

Annual Report 2013 – 14

Satisfying our shareholders,
without profiting from poverty





idf | IDF Financial Services Private Limited (IDF FSPL)



Chairman's Message

Dear Shareholders,

It gives me great pleasure in placing the Annual report for the year 2013-14 in your hands. The happenings and other events during the year have been highlighted in the report.

Your Company has slowly and steadily completed half a decade of its existence. During this period, it has been able to consolidate its systems and procedures and has established itself as one of the stable Microfinance Institutions in the State. I am extremely proud to say that the Company has kindled the spirit of entrepreneurship in thousands of women who have come out of the shadow of 'dependency'. The Company presently is operating in 12 districts of the State of Karnataka and has set its foot, in a small way, in Maharashtra.

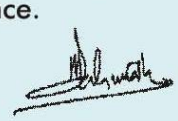
The economic scenario has been quite receptive to the microfinance sector. The Reserve Bank of India has made a significant headway in putting a set of regulatory guidelines to be followed by NBFC-MFIs, thus sculpting a flexible and inclusive legislative framework for microfinance institutions. The Central Banks roadmap to financial inclusion is a significant departure from its traditional position, which always believed that financial inclusion has to be bank-led. There could be more regulatory easing to incorporate micro finance institutions in a more centrally regulated banking framework. The RBI panel headed by Sri. Nachiket Mor to provide more comprehensive financial services to small businesses and low income households in its report has recommended that Non deposit accepting NBFCs be allowed to act as business correspondents. This opens new opportunities for the NBFC-MFIs who could become a banking correspondent, wherein they become the go-between the unbanked and the bank.

The most promising development is the rise in the flow of Bank funds to the MFIs sector. Lending by Banks and Financial Institutions are back in shape with the investment flows picking up momentum and growth rates settling down to decent levels .

MFIs are putting in serious efforts towards ensuring client protection practices, engaging in responsible lending and strictly maintaining code of conduct. The institutions are giving increasing attention towards striking a balance between their financial and social objectives. Rating agencies have responded positively to the above developments that have taken place and have factored the same in their reports.

While there was much hype about the microfinance bill, it seems to have a temporary setback, at least from legislative business. The standing committee on Finance after hearing the various parties have conveyed their unacceptability to "THE MICRO FINANCE INSTITUTIONS (DEVELOPMENT AND REGULATION) BILL, 2012" in the present form in which it was presented. Hopefully with the new Government in place and RBI keen on ushering full financial inclusion, the bill may soon find light.

As far as microfinance's tomorrow is concerned, there is still a huge population to be served. The existing institutions need new channels through which they can cover the 'last mile' between themselves and the unbanked masses. The industry needs a nation-wide supportive policy framework to be put in place to promote, finance and regulate microfinance.



(Vivekanand N. Salimath)
Chairman



A Word from the Managing Director

"Sometimes when you innovate, you make mistakes. It is best to admit them quickly, and get on with improving your other innovations".

- Steve Jobs

I have always believed in these famous lines of Steve Jobs. As all of you are aware, the Governance structure of the Company itself has been a novel one. The Company literally follows the dictum 'By the Borrowers-Of the Borrowers-For the Borrowers'. Over the last five years, toying with Self Help Group model, it has brought in changes in the group lending methodology. The Micro SHG model introduced since mid-2012 has seen substantial improvement in the repayment rates. The dual purpose of retaining all the attributes of a Self Help Group and at the same time retaining business discipline has ensured the much required stability for the Company. A strict monitoring mechanism has helped the in tracking the repayments and cash movement resulting in better recovery rates and efficiency in funds deployment.

The Company has been actively converting the existing SHGs to Micro SHGs and expects to complete the process by the end of August 2014. Currently an amount of Rs. 51.45 crs which accounts for about 86% of the total portfolio is under the micro SHG model.

I am happy to inform you that the Company has set its foot in the neighboring state of Maharashtra. During Feb-March 2014, an amount of Rs.13.68 lakhs has been disbursed benefitting 23 SHGs comprising 114 borrowers in Gadhinglaj of Kolhapur. The Company has plans to reach 80,000 clients with disbursements of 84.65 crs during the year 2014-15.

Thanks to the stringent cost reducing measures, the Company has been able to post a net profit of Rs.94.55 lakhs, an increase of 44% over the previous year.

The Company has paid a sum of Rs. 43.39 lakhs as dividend on cumulative preference shares.

I am happy to inform you that Small Industries Development Bank of India (SIDBI) has sanctioned Rs.5.00 Crores by way of Optionally Convertible Preference Shares (OCPS) . This would go a long way in augmenting the capital structure of the Company and would help in building up further resources.

I wish to thank all the bankers and financial institutions, with whose active support &co-operation, the company has been able to achieve its objectives of financial empowerment of the economically underprivileged..

Finally, I along with my fellow Board members would like to express our sincere thanks to the staff of IDF FSPL for their dedicated efforts which contributed to IDF FPSL's performance in 2014. Because of their efforts, the Company continues to grow from strength to strength and from success to success.

(N.M. Patil)
Managing Director

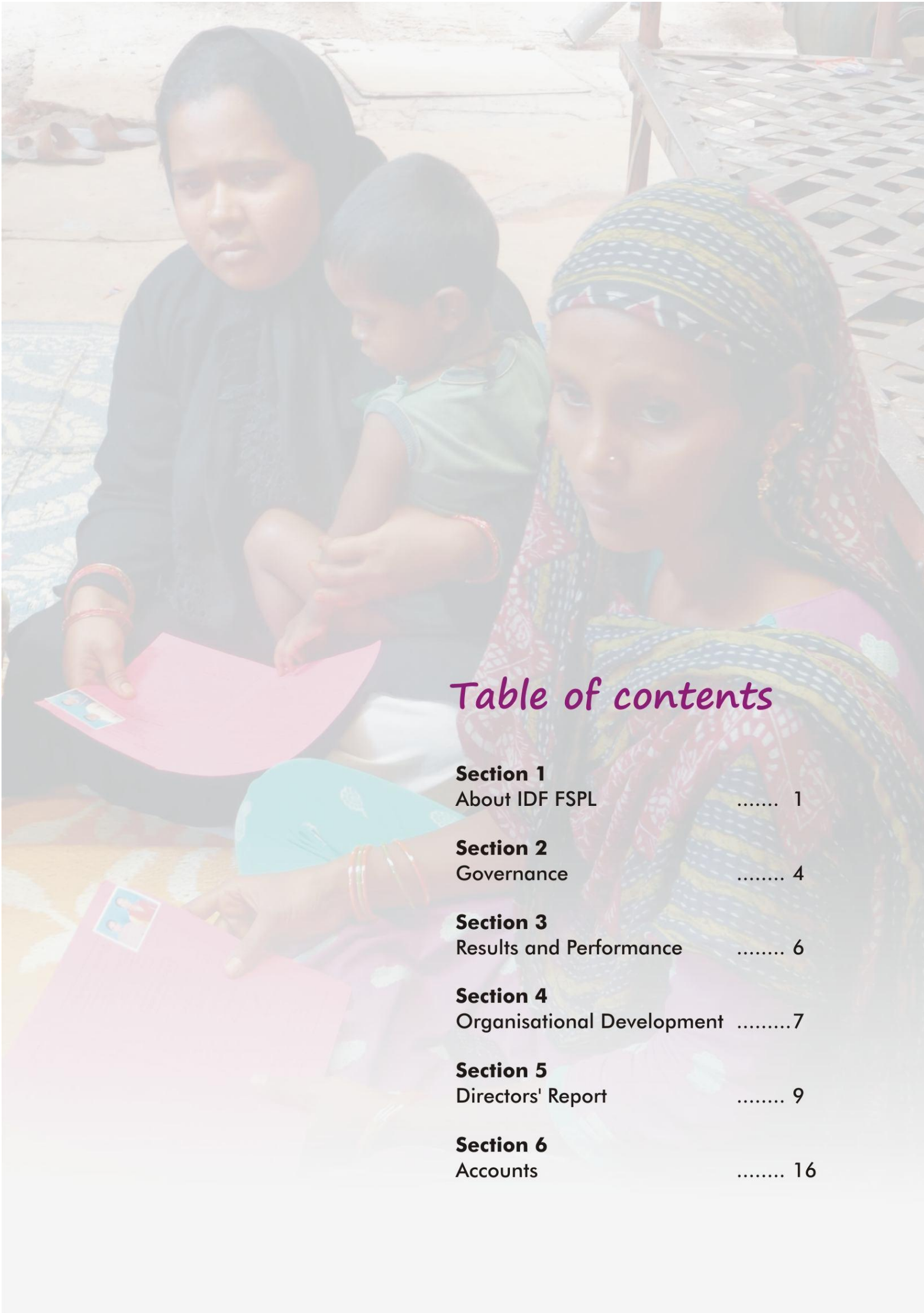


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idf FSPL

Annual Report 2013-14





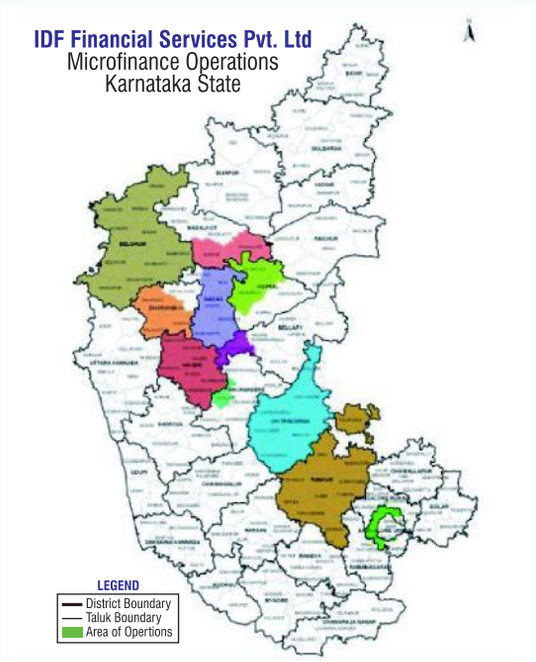




Section One

About IDF FSPL- Brief Overview

IDF Financial Services Pvt Ltd is a Community owned Non-Banking Micro Finance Company providing short term finance and allied non-financial services to Self Help Groups (SHGs) that it forms and nurtures. Presently, IDF-FSPL is operating in Twelve (12) districts, 44 taluks of Karnataka. As of March 31st, 2014 these comprise 12,749 SHGs with 73,003 members.



IDF FSPL has pioneered in extending microfinance services to the rural and urban poor population in Karnataka. IDF FSPL offers a holistic range of products and services to cover a variety of the needs of its customers.

The Company mainly focuses on organization of the poor at grassroots level through a process of social mobilization for poverty eradication. Social mobilization enables the poor build their own organizations. The Self-Help Groups (SHGs) are organized into five (5) Federations, reaching the poor faster and more effectively. Federations participate fully and directly and take decisions on all issues that concern their members. And thus SHGs have the advantage of credit, technology, or market guidance assistance.

Formation of SHGs helps in the training and skills improvement on a group level, whilst breeding unity and a cooperation spirit. The self-help groups are structured into Federations to give members maximum capacity, independence and self-governance, as illustrated below

Currently there are five federations in the organization, which own the majority shares in IDF FSPL.

Micro Self Help Groups

- Meet fortnightly
- Take loans from IDF FSPL
- Members save with their Federation
- Re- pay loan

Clusters

- Meet Fortnightly (All members of the mSHG must attend
- Re-pay loans to IDF FSPL
- Deposit savings with the Federation
- Recommend SHGs to IDF FSPL for loans

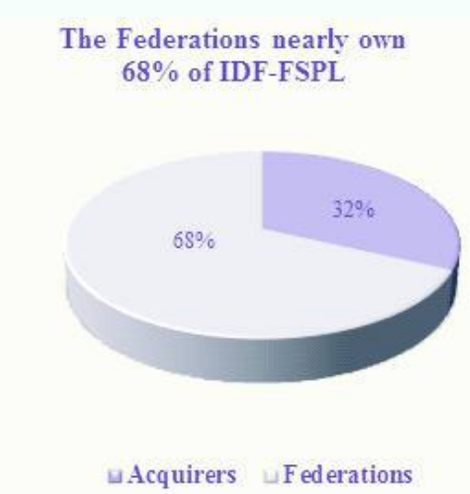
Federation

- For-profit trusts
- Run by a Board of Trustees
- Organize training and capacity building training for members
- Invest members' savings
- Buy shares in IDF FSPL

IDF-FSPL Ownership

Shareholders	No of Shares	%
Acquirers	35,00,000	32
IDF SHG FED Dharwad	19,20,240	18
IDF SHG FED Haveri	8,78,360	8
IDF SHG FED Tumkur	24,71,630	23
IDF SHG FED Gadag	3,48,040	3
IDF SHG FED Belgaum	17,02,960	16
Total	**1,08,21,230**	**100**

The Federations nearly own 68% of IDF-FSPL



Who We Serve

IDF FSPL believes in equality of opportunities. The organization does not discriminate between its members on the basis of caste, creed or religion. IDF FSPL believes in women empowerment and all the loans are disbursed to women.

The organization focuses mainly on customers who are poor, industrious, and hard-working women, those who live, and work in rural, semi urban and urban areas.

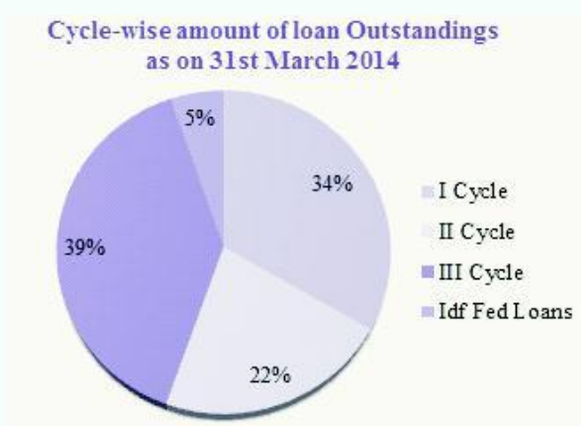
Client-assessment includes:

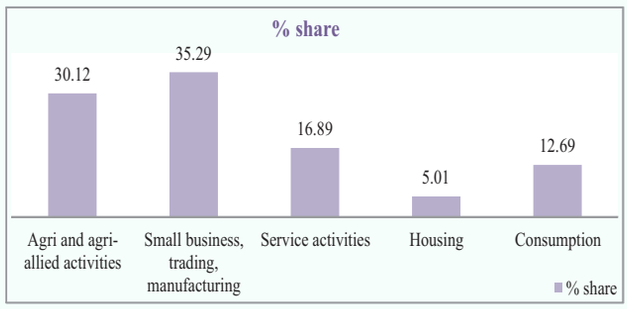
- Socio-demographic characteristics
- Present and proposed activities
- Present income levels
- Group cohesiveness

Profile of SHG Members

Characteristics	Description
Annual Income	Rural areas: Up to Rs. 60,000 Urban areas: Up to Rs. 1,20,000
Education	Illiterate or semi-literate
Age	Age group 15 to 55 years
Occupation	**Rural Sector**: Farming, animal husbandry, dairy, farming, share croppers, and agri-related labor works **Urban Sector**: Petty businesses and house hold works.







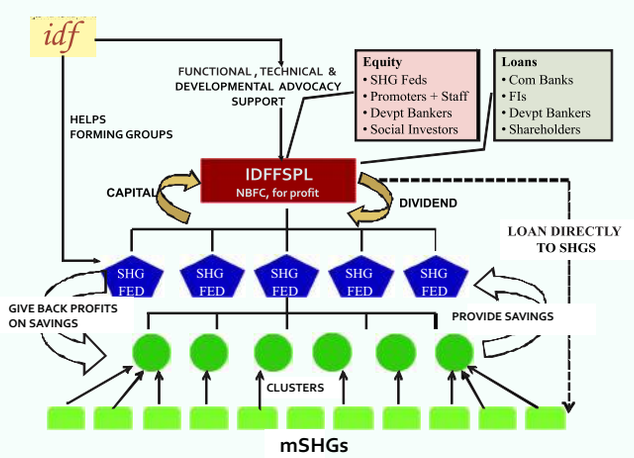
The loans are mainly given to the following income generation/livelihood activities

- Agri and agri allied activities like purchase of agricultural inputs, purchase of animals etc,
- Small business and trading activities to set-up petty business, kirana shops etc
- Service activities like sewing, embroidery, beauty services, motor winding, catering services, agarbatti rolling etc.

How Our Loans Work

The Company has an omnibus loan product which is designed to take care of the multiple needs of the clients, be it working capital for business or creation of assets for livelihood or agriculture or any other product service, apart from meeting consumption.

Micro- SHGs (mSHGs) are small homogeneous group of members. The lending method is evolved based on the previous service offering of the Company. The SHGs previously formed by the Company consisting of 12-15 members are now divided into mSHGs of 5-members each.



The company's business process first starts by organizing poor women into groups of 5 members. 5 such groups will constitute a cluster, which meets every fortnight.

All the mSHGs are federated at the district level. Federations are registered mutual benefit trusts aimed at socio-economic development of its members, in addition to representing the interests of SHG members as equity shareholders of the Company. Some Federations cover more than one district.

The Company sanctions the loans after conducting a thorough due diligence of the mSHGs and also after looking into the recommendations of the cluster. Loans are sanctioned to those mSHGs, which are successful in the Group Recognition Test (GRT) and who have a satisfactory credit history as evidenced by the credit bureau.

Loans are provided to mSHGs mainly for livelihood activities. However based upon need, loans can also be given for consumption purposes

Currently, IDF FSPL offers different loan products. Their details are outlined below:

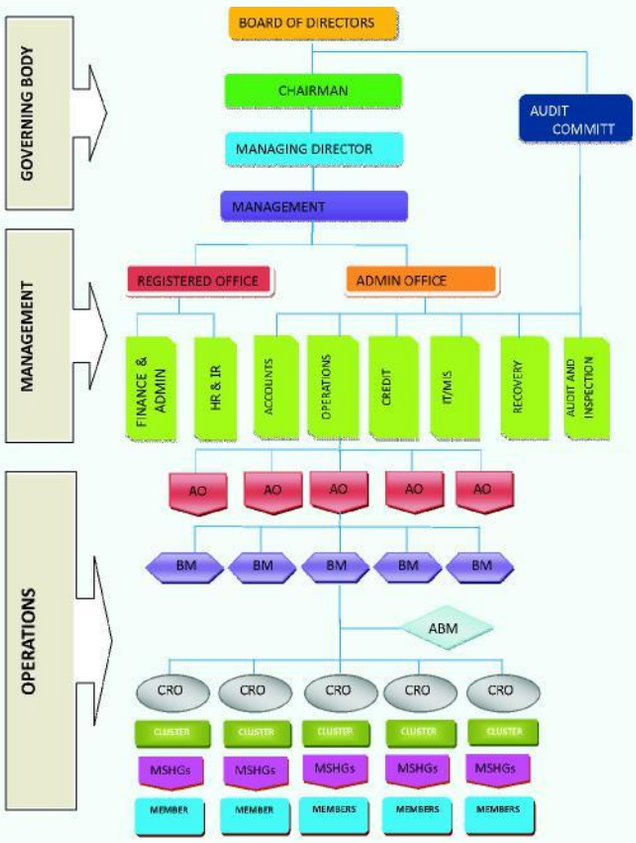
Loan Terms	mSHG Loans				Bulk NGO Loans
	Cycle I	Cycle II	Cycle III	Top Up loans	
Max Loan Amount in Rs.	12000-15000 per Member	15000-20000 per Member	20000-30000 per Member	6000-10000 per member	75,00,000
Repayment Period in months	12	24	24	12	12-24
Rate of interest in Bangalore Metro	26%	26%	26%	26%	20%
Rate of interest in other areas	24%	24%	24%	26%	
Service Charge	1%	1%	1%	1%	1%

Organisation structure & Heirarchy

The Company has its registered office at Bangalore, and the administrative office at Dharwad. The field level operation are spread across Area Offices, which are geographically aligned to cater to 12 districts. Each area office consists of 5 branches. The area offices are headed by Area Managers, who are responsible for the overall business development in the area. The Branches are headed by the Branch Manager (BM), who is assisted by the Assistant Branch Manager (ABM) and 5 Credit Officers (CROs). Each branch is expected to handle 5000-6000 clients. More than one area Office could exist in a district depending upon the volume of Business. Each and every Area office is able to sanction loans in its jurisdictional area.

The loans are sanctioned by a committee that comprises the area manager, branch manager, and the assistant branch manager. Geographical areas are demarcated by branches and each Credit officer has a specific route map.

ORGANISATIONAL HIERARCHY







Section Two

Governance

"Governance is holding the balance between economic and social goals and between individuals and communal goals. The Governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources."

- Sir Adrian Cadbury

The welfare of the community has been the underlying philosophy of the founding fathers of the company. Thus, the company has ensured that the board is comprised of well-qualified & experienced professionals. Currently the Company has Six Board of Directors members

- 2 Executive Directors
- 2 Representative Directors from Federation
- 2 Independent Directors

The Company has a code of conduct for its directors and executives that promotes ethical and responsible decision making.

Our Five Golden Rules of best corporate governance practices

Ethics: following a clear ethical code of conduct

Business Goals: goals, arrived at through the creation of a stakeholder decision making model

Strategic management: an effective strategy process incorporating stakeholder values

Organization: an organization structured to carry out good corporate governance

Reporting: reporting systems structured to provide transparency and accountability

The SHG Federations

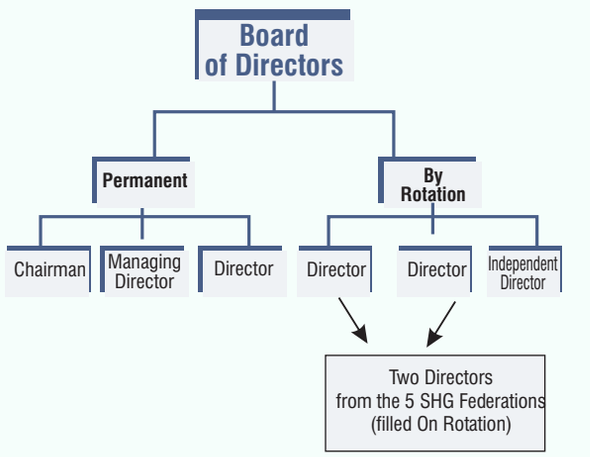
The key body in the governance structure of IDF FSPL is the SHG Federation. Federations are the main link between the SHGs and IDF FSPL. Federations are for Profit trust, owned by the SHG members. It has three roles:

1. Financial management of the savings of the members
2. Capacity building within the SHGs, and skill development of members
3. Providing or facilitating credit plus services Healthcare, education, literacy awareness)

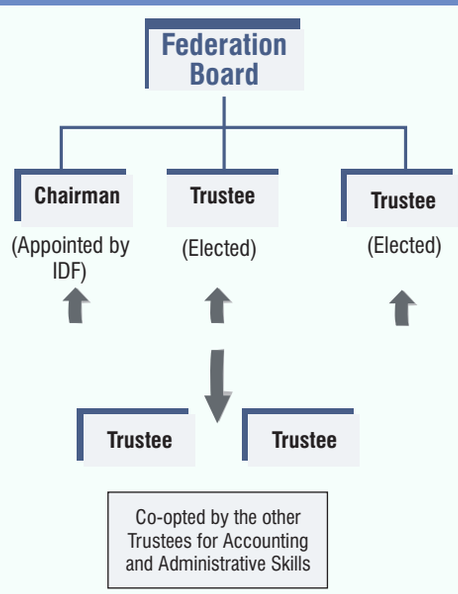
Protecting the Interests of the SHGs in Business Decision-making

Two Directors on the Board of IDF FSPL represent the Federations consisting of SHG members. The Federations are represented on the IDF FSPL Board thereby giving an opportunity to participate in the policy and management decisions. They serve and protect the interest of the Community.

IDF FSPL Board of Directors



SHG Federation Board





Leadership

IDF FSPL Board of Directors

Vivekanand N. Salimath, Chairman



- Post Graduate in Agricultural Science with specialization in Agronomy (Gold Medalist).
- Founder Trustee and Managing Trustee since inception. - Initiatives for Development Foundation (IDF)
- Executive Director of RUDSETI, Ujjire, Karnataka. RUDSETI achieved the distinction of training more than one lakh youth, with 65% of them starting their own enterprises. RUDSETI bagged the FICCI award for rural development during his tenure.
- Senior functionary in Syndicate Bank for over two decade
- Member of several prestigious committees including NABARD and RBI.
- Ex- Chairman of AKMI (Association of Karnataka Microfinance Institutions) and Ex-Treasurer, Sa-Dhan.
- Member in State Level Bankers Committee –SLBC and Agriculture Man and Ecology-AME.

Naganagouda. M. Patil, Managing Director



- Post Graduate in Agriculture.
- Senior functionary in Syndicate Bank for over two decades
- Ex- Director of RUDSET Institute and Lead District Manager.
- Executive Trustee of Initiatives for Development Foundation

T.V. Srikantha Shenoy, Director



- Founder Trustee of Initiatives for Development Foundation (IDF)
- Has served for nearly two decades in Syndicate Bank and was a key member of development and policy planning at its corporate office
- Passionate and strong in NGO capacity building, team development, networking, media communication, and creativity. He has spread awareness on organic farming technology and sustainable agriculture through Future Farmers Clubs and Farm Information Exchange Clubs.
- Mr. Shenoy has been instrumental in visualizing and implementing the Sujeevan project in Kunigal taluk of Tumkur district where the Farmer Field Schools were started.
- He is representing India on International small producers agency related to Financial Inclusion, Microfinance and markets. He is also serving as the Director of Agriculture Skill Council of India (ASCI) since 2012.

Mrithyunjaya S. Korimath , Director



- Post graduate in Agriculture with specialization in Soil and water conservation. Additionally a diploma holder in aerial photo interpretation and remote sensing from ISRO.
- Ex-Asst Director of Agriculture in the Department of Agriculture, Govt. of Karnataka for 34 years
- Vast experience in livelihoods and rural poverty alleviation.
- Presently Chairperson of IDF SHG Federation Dharwar.

Vijay Kulkarni , Director



- A post graduate qualification in Social Sciences from the Tata Institute of Social Sciences and a post graduate diploma in Gandhian studies and a Management Education Programme from IIM-Ahmedabad
- Ex Canara Bank,
- Ex- Director with RUDSETI.
- Associated was with BASIX as Associate Vice President. He co-founded Development Resource Centre (DRC), promoting civil society Institutions. As a consultant, he has been associated with World Bank, UNDP, FAO, Adam Smith Institute, GTZ, SIDBI, NABARD, Govt of Karnataka. For nearly 5 years, he was the programme director with AKSHARA foundation actively involved in primary education.

Kasturi Dambala, Director



- Representative Director appointed by the Company on behalf SHG Federation
- An SHG member who has worked up to the level of Board of Directors.
- Active member in the SHG community and has the field level expertize in organizing and leading the SHGs.

IDF FSPL Management Team

Administration



Krishnanand. A.H.
Head-HR



S.R. Sharma
Head-Finance



N. A. Hoskatte
Head-Accounts



S G Kolkar
Head-Audit



Shambu C. Sangapur
Head-IT



Karuna R.
Manager Finance

Operations



Raghavendra H.
DGM-Credit



Neelakantappa. M
DGM-Recovery



Sridharsing D. Hajeri
DGM-Operations

Section Three

Accomplishments of Year 2013 – 2014

No. of Loans disbursed	Disbursements (in Lakhs)	No. of loans Outstanding	Outstandings (in Lakhs)
39,012	5758.23	52,839	5965.46

IDF FSPL- Results and Performance

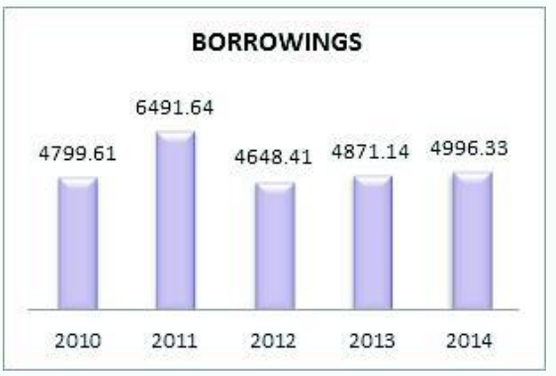
Metric	Amount (Rs in Lakhs)
Income	1300.51
Expenditure	1174.44
Profit after tax	94.55

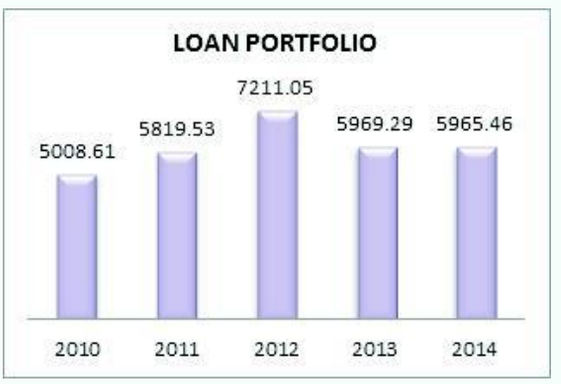
The following matrix gives a snapshot of IDF FSPL Performance during the year

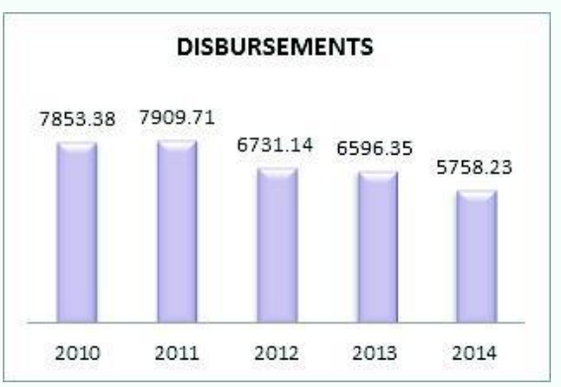
METRIC	*IDF FSPL*
Growth	
Growth in terms of outreach	97.76%
Growth rate in terms of micro SHG Loan portfolio	55%
Portfolio Quality	
PAR >90 days	0.87%
Return on Investment	
Yield on portfolio	22.07%
ROA (Return on Assets)	1.36%
Operating expenses	
Financial Expenses (as a portion of total expenses)	50.16%
Personnel expenses (as a portion of total expenses	19.54%
Other expenses (as a portion of total expenses)	30.30%
Distribution of assets	
Loan Portfolio	83.95%
Liquid	11.68%
Debt	
Debt dependence	71.06%
Debt to equity ratio	3.08%

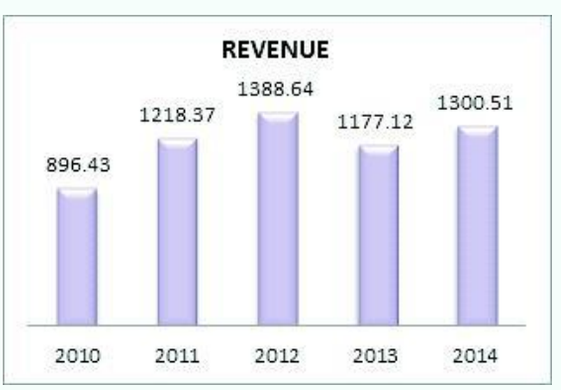
Progress Indicators

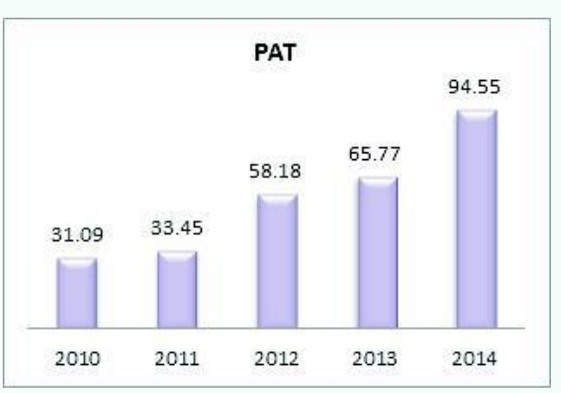












Section Four

Organisational Development

Human Resources Department

The Company appreciates the contribution of the Human resources to the overall growth and stability of the organization. To ensure that the best talents available in the sector are attracted towards it, the remuneration has been standardized as per the industry norms. Internal and External Trainings to upgrade their skills is a regular feature. To ensure higher productivity appropriate incentives commensurate with their performance is put in place. Health Care benefits, Bonus, gratuity have been provided as required by law.

Internal and External Training Programmes 2013-14

Internal Training Programme	No of Staff	External Training Programme	No of Staff
Management Information Systems Training	40	Training on H R Matters hosted by Ujjivan Financial Services Pvt Ltd in association with AKMI in Bangalore	1
Induction Training sessions	205	Training on IT Matters hosted by Janalakshmi Financial Services Pvt Ltd in association with AKMI in Bangalore	2
Workshops	35	Training on Internal Audit matters hosted by Grameen Financial Services Pvt Ltd in association with AKMI in Bangalore	2

Profile of the Human resource

Category	No. As on 31.03.14	%	No. As on 31.03.13	%
Education wise Classification				
SSLC	50	35	70	35
PUC	47	29	57	29
Graduates	33	20	41	20
Post Graduates	30	16	30	16
Total	**160**	**100**	**198**	**100**

Category	No. As on 31.3.14	%	No. As on 31.03.13	%
Gender Wise Classification				
Women	56	35	88	44
Men	104	65	110	56
Total	**160**	**100**	**198**	**100**

Category	No. As on 31.03.14	%	No. As on 31.03.13	%
Cadre wise Classification				
Community Organizers	11	7	69	35
Credit Officers	69	43	53	27
Credit Managers	19	12	20	10
Risk managers	6	4	1	0.5
Dy. Area Managers	3	2	2	1
Area Managers	7	4	3	1.5
Computer Operators	12	8	15	7
Executives	14	9	21	11
Internal Auditors	15	9	8	4
Attenders / Drivers	4	2	6	3
Total	**160**	**100**	**198**	**100**



Management Information Systems (MIS) & Information Technology

A significant technological leap-forward by the Company is the extensive use of mobile technology for many of its transactions. The Mobile Application has been enhanced to provide users with specific information based on their demands. This year up gradations have been made to the platform to improve operations

IDFFSPL's Information Technology (IT) Department has been working exhaustively on the development of the new Management Information System (MIS);



A Centralized Web-Based Application is being developed using the ASP.NET platform. It will support databases such as Oracle and Microsoft's SQL Server. It will be easier to maintain and can be enhanced whenever required, this is due primarily to its new design.

Furthermore, the new system can create dynamic reports and data entry interfaces at any point in time. In relation to information collection, the new system will collect information based on KYC (Know Your Customers) norms, credit bureau requirements, and IDFFSPL's requirements that ensure the smooth transfer of financial assistance to clients. The new system is still under development; pilot testing will be implemented very shortly.

CROs (Credit Officers) will greatly benefit from the new system as their existing Mobile Application will be merged with the new system. The new system will lead to increased levels of productivity for CROs.

The training and documentation will ensure that the staff has the capacity to use the new system as per guidelines, and also has the capacity to use the system to their best advantage.

Audit Department

The Company has a robust audit system in place. The audit department headed by a senior functionary apprises the Audit Committee regularly about the systems in place. The audit department over a period of time has developed well defined reporting systems that addresses risk management and managements



control over efficiency/effectiveness of operations (including safeguarding of assets), the compliance with laws and regulations by the various branches/offices of the Company. The Audit Department conducts internal audits of the operations of all the branches/offices and departments to contribute to optimal management and ensure the proper conduct of the branches/offices operations and the soundness of its assets. It is also involved in conducting proactive fraud audits to identify potentially fraudulent acts; participating in fraud investigations under the direction of fraud investigation professionals, and conducting post investigation fraud audits to identify control breakdowns and establish financial loss.



Section Five

Director's Report

Your Directors have pleasure in presenting the 20th Annual Report of the Company. Accompanying the report are both the Auditor's Report of your company and the Audited Statement of Accounts for the financial year ending 31st March, 2014.

Financial Highlights

The Summarized financial results of the Company are as hereunder:

Particulars	2013-14		2012-13	
	Amt Lakh ₹	% ↑ se or ↓ se	Amt Lakh ₹	% ↑ se or ↓ se
Operating income	1267.96	14%	1113.75	-17%
Other income	32.55	-49%	63.37	87%
Total income	**1300.51**	**10%**	**1177.12**	**-15%**
Personnel expenses	229.50	-12%	261.32	-24%
Administrative expenses	98.49	-2%	100.10	-28%
Finance charges	589.11	12%	525.40	-15%
Depreciation	40.81	-21%	51.83	-3%
Provisions and write-offs	216.53	57%	138.3	0%
Total Expenses	**1174.44**	**9%**	**1077.04**	**-17%**
Profit/(Loss) before tax	**126.07**	**26%**	**100.09**	**16%**
Excess depreciation of earlier years	22.00	112%	10.40	0%
Profit/(Loss) for the period	148.07	34%	110.49	28%
Less: income tax	-53.08	6%	-50.26	131%
Less: deferred tax	-0.43	-92%	-5.54	-188%
Profit after tax	**94.55**	**44%**	**65.77**	**13%**

Business Snapshot

Particulars	2013-14	(%) ↑ se or ↓ se	2012-13	(%) ↑ se or ↓ se
Customers (SHGs)	12,749	49%	8,534	-6.00%
Disbursement (Lakh `)	5,758.23	-11%	6,596.35	2.00%
Total Outstanding Loan Portfolio	5,965.46	-0.06%	5,969.29	9.77%
Outstanding mSHG Loans	5,144.98	55%	3,309.28	-
Profit After Tax	94.55	44%	65.77	13.05%
Employees	160	-19%	198	-47.20%
Branches	18	50%	12	140.00%
Repayment rate	99.05%	2%	97.23%	-0.21%

The new micro SHG (mSHG) model is spry and implemented throughout the operations of the Company. During the past two years, the Company is steadily involved in phasing out the portfolio under the old SHG model, thereby bringing them under the new mSHG model. As can be seen from the above table, the portfolio under the mSHG model has increased by 55% as compared to the previous year.

The Profit after tax has increased by 44% as compared to the previous year.

Dividend

To conserve its resources the Board has not recommended any dividend during this year on equity shares. The Interim dividend at 6% paid on the Cumulative Convertible preference shares amounting to Rs. 43,39,491/- during March 2014 has been treated as the final dividend and no other dividend is payable.

Corporate Governance

Clauses 49 of the Standard Listing Agreement and Corporate Governance Report under this clause are not applicable to the Company. During the year, the Board of Directors met 5 times.

Directors

During the financial year, there was no new induction of any member on the Board.

The members of the Board met regularly as per table below:

Directors	Eligible to attend 2013-14	Attended 2013-14
Vivekanand N Salimath	5	5
N M Patil	5	5
T V Srikantha Shenoy	5	5
M S Korimath	5	4
Vijay Kulkarni	5	5
Kasturi Dambala	5	5

RBI Guidelines

IDF FSPL is a non-deposit taking NBFC (non-banking financial company) and has complied with all applicable regulations of the Reserve Bank of India. The Company has also received a fresh NBFC – MFI licence from RBI during the year. Specific norms have been laid down by RBI vide its circular no DNBS.CC.PD.No. 250/03.10.01/2011-12 December 02, 2011. The Company is in compliance with the various directions laid down in the circular.

As per the Non-Banking Finance Companies – MFI RBI Directions, 2011, the Directors hereby confirm that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year

Code of conduct, transparency and client protection

The company has fully implemented the Reserve Bank of India's Fair practice code and adopted Code of Conduct prescribed by Sa-Dhan (Association of Community Finance Institution) and Association of Karnataka Microfinance Institutions (AKMI).

The Company also undertook a Code of Conduct Assessment (CoCA) through Micro credit Ratings International Ltd (M-CRIL) an accredited rating agency. The assessment addressed the key social risks involved by combining important elements of both the institution's codes of conduct, with the key aspects of Client protection and good governance. It covered aspects relating to Integrity, Governance and HR Strategy, Compliance with guidelines pertaining to clients, Effectiveness of client education efforts and awareness.

The Company has secured an overall score of 70.02% in the assessment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that:

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the Annual Accounts on a going concern basis.

Disclosures under Section 217(1) (d) of the Companies Act, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

Transfer to Reserves in terms of Section 217(1)(b)of the Companies Act, 1956

For the financial year ended 31st March 2014, the Company has transferred a sum of Rs. 18,90,918/- to Statutory Reserves.

Particulars of Employees

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Auditors

M/s R R Kulkarni, Chartered Accountants, having their office at Laxmi Apartment, Kalaghatagi Road, Saraswatpur, Dharwad-580002 will retire at the ensuing Annual General Meeting of the Company and are eligible to offer themselves for reappointment.

Auditors' Report

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

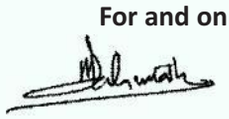
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 217(1) (e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

Acknowledgment

Your Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

For and on behalf of the Board



Vivekanand N Salimath
Chairman



Naganagouda M Patil
Managing Director

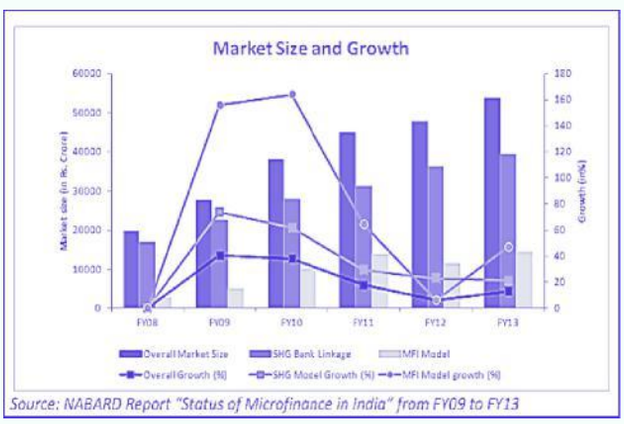
Date : July 15, 2014



Place: Bengaluru

1.0 The Microfinance Landscape in 2013-14

The 'Dust in the microfinance industry' that blew up during October 2010 has started showing the signs of settling down. Thanks to the regulatory guidelines issued by the Central Bank, the sector began to behave in an orderly fashion that brought in a fresh perspective about it as transparent and less risky.



Source: NABARD Report "Status of Microfinance in India" from FY09 to FY13

With the recent introduction of NBFC MFIs guidelines and priority sector lending (PSL) status being retained, RBI has reaffirmed MFI's role in financial inclusion. There have been further amendments in the regulatory guidelines for providing flexibility to MFI players in terms of removal of interest rate, meeting net owned fund requirement and qualifying asset criteria etc.

Investors regained their confidence in the sector resulting in a rising number of investment deals. The sector has been attracting regular equity infusion from private equity investors reflecting the increasing confidence of the investors regarding growth potential in the sector.

The credit profile of the MFIs has shown improvement with increasing loan portfolio on account of improving funding profile, control in operating expenses, improving margins post removal of interest rate cap and moderate leverage levels. The players in the sector are also adequately capitalised with overall gearing increasing moderately in-spite of good growth in the loan portfolio in FY13.

With the rising optimism among the players and confidence in the funding and policy environments the NBFC-MFIs have done well operationally during the past year.

Operational Highlights of the Sector

- 30% Industry gross loan portfolio growth in FY14 over FY13
- 54% Portfolio growth of MFIs other than CDR MFIs
- 300% Growth of funding to the industry in FY14 over FY13
- 50% Rise in total loan disbursals compared to FY13

2.0 Financial performance

IDFFSPL had a fairly healthy financial performance in terms of growth compared several other MFIs.

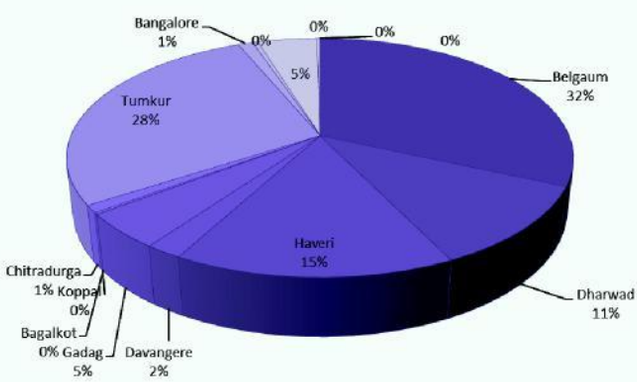
2.1 Outreach

Over the past two years, the Company has been in transformation phase. The Company is in the process of gradually shifting all its members from the existing SHG model to Micro SHG model.

The following facts come into picture while comparing the Company's present performance as compared to previous year:

- Total value of loan under mSHG portfolio has increased 55%, from Rs. 33.09 crores to Rs. 51.45 crores
- The number of active loans given has increased by 86% from 26718 last year to 49798 this year.
- The total number of Active Borrowers has reduced by 22.5%, from 89430 last year to 73003 this year.

District wise % of Portfolio outstanding as on 31st March 2014



The highest share of your company's portfolio is in the districts of Belgaum (31.71%), Tumkur (27.86%) and Haveri (15.13%)

2.2 Portfolio

The following table provides an analysis of the portfolio of your company.

Amt in Lakh

Description	As on March 2014	As on March 2013
Total value of loans disbursed during period	5,758.23	6,596.35
Total number of loans disbursed to SHGs during period	39,012	24,702
Number of active borrowers (End of Period)	73,003	1,02,690
Average number of active borrowers	81,310	89,430
Value of loan outstanding (End of period)	5,965.46	5,969.29
Average outstanding balance of loans	5,744.32	5,246.17
Value of payments in arrears (End of Period)	55.96	1,74.07
Value of outstanding balance of loans in arrears (End of period)	51.82	2,80.71
Value loans written off during period	2,16.53	1,38.39
Average loan size per SHG	15,015	16,641
Average loan term (months)	12 to 24	12 to 18
Average number of loans officers during period	80	40

Your company operates in 12 districts of Karnataka and the district wise breakup of loan details as on 31st March 2014 is as follows:

No.	Districts	Disbursed		Amt Outstanding	
		Amt in Lakh ₹	%	Amt in Lakh ₹	%
1	Belgaum	1837.38	31.91%	1891.79	31.71%
2	Dharwad	607.51	10.55%	659.46	11.05%
3	Haveri	1001.83	17.40%	901.72	15.12%
4	Davangere	144.23	2.50%	119.36	2.00%
5	Gadag	205.12	3.56%	282.03	4.73%
6	Bagalkot	0.00	0.00%	1.75	0.03%
7	Koppal	0.00	0.00%	12.7	0.21%
8	Chitradurga	71.25	1.24%	58.72	0.98%
9	Tumkur	1371.73	23.82%	1662.08	27.86%
10	Bangalore	37.99	0.66%	68.07	1.14%
11	Shimoga	25.80	0.45%	23.4	0.39%
12	Gulbarga-BC SHG	439.79	7.64%	268.89	4.51%
13	Kolhapur (Maharashtra)	15.60	0.27%	15.49	0.27%
	TOTAL	**5758.23**	**100.00%**	**5965.46**	**100.00%**

The portfolio is concentrated in Belgaum and Tumkur districts accounting for 31.71% and 27.86% respectively followed by Haveri district at 15.12%.

2.3 Product wise distribution

Product	2013- 14			2012-13		
	Number of accounts	Amount in Lakh ₹	%	Number of accounts	Amount in Lakh ₹	%
I Cycle	24185	1916.61	32%	11794	1330.57	22.29%
II Cycle	9476	1314.24	22%	5650	1327.29	22.24%
III Cycle	16132	2343.78	39%	8687	2559.24	42.87%
IV Cycle	0	0.00	0%	584	169.38	2.84%
NGO	1	74.83	1%	1	59.81	1.00%
Other Loans	3	316.00	6%	3	523.00	8.76%
Total	**49798**	**5965.46**	**100.00%**	**26715**	**5969.29**	**100.00%**

2.4 Distribution of portfolio by purpose

The loans disbursed by your company are used for different purposes by the borrowers. The majority are invested in enterprise, as illustrated below.

Sl. No	Category	2013-14			2012-13		
		No of Borrowers	Loans outstand-ing	% of Portfolio	No of Borrowers	Loans outstand-ing	% of Portfolio
1	**Non-farm enterprises**						
a	Manufacturing / Production	3,655	298.67	5.01%	3,343	223.25	3.74
b	Small Business / Services	12,330	1007.55	16.89%	14,953	998.06	16.72
c	Trading (wholesale / Petty)	22,108	1806.56	30.28%	28,036	1871.39	31.35
2	**Farm based**						
a	Agriculture	6,631	541.85	9.08%	7,603	512.16	8.58
b	Agri - allied	5,679	464.06	7.78%	6,511	434.56	7.28
c	Animal Husbandry / Poultry/Dairy / Sericulture etc.,	9,679	790.92	13.26%	11,097	747.36	12.52
3	**Others**						
a	Housing / Dwelling units / work heads -cum - tenements	3,657	298.83	5.01%	4,472	291.30	4.88
b	Consumption (e.g. education, marriage, illness etc.)	9,264	757.02	12.69%	13,415	891.21	14.93
		73,003	**5965.46**	**100.00**	**89,430**	**59,69.26**	**100.00**

82.30% of the loans are for livelihood activities while 17.70% of the loans are for consumption purposes. In view of RBI guidelines, the company has taken measures to sanction more loans to livelihood activities while reducing loans to consumption purposes.

2.5 Portfolio quality

The trend in PAR as compared to last year has substantially improved, and there is a tremendous improvement in the portfolio quality. The efforts of the company in bringing in effective monitoring and control systems and stricter credit discipline are commendable. PAR above 90 days has come down to 0.87% as compare to 2.67% in the previous year.

The Company wrote off bad debts of the value of Rs.216.53 Lakhs this year i.e. 3.63% of the loan portfolio. The industry standard is 1.3%; the company has initiated steps to improve the quality of its portfolio.

Sl. No	Type of Loans	2013-14			2012-13		
		No. of Borrowers	Value of Loans	% of Total Loan Out Standing	No. of Borrowers	Value of Loans	% of Total Loan Out Standing
1	Regular Loans	49269	5829.37	97.72%	25724	5688.58	95.30%
2	Less than 30 Days past due	128	39.65	0.66%	121	83.98	1.41%
3	Between 31-60 days past due	114	24.57	0.41%	57	23.41	0.39%
4	Between 61-90 days past due	84	20.05	0.34%	51	13.89	0.23%
5	Between 91-180 days past due	182	48.52	0.81%	143	24.68	0.41%
6	Between 181-365 days past due	21	3.29	0.06%	512	101.91	1.71%
7	>365 days past due	0	0	0.00%	110	32.84	0.55%
	Total	**49798**	**5965.46**	**100.00%**	**26718**	**5969.29**	**100.00%**

2.6 Portfolio yield, profitability and sustainability

The portfolio yield for the year 2013-14 was 22.07% which is slightly higher when compared to 21.23% during 2012-13

This year, there has been a substantial reduction in the operational expenditure. The Operating cost ratio has reduced to 6.30% as compared to 7.88% in the previous year.

The Company's Operational sustainability ratio was at 110.7%, slightly higher than that of 109.29% during the previous year.

3.0 Resource Mobilisation

The Company has been enjoying excellent rapport with the players in the financial sector. It is in touch with various Banks and is in the process of finalising the funds arrangement for the ensuing years. The Company did not face any problems during the year with respect to its liquid funds. The cost of funds for IDF FSPL in financial year 2013-14 was approximately 13.32% which has substantially increased as compared 11.04% as on the last year.

Source of Debt Funds		2013-14		2012-13	
		Amount in Lakh ₹		Amount in Lakh ₹	
Banks	State Bank of India	3401.49		3951.10	
	Syndicate Bank	500.35		0	
	Canara Bank	176.94		0	
	Karnataka Vikas Grameen Bank	240.33		145.05	
	Corporation Bank	374.99	**4694.11**	288.39	**4384.54**
Financial Institutions	NABARD	280.00		390.00	
	NABARD Financial Service Pvt Ltd	0		7.71	
	Ananya Finance	22.22	**302.22**	88.89	**486.60**
			4996.33		**4871.14**

Currently the debt funds sources comprise: Banks (93.95%), Financial Institutions (6.05%). Efforts will be made to diversify these funding sources. Your company is looking for Social Investors who can add value to the organisation, both in terms of capital and global best practices.

4.0 Ratings and evaluations

Your company was rated by CARE, an accredited credit rating agency during March 2014 and received a grading of MFI 3+ (where MFI 1 is highest and MFI 5 is lowest on an eight point scale). The rating is of the company's ability to conduct its operations in a scalable and sustainable manner.

The Company has received 'BB' rating from CARE in respect of the Bank facilities it has availed and its proposed facilities to be availed in future.

Capital Adequacy

The Capital Adequacy Ratio of the company was 27.43% as on 31st March 2014 which is slightly lower than 28.63% as on 31st March 2013.





M/s R R Kulkarni & Co.
CHARTERED ACCOUNTANTS

"LAXMI" APARTMENT
KALGHATAGI ROAD
SARASWATPUR
DHARWAD - 580 002
PH: 2442076/988053935

Auditor's Report

1. We have audited the attached Balance Sheet of IDF FINANCIAL SERVICES PRIVATE LIMITED as at 31stMarch 2014, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit proves reasonable basis for our opinion.
3. As required by the Companies' (Auditor's Report) Order, 2003 in terms of sub Section (4A) of section 227 of the Companies Act, 1956, and according to the Information and explanation given to us during the course of the audit and on the basis of such checks as we consider appropriate, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

i. We have obtained all the information and explanations, which to the best ofour knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of those books.

iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

v. On the basis of written representation received from the directors, as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointing as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. The board of directors has not been changed during the year 2013-14

vii. In our opinion, and to the best of our information and accounting to the explanation given to us, the said accounts give the information required by the companies Act 1956, 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 Balance Sheet, of the state of affairs of the Company as at 31stMarch 2014; and

(b) In the case of Profit and Loss Account for the year ended on the date.

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor
M. No.: 211616

Date: May 30, 2014
Place: Bengaluru

Annexure to the Auditor's Report

I) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) During the year, the company had carried out physical verification of assets. Thecompany has a regular programme for verification of fixed assets. In ouropinion, the frequency of verification is reasonable, having regard to the size andthe nature of its business.

c) In our opinion, the Company has not disposed off substantial part of fixed assetsduring the year and the going concerns status of the Company is not affected.

i. There is no stock of inventory. Hence this clause is not applicable.

ii. The company has not given/taken any loans, to/from any companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956.

iii. In our opinion, and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with size of the Company and the nature of its business for the purchase of inventory and assets and operation of Business. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control.

iv. (a) In our opinion and accordance to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and accordance to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time. This clause is not applicable to the company.

vi. The Company has not accepted any deposits from the public during the year. In terms paragraph 9(2) NBFC Public Deposit (RBI Directions)1998 the company has passed a resolution to the effect that the company has neither accepted deposit nor would accept any public deposit during the year.

vii. In our opinion, the internal audit system in the company during the year is adequate and commensurate to the size and the nature of the business of the Company.

viii. The Central Government has not prescribed maintenance of cost records under Section 209- (l)(a) of the Companies Act, 1956 for any product of the company.

ix. On the basis of records produced before us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Customs Duty and Excise Duty. Accordance to the information and explanations given to us, there are no undisputed amounts payable in respects of Provident Fund, Income Tax, Sales Tax, Customs Duty and Excise Duty which are outstanding as on 31sr March 2013 for a period of more than six months from the date on which they become payable.

x. According to the information and explanation given to us and as per the records examined by us, there were no disputed amounts due in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess.

xi. The company has accumulated surplus in the previous year and has not incurred cash losses during the Current financial year.

xii. Based on our audit procedures and according to the information and explanationgiven to us, we are of the opinion that the Company has not defaulted in repaymentof dues to financial institutions or banks.

xiii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiv. In our opinion, the Company is not a chit fund, nidhi/mutual benefit funds/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order 2003, are not applicable to the company.

xv. The Company does not deal or trade in shares, securities, debentures and other investments. Hence provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the company.

xvi. The company has not given any guarantee for the loans taken by others from banks or financial institutions.

xvii. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been for long term investment.

xviii. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

XIX. The company has not issued debentures during the financial year.

xx. The company has not raised any monies by public issue.

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor
M. No.: 211616

Date: May 30, 2014
Place: Bengaluru

IDF FSPL Audited Accounts 2013-14

Balance Sheet as at March 31, 2014

(₹)

Balance Sheet as at		31-Mar-14	31-Mar-13
	Note no.		
I. Equity and Liabilities			
Shareholders' funds			
(a) Share capital	2.1	180,537,150	180,537,150
(b) Reserves and surplus	2.2	10,824,023	6,446,418
		191,361,173	**186,983,568**
Non-Current liabilities			
(a) Long-term borrowings	2.3	499,632,833	487,113,534
(b) Deferred tax liability (net)	2.4	2,480,951	2,437,244
		502,113,784	**489,550,778**
Current liabilities			
(a) Trade payables	2.5	1,198,587	915,651
(b) Other current liabilities	2.6	7,673,651	5,934,715
(c) Short-term provisions	2.7	737,497	2,275,371
		9,609,735	**9,125,737**
		703,084,692	**685,660,083**
II. Assets			
Non-current assets			
(a) Fixed assets	2.8		
(i) Tangible assets		1,816,317	1,748,165
(ii) Intangible assets		18,500,000	22,200,000
(b) Loans to groups	2.9	246,110,452	393,521,678
(c) Long-term loans and advances	2.10	7,547,199	4,318,299
		273,973,968	**421,788,142**
Current assets			
(a) Current Investments	2.11	-	1,000,000
(a) Cash and cash equivalents	2.12	82,105,590	61,854,190
(b) Loans to groups	2.9	312,533,183	146,376,211
(c) Short-term loans and advances	2.13	31,600,000	52,457,878
(d) Other current assets	2.14	2,871,951	2,183,662
		429,110,724	**263,871,941**
		703,084,692	**685,660,083**
Significant accounting policies and notes on accounts	**1 & 2**		

As per our report of even date

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor

M. No.: 211616

Date: May 30, 2014
Place: Bengaluru

for **IDF Financial Services Private Limited**

(V N Salimath)
Chairman

(N M Patil)
Managing Director

IDF FINANCIAL SERVICES PRIVATE LIMITED

Profit and Loss Account for the year ended March 31, 2014

(₹)

Particulars	Note no.	31-Mar-14	31-Mar-13
Income			
Revenue from operations	2.15	126,795,989	111,375,366
Other income	2.16	3,254,763	6,336,959
Total Revenue		**130,050,752**	**117,712,325**
Expenses			
Employee benefits expense	2.17	22,949,982	26,131,907
Finance costs	2.18	58,910,860	52,539,635
Depreciation and amortization expenses	2.8	4,080,574	5,182,976
Provisions and write -offs	2.19	21,653,033	13,839,028
Other operating expenses	2.20	9,849,429	10,010,279
Total expenses		**117,443,878**	**107,703,825**
Profit/(Loss) before tax		**12,606,874**	**10,008,500**
Tax expense:			
- Current tax		(1,708,575)	(2,415,824)
- Provision for Income tax		(3,600,000)	(2,610,000)
- Reversal of Income tax provision - prior years		2,200,000	1,040,000
- Deferred tax		(43,707)	554,287
Profit/(loss) for the year		**9,454,592**	**6,576,963**
Earning per equity share (EPS) ***[refer note 3.4]***			
- Basic		0.87	0.61
- Diluted		0.52	0.36
Number of shares considered for			
- Basic		10,821,230	10,821,230
- Diluted		18,053,715	18,053,715
Significant a ccounting policies and notes on accounts	1 & 2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor

M. No.: 211616

Date: May 30, 2014
Place: Bengaluru

for **IDF Financial Services Private Limited**

(V N Salimath)
Chairman

(N M Patil)
Managing Director

IDF FINANCIAL SERVICES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2014 ₹

Particulars		31-Mar-14	31-Mar-13
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		**12,606,874**	**10,008,500**
Adjustment for Non- cash (income) / expenditure:			
Depreciation		4,080,574	5,182,976
Provision for doubtful assets		-	-
Baddebts written off		21,653,033	13,839,028
Revolving fund		-	1,000
Loss on sale of assets		16,933	-
Operating profit before changes in operating assets		**38,357,414**	**29,031,504**
Adjustments for			
(Increase)/ decrease in current assets		17,940,689	(33,021,498)
(Decrease)/increase in current liabilities		483,998	(1,701,835)
(Increase)/ decrease in loans to groups		(40,398,778)	(28,069,824)
Net cash generated from operating activities before tax		**16,383,323**	**(33,761,653)**
Income tax paid		(3,108,575)	(3,985,824)
Net cash generated from operating activities aftertax	**(A)**	**13,274,748**	**(37,747,477)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(465,659)	(691,906)
SBI Mutual Fund		-	(1,000,000)
Net cash flow from investing activities	**(B)**	**(465,659)**	**(1,691,906)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital [Incl premium]			-
Secured borrowings [Net]		12,519,299	22,272,091
Corporate dividend tax paid		(737,497)	(703,974)
Dividend paid		(4,339,491)	(4,339,491)
Unsecured borrowings [net]		-	-
Net cash generated from financing activities	**(C)**	**7,442,311**	**17,228,626**
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)		20,251,400	(22,210,757)
Cash and cash equivalents at the beginning of the year		61,854,190	84,064,947
Cash and cash equivalents at the end of the year *[Refer note 2.12]*	**-**	**82,105,590**	**61,854,190**
Significant accounting policies and Notes on accounts	**1 & 2**		

As per our report of even date

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor
M. No.: 211616

for **IDF Financial Services Private Limited**

(V N Salimath)
Chairman

(N M Patil)
Managing Director

Date : May 30, 2014
Place: Bengaluru

IDF FINANCIAL SERVICES PRIVATE LIMITED

Significant Accounting Policies and Notes on Accounts

Company overview:

IDF Financial Services Private Limited [herein after 'the company'] is engaged in micro finance activities directed to ultimate benefit of poor women [organized in the form of Self-help-groups] for enhancement of their livelihoods in a financially viable manner and provide financial support to these groups through Community based Self Help Group Federations.

1) Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, except otherwise stated and stipulated in the directions issued by Reserve Bank of India (RBI) for Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 from time to time.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the reported period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

1.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue measured and collectibility is reasonably assured.

1.3.1 Interest income on loans disbursed is recognized on accrual basis as per effective interest rate method except in the case of Non-performing assets (NPA) where interest is recognized upon realisation, in accordance with the directives of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended).

1.3.2 Income from service contracts is recognized on the basis of proportionate completion of the contract with reference to the stage of performance.

1.3.3 Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

1.4 Fixed assets and intangible assets

All fixed assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Acquisition of trademarks in the form of right for use of brand name and other intellectual property rights in the field of micro finance has been accounted for as intangible assets at the purchase price.

1.5 Depreciation and amortisation

Depreciation is provided pro-rata on the Written down value method at the following stated rates specified under Schedule XIV of the Companies Act, 1956:

Class of Fixed Assets	Rate of Depreciation
Furniture & fixtures	18.10%
Office equipment	20.00%
Computers	40.00%
Vehicle	25.89%

In view of the nature business and the enduring nature for exploitation of intangible assets, the same is written off over 10 years, with depreciation rate of 10%

1.6 Asset classification

These are classified as standard assets and non performing assets in terms of the Non Banking Finance Company- Micro finance Institutions (Reserve Bank) Directions 2011

1.7 Provisioning Norms

Provision for loans and advances has been made as per the norms stated in the above Directions by Reserve Bank of India, 2007, which are stated below:

Classification of Assets	Criteria for Classification	Provision %	
		Management estimate	As per the prudential norms of RBI
Standard Assets	The assets in respect of which, no default in repayment of principal or payment of interest is perceived	0.00%	0.00%
Non Performing Assets	An asset the aggregate loan installments which are over due for more than 90 days but not more than 180 days.	50%	50%
Non Performing Assets	An asset the aggregate loan installments which are over due for more than 180 days or more.	100%	100%

As per the RBI Guidelines the aggregate provisioning to be maintained by NBFC-MFI at any point shall not be less than the higher of a) 1% of the total portfolio or b) As per the above rates

1.8 Loans write-off policy

Loans are written off when the management has exhausted all options for recovery of Principal and interest on the loan which are overdue.

1.9 Employee benefits

1.9.1 Provident fund: Contribution is accounted on actual liability basis and paid to the Government managed Employees' Provident Fund Organization.

1.9.2 Leave encashment: Liability arising for the year is provided and paid during the same year.

1.9.3 Gratuity: This is a defined benefit plan. Gratuity liability is provided based on actuarial valuation using Projected Unit Credit Method. Actuarial Gains and Losses comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in the Profit and Loss Account as income or expense.

1.10 Accounting for taxes on income

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the balance sheet date.

1.11 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.

1.12 Provisions and contingent liabilities

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 cannot be made.

1.13 Segment information

The company operates in a single reportable segment i.e. lending activity, which has similar risks and returns for the purpose of reporting under AS-17 'Segment Reporting' issued by ICAI. The Company does not have any reportable geographical segment.

1.14 Share issue expenses

Expenditure incurred in relation to issue of equity shares is adjusted against the securities premium reserve, net of corresponding tax benefits, if any.

2) Notes on Accounts

2.1 Share Captial

	31-Mar-14	31-Mar-13
Authorized		
15,000,000 [Previous year: 15,000,000] Equity shares of ₹ 10/- each	150,000,000	150,000,000
10,000,000 *[Previous year: 10,000,000]* Preference shares of ₹ 10/- each	100,000,000	100,000,000
	250,000,000	**250,000,000**
Issued, subscribed and paid-up		
Equity		
10,821,230 [Previous year: 10,821,230] Equity shares of ₹ 10/- each fully paid -up	108,212,300	108,212,300
Preference		
7,232,485 [Previous year:7,232,485] 6% Cumulative Convertible Preference shares of ₹ 10/- each fully paid-up	72,324,850	72,324,850
	180,537,150	**180,537,150**

2.1.1 Reconciliation of shares

	31-Mar-14	31-Mar-14	31-Mar-13	31-Mar-13
	Number	Amount	Number	Amount
a) Equity shares				
Balance at the beginning of the year	10,821,230	108,212,300	10,821,230	108,212,300
Add: issued during the year	-	-	-	-
Balance at the end of the year	**10,821,230**	**108,212,300**	**10,821,230**	**108,212,300**
b) Preference shares				
Balance at the beginning of the year	7,232,485	72,324,850	7,232,485	72,324,850
Add: issued during the year	-	-		-
Balance at the end of the year	**7,232,485**	**72,324,850**	**7,232,485**	**72,324,850**

2.1.2. Of the above, 9,275,340 equity shares are allotted by way of bonus shares during the year 2010 - 11

2.1.3 Rights, preferences, restrictions of share capital

a) **Equity shares:** The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

b) **Cumulative convertible Preference shares [CCPS]:** CCPS are convertible into equity after completion of 7 years from the date of allotment with an option by the Company to convert it into equity shares after 5 years and such conversion is to effect at fair value to be determined at the time of conversion. Preference share holders are not entitled to any voting rights except where the rights of the preference share holders are proposed to be affected. In such event, preference share holders will have the same right as the equity share holders in the meeting of the share holders for the agenda of the meeting affecting their rights only. Dividends can be accumulated until fully paid.

2.1.4. The details of shareholders as at March 31, 2014 is set out below:

	31-Mar-14		31-Mar-13	
	No. of shares	%	No. of shares	%
Equity share capital				
IDF FSPL balaga welfare trust	787,500	7%	787,500	7%
IDF SHG Federation -Dharwad	1,193,710	11%	1,920,240	18%
IDF SHG Federation - Haveri	878,360	8%	878,360	8%
IDF SHG Federation - Tumkur	2,471,630	23%	2,471,630	23%
IDF SHG Federation - Gadag	348,040	3%	348,040	3%
IDF SHG Federation - Belgaum	2,429,490	22%	1,702,960	16%
Vivekanand. N. Salimath	542,500	5%	542,500	5%
Naganagouda M Patil	542,500	5%	542,500	5%
T V Srikantha Shenoy	542,500	5%	542,500	5%
Shrikant M Hebbal	542,500	5%	542,500	5%
Gururaj M Deshpande	542,500	5%	542,500	5%
Total	**10,821,230**	**100%**	**10,821,230**	**100**
Preference share capital				
IDF SHG Federation - Dharwad	756,792	10%	756,792	10%
IDF SHG Federation - Haveri	875,210	12%	325,210	4%
IDF SHG Federation - Tumkur	2,795,838	39%	3,845,838	53%
IDF SHG Federation - Gadag	558,160	8%	558,160	8%
IDF SHG Federation - Belgaum	2,246,485	31%	1,746,485	24%
Total	**7,232,485**	**100%**	**7,232,485**	**100%**

2.2. Reserves and surplus

	31-Mar-14	31-Mar-13
Securities premium reserve		
Opening balance	776,700	776,700
	776,700	**776,700**
Statutory reserve		
Opening balance	3,782,437	2,467,044
Additions during the year	1,890,918	1,315,393
	5,673,355	**3,782,437**
Vehicle Revolving Fund		
Opening balance	111,887	110,887
Additions during the year	-	1,000
	111,887	**111,887**
Surplus in the statement of Profit and Loss		
Opening balance	1,775,395	**1,557,289**
Add: Profit/(loss) for the year	9,454,592	6,576,963
Less: Transferred to statutory reserve	(1,890,918)	(1,315,393)
Less: Proposed dividend on preference shares	(4,339,491)	(4,339,491)
Less: Dividend distribution tax	(737,497)	(7 03,974)
	4,262,081	**1,775,394**
	10,824,023	**6,446,418**

2.3 Long-term borrowings

	31-Mar-14	31-Mar-13
a) Secured *[Refer note 3.3]*		
i) Term loans		
- From banks	129,261,646	43,343,741
- From other Financial Institutions	30,222,216	48,659,938
ii) Cash credit	340,148,971	395,109,855
	499,632,833	**487,113,534**

2.3.1 Details of security for each type of borrowings including terms of repayment

Term loans availed from banks and financial institutions are fully secured by way of hypothecation of book debts and by way of the pledge of fixed deposits in respect of certain loans as set out in Note 3.3. Term loans are repayable on monthly and quarterly basis depending on the respective loan arrangements as detailed in Note 3.3.

2.4 Deferred tax liability (net)

	31-Mar-14	31-Mar-13
Opening balance	2,437,244	2,991,531
Additions during the year	43,707.00	(554,287)
	2,480,951	**2,437,244**

2.4.1 Deferred tax liability arising out of differences in depreciation and amortisation in block of fixed assets and intangible assets as per tax books and financial books

2.5 Trade payables

	31-Mar-14	31-Mar -13
Payable to staff	1,150,666	885,950
Sundries payable	-	29,701
Staff welfare fund payable	47,921	-
	1,198,587	**915,651**
There are no micro and small enterprises, to whom the Company owes dues as at reporting date.		

2.6 Other current liabilities

	31-Mar-14	31-Mar-13
Interest accrued but not due on borrowings	1,049,243	913,560
Statutory Liabilities	299,100	198,786
Other payables	115,308	12,369
Provision for Tax	6,210,000	4,810,000
	7,673,651	**5,934,715**

2.7 Short-term provisions

	31-Mar -14	31-Mar-13
Contingent provision against standard assets	-	1,571,397
Dividend distribution tax	737,497	703,974
	737,497	**2,275,371**

2.8 Loans to groups

	31-Mar-14		31-Mar-13	
	Non-current	**Current**	**Non- current**	**Current**
Unsecured, considered good	252,412,651	307,351,663	398,252,481	132,859,631
Unsecured, considered doubtful	-	5,181,520	-	13,516,580
	252,412,651	312,533,183	398,252,481	146,376,211
Less: Provision for doubtful assets	6,302,200	-	4,730,803	-
	246,110,451	**312,533,183**	**393,521,678**	**146,376,211**

2.9 Long-term loans and advances

	31- Mar-14	**31-Mar-13**
Unsecured, considered good		
Rent Advance	630,000	555,000
Prepaid taxes	5,900,000	3,200,000
TDS Receivables	767,199	467,704
Vehicle loans to staff	250,000	95,595
	7,547,199	**4,318,299**

2.10 Current Investments

	31-Mar -14	**31-Mar-13**
SBI Mutual Funds	**-**	1,000,000
	-	**1,000,000**

2.11 Cash and cash equivalents

	31-Mar-14	**31-Mar-13**
Balances with banks		
- in current accounts	50,721,178	9,585,652
- in deposit account	31,127,143	51,784,185
Cash on hand	257,268	484,353
	82,105,590	**61,854,190**

2.12 Short-term loans and advances

	31- Mar- 14	**31-Mar-13**
Unsecured, considered good		
Loans to related parties *[Refer note 3.6.2]*	31,600,000	52,300,000
project Advances	-	157,878
	31,600,000	**52,457,878**

2.13 Other current assets

	31-Mar-14	**31-Mar-13**
Interest Receivable	1,767,441	1,454,222
Receivables	66,973	629,440
Stamp in Stock	5,540	-
Bajaj Allianj Insurance Co.Ltd.-Deposit	100,000	100,000
Cash Loss	931,997	-
	2,871,951	**2,183,662**

2.14 Revenue from operations

	31-Mar-14	31-Mar-13
Interest Income	121,025,228	105,245,513
Service charges on loans	5,770,761	6,129,853
	126,795,989	**111,375,366**

2.15 Other income

	31-Mar-14	31-Mar-13
Interest on term deposits	2,117,082	4,779,110
Bad debts recovered	1,010,403	1,090,503
Other non-operating income	127,278	467,346
	3,254,763	**6,336,959**

2.16 Employee benefit expense

	31-Mar-14	31-Mar-13
Salaries, wages and bonus	21,838,103	24,495,020
Contributions to provident and other funds	1,055,275	1,554,747
Staff welfare and training expenses	38,132	48,111
Gratuity	18,472	34,029
	22,949,982	**26,131,907**

2.17 Finance costs

	31- Mar-14	31-Mar-13
Interest on borrowings	55,763,456	49,430,346
Loan processing fee on borrowings	2,751,386	2,701,800
Bank charges	355,599	354,321
Documentation and evaluation expenses	40,419	53,168
	58,910,860	**52,539,635**

2.18 Provisions and write-offs

	31-Mar-14	31-Mar-13
Bad debts written-off	21,653,033	13,839,028
	21,653,033	**13,839,028**

2.19 Other operating expenses

	31-Mar-14	31-Mar-13
Professional and consultancy charges	1,000,200	595,628
Travelling and conveyance	2,465,052	3,140,478
Communication expenses	786,994	1,314,982
Rent	1,891,229	1,854,801
Office maintenance	544,157	535,144
Printing & stationary	600,659	621,333
Insurance	580,859	497,384
Loss on sale of assets	16,933	-
Auditor's remuneration	471,912	471,912
Repairs and maintenance	359,447	331,667
Meeting expenses	68,087	57,754
Subscription fees	121,180	110,000
Filing fee	50,000	-
Credit Burea Expenses	149,467	304,885
Donations	25,000	28,350
Miscellaneous expenses	53,537	145,961
Commission Paid	664,716	-
	9,849,429	**10,010,279**

3) Supplementary information

3.1 Contingent liabilities and commitments

	31-Mar-14	31-Mar-13
Contingent liabilities	Nil	Nil
Commitments	Nil	il

3.2 Additional disclosures pursuant to the Reserve Bank Directions vide circular no. RBI/2010-11/118, DNBS (PD).CC.No.178/03.02.001/2010-11, dated 1 July, 2010

3.2.1 Capital to Risk-Assets Ratio [CRAR]

	31-Mar-14	31-Mar-13
CRAR %	27.43%	28.63%
CRAR - Tier I Capital (%)	26.35%	27.58%
CRAR - Tier II Capital (%)	1.08%	1.05%

3.2.2 Loans classification as per RBI

The loan portfolio has been classified as per the norms prescribed for classification by the Reserve Bank of India through Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. as amended from time to time, the necessary provisions as per RBI norms have been made. The details are shown below:

Asset classification	Loan outstanding (without provisioning)				Provision	
	31-Mar-14		31-Mar-13		During the year 2013-14	During the year 2012-13
	No. of accounts	Amount	No. of accounts	Amount	Amount	Amount
Standard Assets	49,591	559,764,314	26,091	531,112,112		1,571,397
Non Performing assets	203	5,181,520	624	13,516,580	6,302,200	4,730,803
Total	**49,794**	**564,945,834**	**26,715**	**544,628,692**	**6,302,200**	**6,302,200**

The Non performing assets is 0.92% for the year ending 31st March 2014 as compared to 2.48% of total loan portfolio for the year ending 31st March 2013.

3.3. Terms and conditions of Borrowings

Name of the bank/financial institution	Balance outstanding as at		Repayment period including moratorium
	31-Mar-14	31-Mar-13	
1. TERM LOANS SECURED			
A. From Banks			
KVG Bank - Dharwad	-	14,504,762	Repayable in 36 monthly installments with a moratorium period of 6 months
KVG Bank - Dharwad	24,033,343	-	Repayable in 36 EMI with a moratorium period of 2 months.
Corporation Bank	37,499,000	28,838,979	Repayable in 3 years in 12 quarterly installments
Canara Bank	17,693,516	-	Repayable in 3 years in monthly installments with repayment holiday of 3 months
Syndicate Bank	50,035,787	-	Repayable in 36 EMIs
Total	**129,261,646**	**43,343,741**	

B. From Other Financial Institutions			
NABARD-Financial Services Pvt Ltd.,	-	771,050	Repayable in 10 quarterly installments
NABARD - Bangalore - II	18,000,000	24,000,000	Repayable in 5yearly installments terminating on July, 2016.
NABARD - Bangalore - I	10,000,000	15,000,000	Repayable in 10 equal half- yearly installments terminating on December, 2015
Ananya Finance for inclusive growth private limited.	2,222,216	8,888,888	Repayable in 18 EMIs
Total	**30,222,216**	**48,659,938**	
2. CASH CREDIT FROM BANKS			
State Bank of India	340,148,971	395,109,855	Limits valid upto 25.09.2014
Total	**340,148,971**	**395,109,855**	

3.4. Earnings per share

Reconciliation of basic and diluted shares used in computation of earnings per share

	31-Mar-14	31 - Mar-13
Net profit as per profit and loss account	9,454,592	6,576,963
Weighted average number of shares considered for computation of basic earnings per share	10,821,230	10,821,230
Add: Effect of convertible preference shares	7,232,485	7,232,485
Weighted average number of shares considered for computation of diluted earnings per share	18,053,715	18,053,715
Nominal value per share	10	10

3.5. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service entitled to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

3.6 Related party disclosures

3.6.1 Names of related parties and nature of relationship

Names	Nature of relationship
IDF SHG Federation – Belgaum	Entity in which key management personnel have significant influence
IDF SHG Federation – Haveri	
IDF SHG Federation - Tumkur	
IDF SHG Federation - Gadag	
IDF SHG Federation – Dharwad	
Mr. Vivekanand Salimath	Key management Personnel
Mr. N M Patil	

3.6.2 Nature of transactions

Name of related party	Nature of transaction	Type	31- Mar -14	31-Mar- 13
IDF SHG Federation –Dharwad	Loans outstanding balance	Payment	12,700,000	22,200,000
	Interest paid	Payment	-	447,528
IDF SHG Federation – Tumkur	Loans outstanding balance	Payment	15,000,000	24,600,000
	Interest paid	Payment	-	546,838
IDF SHG Federation – Gadag	Loans outstanding balance	Payment	5,000,000	5,500,000
	Interest paid	Payment	-	177,042
IDF SHG Federation – Belgaum	Loans outstanding balance	Payment	3,000,000	-
	Interest paid	Payment	-	-

3.7. Earnings and expenditure in foreign currency

	31-Mar-14	31-Mar-13
Earnings	Nil	Nil
Expenditure	Nil	Nil

3.8 Other information required under para 5(viii) of Part II of Revised Schedule VI of the Companies Act- Nil/Not applicable.

3.9 Prior year comparatives

The previous year figures are regrouped /rearranged to conform to current year's presentation as per revised. Schedule VI of Companies Act, 1956.

As per our report of even date

for **M/s. R R Kulkarni & Co.,**
Chartered Accountants
F R. No.: 010916S

(R R Kulkarni)
Proprietor
M. No.: 211616

for **IDF Financial Services Private Limited**

(V N Salimath)
Chairman

(N M Patil)
Managing Director

Date : May 30, 2014
Place: Bengaluru

IDF FINANCIAL SERVICES PRIVATE LIMITED

Notes to the financial statements as at March 31, 2014

Note 2.8 : Fixed assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	**As on March 31, 2013**	**Additions for the year**	**Deletions for the year**	**As on March 31, 2014**	**Up to March 31, 2013**	**Additions for the year**	**Deletions For the year**	**As on March 31, 2014**	**As At March 31, 2014**	**As at March 31, 2013**
A. Tangible assets										
Computer and Accessories	2,863,528	75,006	-	2,938,534	2,863,527	7,477	-	2,871,004	67,530	1
Furniture and Fixtures	1,396,030	78,200	-	1,474,230	775,429	120,231	-	895,660	578,570	620,601
Office equipment	2,014,516	322,853	49,111	2,288,258	886,953	252,866	21,778	1,118,041	1,170,217	1,127,563
Total [A]	**6,274,074**	**476,059**	**49,111**	**6,701,022**	**4,525,909**	**380,574**	**21,778**	**4,884,705**	**1,816,317**	**1,748,165**
B. Intangible assets										
Acquisition of trademark for right to use brand name and other intellectual property rights	37,000,000	-	-	37,000,000	14,800,000	3,700,000	-	18,500,000	18,500,000	22,200,000
Total [A+B]	**43,274,074**	**476,059**	**49,111**	**43,701,022**	**19,325,909**	**4,080,574**	**21,778**	**23,384,705**	**20,316,317**	**23,948,165**

Date : 30th May 2014
Place: Bengaluru





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IDF Financial Services Private Limited

Mission

Financial empowerment of the economically underprivileged through good quality and sustainable financial services

Core Values

Commitment, transparency, innovation, business ethics, exceptional teamwork

Objectives

Our aim is to "Build a banking model" with a social face that is commercially viable for the poor. These include:

- Assist organizing the poor into Self Help Groups (SHGs)
- Build the capacity of Self Help Groups through Training & Non training interventions
- Help organize the SHGs into Clusters & Federations
- Facilitate Federations of SHGs to organize trainings related to Livelihood, Health & Community Development
- Assist SHG Federations mobilize thrift from the SHGs
- Assist SHG Federations to provide Credit plus services
- Provide Credit to SHGs
- Build the capacity of SHG Federations towards participation in Governance of the Federations as well as in IDF FSPL in which the federations are the share holders.

Our Bankers

Our aim is to "Build a banking model" with a social face that is commercially viable for the poor these include

- State Bank of India
- Karnataka Grameena Vikas Bank
- Indian Overseas Bank
- Syndicate Bank
- Small Industries Development Bank of India (SIDBI)
- NABARD
- NABARD Financial Services
- Ananya Finance for Inclusive Growth

Our Catalysts

- Indus Knowledgeware Private Limited

Statutory Auditors

M/s R R. Kulkarni & Co, Chartered Accountants

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IDF Financial Services Private Limited (IDF FSPL)

Regd. Office : # 49, (Old # 590), Ist Floor, 21st Main, 32nd Cross, Jayanagar, 4th 'T' Block, Bangalore - 560 041, Tel.: 080 26657714
email: idff.fin@gmail.com

Admn. Office : No. 81, Bhushan Nilaya, 3rd Main, 10th Cross, Manjunatha Colony, Shivagiri, Dharwad- 580 007
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