canteen, student hostel and faculty residence. The Institute has outstanding commitments towards capital expenditure amounting to Rs.87,053,580 as at 31st March 2015.
- 11.5 The Institute has been sanctioned a specific grant from Cholamandalam Investment and Finance Company Limited and Coromandel International Limited amounting to Rs 15,000,000 each towards construction of residential hostel rooms. The Institute has received Rs 7,800,000 and Rs 7,500,000 respectively from the above mentioned donors during 2014-15. These accounts have been disclosed as 'Deferred Income' in these financial statements.
- 11.6 On a request from Centre for Development Finance (CDF) for Environmentally Sustainable Finance (ESF) projects, the Donor (ICICI Bank) approved utilization of balance fund of Rs.16,809,918 as on March, 2013 for similar projects relating to environmental matters till August 2015. The project is under progress and a sum of Rs. 13,284,248 was unutilized balance in the fund as at 31st March 2015. In accordance with the terms of sanction the unutilized balance in the fund as at August 2015 is returnable to the donor.
- 11.7 The Institute accrues the reimbursements recoverable from donors towards expenses incurred on projects. These reimbursements have been included under Accounts Receivable to the extent invoiced to donors and have been included under Loans and Advances to the extent they are yet to be billed.



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Notes to the Financial Statements for the year ended 31 March 2015

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

Chennai
Date: 08.07.2015



N.Vaghul
Chairman



C.V.Krishnan
President



D.Sundaram
Governor

