



SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED

ANNUAL REPORT 2019-20



“The highest education is that which does not merely give us information but makes our life in harmony with all existence.”

Rabindranath Tagore

“Ultimately, education in its real sense is the pursuit of truth. It is endless journey through knowledge and enlightenment.”

Dr.APJ Abdul Kalam

“Education is the kindling of a flame not the filling of a vessel”

Socrates

Our vision is to enrich India's human skill,
focusing on the bottom of the pyramid, by
creating access to relevant products and services



Our mission is to enhance access to education
finance, by:

a) funding institutions for asset creation,
thereby establishing good quality education
infrastructure

b) funding parents for the education of their
children, thereby reducing drop-outs rates







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CORPORATE INFORMATION

Board of Directors	Mr. Pradeep Vasudeo Bhide, Chairman, Independent Director Mrs. Pushya Sitaraman, Independent Director Mr. V.L. Ramakrishnan, Chief Executive Officer Mr. Jacob Abraham, Chief Operating Officer Mr. Pankaj Raina, Nominee Director
Registered Office	No.497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road Arumbakkam, Chennai- 600 106, Tamil Nadu, India
Management Team	Mr. K. Srinivasan, National Business Head Mr. S. Karthik, National Collection & Legal Head Mr. R. Gururaj, National Credit Head Mr. John Vijayan Rayappa, Head- Internal Audit & Customer Service Mr. Sampath Kumar TA, National Head-Operations Mr. Pradeep Kedia, Chief Financial Officer Mrs. Sharmila Devi K, Head- Information Technology Mr. Suresh Sakthivel, Head-Human Resource and Administration
Company Secretary	Mr. Rajanikanta Senapati
Auditors	Brahmayya & Co., #48, Masilamani Road, Balaji Nagar, Royapettah, Chennai – 600 014.
Bankers	HDFC Bank ICICI Bank Indusind Bank Kotak Mahindra Bank Karnataka Bank
Lenders	MAS Financial Services Limited Northern Arc Capital Services Limited Muthoot Capital Services Limited Manappuram Finance Limited Grameen Impact Investments India Private Limited Vivriti Capital Ltd. IDFC First Bank Caspian Impact Investments India Private Limited Hinduja Leyland Finance Ltd Indusind Bank
Debenture Holders	Michel & Susan Dell Foundation Northern Arc Capital Ltd. Triodos Microfinance Fund Triodos Fair Share Fund Masala Investment S.A.R.L AAV S.A.R.L
Debenture Trustee	Catalyst Trusteeship Ltd



NOTICE OF ANNUAL GENERAL MEETING

NOTICE to the members of the Company is hereby given that the Seventh Annual General Meeting of the Members of the Company will be held on Wednesday, 30th day of September, 2020 at 11.00 A.M at the Registered Office of the Company situated at No. 497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road, Arumbakkam, Chennai-600 106, Tamil Nadu, India, to transact the following business(s):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including the Audited Balance Sheet for the Financial Year ended 31st March 2020, the Statement of Profit & Loss for the year ended on that date along with the Cash Flow Statement, the Auditors' Report and Boards Report thereon.
2. Ratification of Appointment of M/s. Brahmayya & Co., as Statutory Auditors of the Company for the Financial year 2020-2021 and fixing their remuneration thereof.

Place:

Chennai

Date: 27.08.2020

By order of the Board

For M/s. Shiksha Financial Services India Private Limited

(Jacob Abraham)

Whole Time Director

DIN: 02335950

No. 60, Essel Gardens, Bileshivale Off,
Hennur Main Road Bangalore-560 077,
Karnataka, India.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxy forms, to be effective, must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the Annual General meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register Of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be made available at the commencement of the Meeting and shall remain open and accessible to the members during the continuance of the meeting.



Shiksha Financial Services India Private Limited

Roadmap to AGM Venue



DIRECTORS' PROFILE

Mr. Pradeep V Bhide - Non-Executive Independent Director and Board Chairman

Mr. Pradeep V Bhide, I.A.S. (Retd.) (70 years; DIN-03304262) is a Graduate in Science and Law. He also holds a Master's degree in Business Administration with specialization in Financial Management. He joined the Board in December, 2016. In a career spanning 38 years in the Indian Administrative Service, Mr. Bhide has held senior positions at the State and Central levels. He is on the Board of various companies including GlaxoSmithKline Pharmaceuticals Ltd, Tube Investments of India Ltd, NOCIL Ltd and L&T Finance Ltd. Mr. Bhide is associated with the company as an Independent Director since December, 2016

Mrs. Pushya Sitaraman - Non-Executive Independent Director

Mrs. Pushya Sitaraman (67 Years; DIN-06537196) is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been practicing as an advocate for over 36 years, specializing in the field of taxation and corporate laws. Mrs. Sitaraman is associated with the company as an Independent Director since July, 2019

Mr. V L Ramakrishnan - Whole-Time Director and Chief Executive Officer

Mr. V L Ramakrishnan (51 years; DIN-02326543) is a Chartered Accountant with 25+ years of extensive experience across BFSI and extensive expertise and knowledge in the retail lending (Auto, Housing, PL, MFI) business. He was co-founder and CFO at Suroyday Micro Finance Ltd. Prior to that, he was with DCB Bank, GE Capital, Cholamandalam Finance and Modi Xerox. He is also a member of the Institute of Company Secretaries of India. Mr. Ramakrishnan is associated with the Company as a Whole Time Director since incorporation of the Company

Mr. Jacob Abraham – Whole-Time Director and Chief Operating Officer

Mr. Jacob Abraham (44 Years; DIN-02335950) is a Chartered Accountant with 21+ years of experience across NBFCs and Insurance. He has significant expertise in Finance, Strategy, Credit and Underwriting. Prior to Shiksha, he has worked in multiple start-up environments at Royal Sundaram Insurance, Cholamandalam Insurance, Cholamandalam Finance and PwC. Mr. Jacob is associated with the Company as a Whole Time Director since incorporation of the Company

Mr. Pankaj Raina – Nominee Director.

Mr. Pankaj Raina (35 Years; DIN-06584042) is the Managing Director of Zephyr Peacock India. He is nominated to the Board by M/s. Zephyr Peacock India Growth Fund Ltd. He has over a decade of experience in impact and responsible investing. Before Zephyr, he worked with CapAleph Advisors, Aavishkaar Group, He holds an MSc. Finance from the London Business School and an MBA from IBS, Hyderabad. Mr. Pankaj is associated with the Company as a Nominee Director since February, 2020.



MANAGEMENT DISCUSSION AND ANALYSIS

Economy and Macro Outlook

The pace growth of global economic output was estimated to slow at 2.9 percent in 2019, declining from 3.6 per cent in 2018 and 3.8 per cent in 2017, by the IMF in its World Economic Outlook (WEO) Update of January 2020. This represents the slowest pace of growth since the global financial crisis of 2009, with the on-going strains in trade relations between China and the US have contributed significantly to the decline of world output and trade.

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. The real GDP growth moderated to 5.0 percent in 2019-20 as compared to 6.8 percent in 2018-19. Despite these challenges, the fundamentals of the Indian economy continue to remain strong.

COVID-19

The outbreak of COVID-19 pandemic worldwide brought the global economy to a standstill. With no vaccine insight, government around the world responded with lockdowns and mobility restrictions which resulted in constraints in movement of people, goods and services. In India, the Government of India and respective state government took various measures including a nation-wide lock down from March 25, 2020 which is still continuing in varying degrees in some parts of the country.

This pandemic is not like anything that the world has seen in living memory. It has resulted in severe disruption in the operations of various businesses and commercial enterprises, leading to loss of livelihood and jobs for several a vast majority of the Indian public. Together with curtailment in public transport availability, this pandemic has caused severe human misery by way of loss of lives, illness and loss of income.

The IMF projected a sharp contraction of 4.5% for the Indian economy in 2020, representing a “historic low”. The International Monetary Fund (IMF) has projected a deeper contraction for India in FY21, citing a longer lockdown period and slower than anticipated recovery. The National and various state Governments have stepped in, announcing a wide gamut of measures, providing relief to individual and businesses, for various hardships faced and to kick start a potential in revival of economic activity

Indian Education System

India's population in 2020 is estimated at 1.38 billion, and is projected to overtake China's 1.42 billion in the near future. Of this, 27% of the population is aged between 0–14 years and a further 18% is aged between 15–24 years. Due to the higher percentage of younger people, India has the largest number of schools with over 1.5 million schools and over 260 million school-going population.

The Indian education system has made significant progress in recent years, particularly in terms of access. Recognising the importance of education in national development, the Twelfth Five Year Plan (2012–2017), alongside a continued focus on expanding education, also included a clear focus on improving the quality of education and on ensuring that access to educational opportunities are provided to all sections of society.

Expenditure on education has increased rapidly in recent years, from Rs 97,000 crore in 2004–05, to Rs 560,000 in 2015–16(MHRD analysis).

Many initiatives have been undertaken to improve access to quality schooling – particularly for those who are economically or socially disadvantaged. With thriving competition from private schools, there have been clear efforts within the government sector to offer parents and children what they most need and want: quality education leading to improved life opportunities. The draft National Education Policy released in May 2019 further demonstrates an on-going commitment to quality provision, revising a policy which was last updated in 1992.



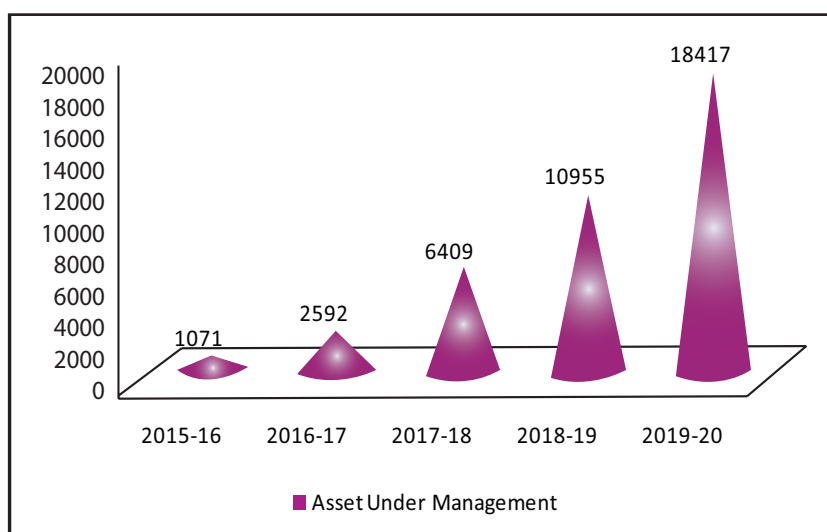
Lending and NBFC outlook

India has a diversified financial sector which has seen rapid expansion in the last few years. The RBI's continued focus on financial inclusion has expanded the target market to semi-urban and rural areas. NBFCs, especially those catering to the urban and rural poor namely Non-Banking Financial Company- Micro Finance Institutions (NBFC-MFIs) and asset finance companies, have a complementary role in the financial inclusion agenda of the country. Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system, playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country.

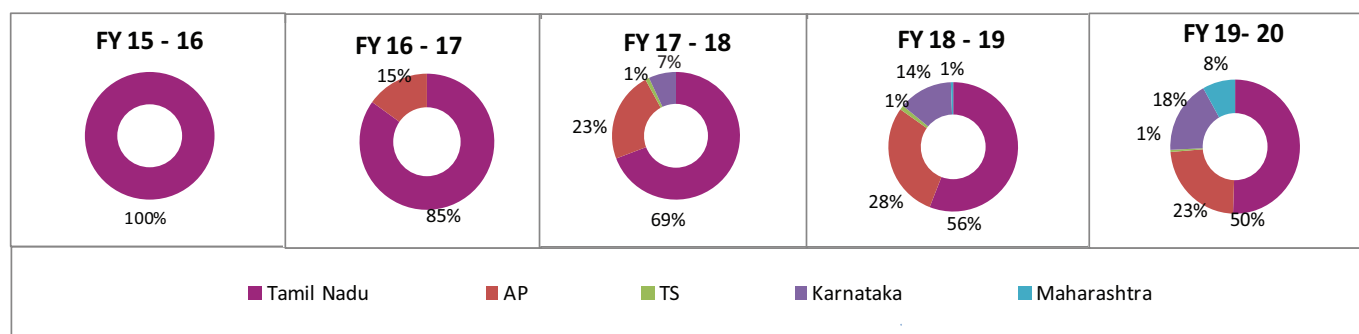
It is anticipated that after the impact of COVID-19 gradually tapers off, the financial services sector in India is poised to continue growing well, on the back of strong fundamentals, adequate liquidity in the economy, significant government and regulatory support and the increasing pace of digital adoption.

Portfolio performance

As at 31st March 2020, your Company had Assets Under management of Rs.18417 lakhs representing 47726 live customers as against Rs.10955 lakhs as at 31st March 2019. The Company has total 38 branches across 6 states.



GEOGRAPHICAL DIVERSIFICATION

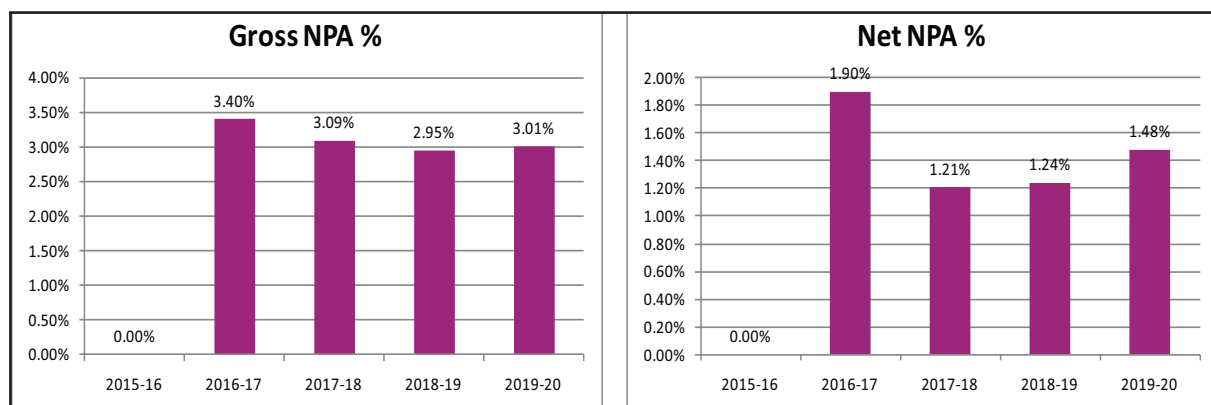


GEOGRAPHICAL DIVERSIFICATION

During the year, the Company registered a growth in disbursement of Rs 16983 lakhs representing a growth of 90% over the previous year.

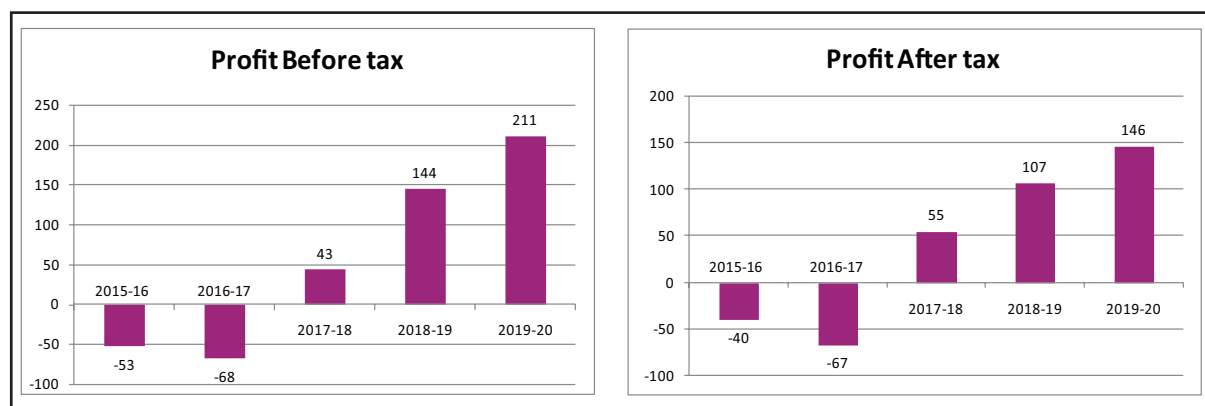
Portfolio quality

The Company's prudent business practices and robust risk management practices have resulted in a good asset quality. A strong focus on collections and recovery enabled the Company to see through a challenging business environment which witnessed the ripple effects of demonetization, GST implementation, NBFC liquidity challenges and natural disasters impacting the wider NBFC sector. The percentage of gross non-performing assets (GNPA) was 2.95% in March 2019 which has only marginally increased to 3.01% in March 2020



Profitability

Based on the sustained growth that the Company witnessed in the last financial year and with better operating metrics, The Company reported improved profitability during the year under review. Profit before Tax grew from 144 lakhs in the year ended March 2019 to Rs 211 lakhs in the year ended March 2020 representing a growth of 47%. Correspondingly, Profit After Tax grew from Rs 107 lakhs in the year ended March 2019 to Rs 146 lakhs in the year ended March 2020 representing a growth of 36%



Capital profile

The RBI has mandated prudential norms based on which NBFCs and banks are required to maintain capital in proportion to the size of their lending operation. Accordingly, the Company is required to regularly monitor the level of capital in line with business requirement and anticipated growth in business volumes.

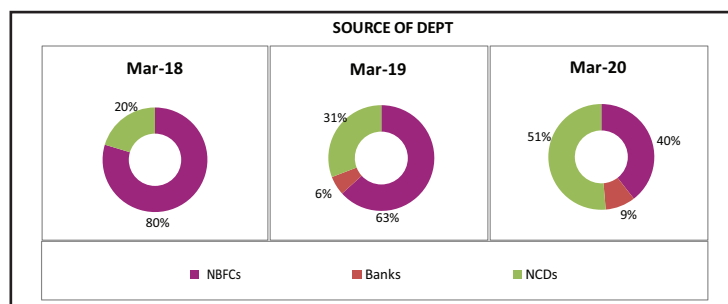


The total paid up capital and securities premium of the Company increased from Rs 7739 lakhs in March 2019 to 8377 lakhs in March 2020. During the year, the Company raised Rs 660 lakhs from Zephyr Peacock. This equity infusion will enable the Company to continue its growth plans.

The Company has maintained a healthy capital adequacy ratio of 37.21% in March 2020 and 49.99% in March 2019

Debt profile

During the year, the Company diversified its debt profile by adding debt from Banks and NCDs as additional source of debt resources apart from debt from NBFCs.



As at March 2020, the Company had 14 lenders, compared to 8 lenders as at March 2019. The Company raised 109 crores of Debt during the financial year 2019-20. As at March 2020, the outstanding debt was Rs 16240 lakhs against Rs 8313 lakhs in March 2019

Asset Liability Management

The Company follows a conservative policy for matching its liability with its assets. A robust ALM strategy is a key element of your Company's business strategy. With challenges arising from liquidity constraints and ALM mismatches plaguing the wider NBFC in the last 12 months, your Company has been proactive in enhancing its cash equivalents and undrawn credit limits. These proactive measures along with the Company's equity raise in 2019-20 enabled the Company to see through this challenging phase

Internal Control Systems

Internal control systems of your Company are adequate and commensurate with its size and the nature of its operations, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure. Appropriate controls are in place to ensure: a) the orderly and efficient conduct of business, including adherence to policies, b) safeguarding of assets c) prevention and detection of frauds/errors. d) accuracy and completeness of accounting records and e) timely preparation of reliable financial information. The Company has in place adequate systems to ensure that assets and transactions are authorised, recorded and reported with a proper maker-checker processes in place.

Human Resource

People are the most valuable asset of your Company. The Company is professionally managed by a CEO with a team of professionals with rich functional expertise at the helm of each department. The Company follows a proactive approach in developing and nurturing a team of talented professionals. The Company seeks to provide its employees fulfilling career opportunities that can facilitate long term development and growth. The Company invests in training and development of its employees on a continual basis. As on March 31, 2020, the Company had 353 employees.



Events subsequent to the date of financial statements

Closure of Business due to Nation-wide Lockdown for Covid -19 situations: Due to Covid-19 pandemic, the Government of India and respective state government took various measures including a nation-wide lock down from March 25, 2020 which is still continuing in varying degrees in some parts of the country. These developments resulting in unprecedented disruption and economic hardship

Moratorium on Loans: Pursuant to the moratorium announced by the Reserve Bank of India (RBI) on EMI repayments (initially till May 2020 and further extended to August 2020), the Company has framed a Board approved policy, and accordingly offered moratorium to its customers under this policy.

Other than the above there were no other material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.



DIRECTORS' REPORT TO MEMBERS

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2020.

1. Financial Highlights:

PARTICULARS	Amount (Indian Rupees in Lacs)	
	FY 2019-2020	FY 2018-2019
Total Income	4238.17	2,395.78
Total Expenses	(4027.17)	(2,252.23)
Profit/(Loss) Before Tax (PBT)	211.00	143.55
Deferred Tax (expense)/ credit	47.08	35.87
Provision for taxes-Current Year	(112.16)	(72.72)
Net Profit/(Loss) (PAT)	145.92	106.70
Brought forward from last year	2.05	(82.65)
Current Year Profit / (Loss)	145.92	106.70
Appropriation to reserves	(30.00)	(22.00)
Amount carried to Balance Sheet	117.97	2.05

2. Operations:

The Company is registered with Reserve Bank of India as a Non-Deposit taking, Non-Systemically Important, Non-Banking Financial Company (NBFC-ND-NSI), headquartered in Chennai with a presence across Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Maharashtra and the union territory of Pondicherry. The Company has pioneered innovative lending models that finance requirements in India's education sector, through the following products:

- i. Loans to Schools, for infrastructure development and working capital (School Loans)
- ii. Loans to parents, towards education expenses of children to reduce drop-out rates (Study Loans)

The Company has been operational since May 2015. During these past five years, the Company has successfully scaled up business operations.

During the year, the Company continues to grow and expand its business operations, in line with the business plan approved by the Board of Directors. During 2019-20, the Company recorded strong growth in disbursements with disbursements for the year of Rs.169.83 crores as compared with Rs.89.29 crores in the previous year, registering a growth of 90 %. As at March 31st 2020, the assets under management stood at Rs.184.17 crores, growing from Rs.109.55 crores in the previous year, registering a growth of 68%.

During the year under review, the Gross Income of the Company was Rs.42.38 crores, higher by 77% over Rs.23.96 crores in the previous year. Correspondingly, Profit after Tax (PAT) grew to Rs. 145.92 lakhs against Rs. 106.70 lakhs in the previous year.



3. Corporate Developments

During the year, the Company raised Preference Capital of Rs.660 Lakhs by Issuance of Series B1 0.1% Non- Cumulative Compulsorily Convertible Preference Shares to the existing Shareholder M/s. Zephyr Peacock India Growth Fund Limited by way of preferential offer.

During the year, the Company diversified its debt funding for lending operations, as follows:

Source of Debt	Amount Raised (Rs. Crores)	
	2019-20	2018-19
From Banks	15	5
From NBFC's	35	28
From issuance of NCD	59	15
Total	109	48

Asset Quality: The Company continues to invest in a robust risk management framework with well-defined policies that are periodically reviewed and updated together with trained staff. Risk assessment of customers is undertaken at the time of initial application for a loan. The Company continues to augment its underwriting and risk assessment capabilities on a regular basis. The Company also conducts regular portfolio level analysis with its robust review mechanism in place.

Transfer to Reserves: As per Section 45-IC of the Reserve Bank of India Act, 1934, every non-banking financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. Accordingly, the Company has transferred Rs.30 lakhs to statutory reserve in accordance with Section 45-IC of Reserve Bank of India Act, 1934.

Dividend: Your Directors have not recommended any dividend for the year under review with a view to conserve resources.

Employee Stock Option Plan: The Company has formulated Shiksha Employees Stock Option Plan, 2017 for the benefit of the employees of the Company. The objective of this scheme is to:

- Enhance employee motivation,
- Enable employees to participate in the long term growth and financial success of the Company,
- To act as a retention mechanism for employee

The Company has established Shiksha Employees Welfare and Stock Options Trust ("Trust") in the year ended March 31, 2018, with an corpus of 30,00,000 fully paid Class-B equity shares of Re.1 each. Detailed disclosures as per requirement of the Act is provided as an Annexure-A to this report

Extract of Annual Return: As per Section 134 (3) and 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is enclosed and form part of this report as Annexure B.

4. Change in nature of business

There was no change in the nature of business of the Company during the financial year.



5. Directors and Key Managerial Personnel

During the year in purview, the Board of Directors was duly constituted. As on report date, the Directors on the Board of Directors are:

S. No.	Name of Director	DIN	Status
1.	Mr. Pradeep Vasudeo Bhide	03304262	Independent, Board Chairman
2.	Mr. Vadakkancherry Lakshminarayanan Ramakrishnan	02326543	Whole- time
3.	Mr. Jacob Abraham	02335950	Whole- time
4.	Mrs. Pushya Sitaraman	06537196	Independent
5.	Mr. Pankaj Raina	06584042	Nominee

Mr. Pradeep Vasudeo Bhide serves at the Chairman of the Board.

Mrs. Pushya Sitaraman was appointed as an Additional Director in Independent capacity, not liable to retire by rotation, to hold office for a term of 5 consecutive financial years with effect from 23rd July, 2019. Her appointment as a Director was regularized in subsequent General Meeting of members of the Company.

Mr. Pankaj Raina was appointed as a Nominee Director of M/s. Zephyr Peacock India Growth Fund Limited with effect from 20th February 2020.

During the year in purview, Mr. Srinivas Rangarajan, Company Secretary had tendered his resignation and the Management of the Company has appointed Mr. Rajanikanta Senapati, Associate Member of the Institute of Company Secretaries of India having adequate experience and corporate exposure as the Company Secretary of the Company with effect from 21st October 2019.

6. Meetings held during the relevant Financial Year

The Board of Directors of the Company duly met in the manner as tabulated below and the Directors who were present for the meeting are as under:

S.No	Date of the Meeting	Directors as on date of Meeting	Directors presence for the meeting				
			Mr. Pradeep Vasudeo Bhide	Mr. V. L. Ramakrishnan	Mr. Jacob Abraham	Mrs. Pushya Sitaraman	Mr. Pankaj Raina
1.	16.04.2019	3	No	Yes	Yes	N.A.	N.A.
2.	01.05.2019	3	Yes	Yes	Yes	N.A.	N.A.
3.	19.06.2019	3	Yes	Yes	Yes	N.A.	N.A.
4.	23.07.2019	3	Yes	Yes	Yes	N.A.	N.A.
5.	31.07.2019	4	No	Yes	Yes	No	N.A.
6.	30.09.2019	4	No	Yes	Yes	No	N.A.
7.	10.10.2019	4	No	Yes	Yes	No	N.A.
8.	21.10.2019	4	No	Yes	Yes	No	N.A.
9.	25.11.2019	4	Yes	Yes	Yes	Yes	N.A.
10.	03.12.2019	4	No	Yes	Yes	No	N.A.
11.	31.12.2019	4	No	Yes	Yes	No	N.A.
12.	20.02.2020	4	Yes	Yes	Yes	Yes	N.A.
13.	03.03.2020	5	No	Yes	Yes	No	No



7. Deposits

The Company is registered with Reserve Bank of India as a Non-Deposit Accepting Non-Banking Financial Company. During the period in purview, the Company has not accepted any deposits from the public.

8. Explanation or comments by the Board on every qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor

The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimer in their report for the Financial Year ended 31st March 2020.

9. Statutory Auditors

M/s. Brahmayya & Co., Chartered Accountants, Chennai, were appointed as the Company's Statutory Auditor at the Annual General Meeting of the Company held during FY 2016-2017 for a period of five consecutive Financial Years, subject to ratification at every Annual General Meeting of the Company. In this regard, the Statutory Auditors of the Company, M/s. Brahmayya & Co., have provided the Company their willingness cum consent letter and have also confirmed that there is no pending litigation or order against them or any partner of the Firm.

In this regard, the Board proposes to its members, the ratification of appointment of M/s. Brahmayya & Co., Chartered Accountants, Chennai, having Firm Registration Number 000511S, for the Financial Year 2020-2021. The Board also seeks from its members, to authorize the Directors of the Company to fix their remuneration in consultation with M/s. Brahmayya & Co.

10. Share Capital, Debentures and Changes during the Financial Year

During the year in purview, the Company has increased the Paid-Up Share Capital and mobilized funds by way of issuance of Non- Convertible Debentures. The Changes in the Share Capital and the Debentures are tabulated in the following manner:

S. No.	Date of Allotment	Type of Issue	Amount Mobilized (In Rs.)
1.	10.10.2019	Allotment of Series E Non-Convertible Debentures to Northern Arc Capital Limited, Tridos Custody BV as a custodian of Tridos Fair Share Fund and Sicav II- Tridos Microfinance Fund	30,00,00,000
2.	31.12.2019	Allotment of Series B1 0.1% Non-Cumulative Compulsorily Convertible Preference Shares	6,60,48,215
3.	03.03.2020	Allotment of Series F Non-Convertible Debentures to, Masala Investments Sarl (Luxembourg) and AAV Sarl (Luxembourg)	28,60,00,000

As on this reporting date, the Paid-Up Share Capital of the Company is as follows:

Class A Equity Shares	Rs. 6,67,60,520 consists of 66,76,052 Equity Shares of Rs. 10/- each.
Class B Equity Shares	Rs. 30,00,000 consists of 30,00,000 Equity Shares of Re.1/- each
Preference Shares	Rs. 76,76,520 consists of 7,67,652 Series-B 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each
Preference Shares	Rs.1,01,26,230 consists of 10,12,623 Series B1 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each.

11. Holding and Subsidiary Company:

During the period in purview, The Company is a neither a Holding Company nor a Subsidiary Company of any other Company.



12. Risk Management Policy:

The Company follows a conservative approach in managing risk. The Company has a well-established risk management framework and internal financial control aided by proactive investments in appropriate people, process and technology aligned to the needs of the business, to ensure the highest standards of integrity and transparency in its operations and to provide a strong corporate governance structure.

The Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The Company has established procedures to periodically place before the Board of Directors, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

Adherence to and adequacy of the risk and governance framework of the Company are reviewed periodically by Internal audit department within the Company. The Company has appointed an external firm of Chartered Accountants to conduct review the enterprise wide the risk and governance framework. Outcomes from their work are periodically presented to and monitored by the Board of Directors. The Company's Statutory auditors also periodically review the risk and internal controls framework and its adequacy in relation to the size of operations.

13. Capital Adequacy

Your Company is adequately capitalized and has a capital adequacy ratio of 37.2% as at March, 2020 compared to 49.9% in March, 2019.

14. Contracts / Arrangements with related parties

The transactions with related parties are reported under AS-18 of the financial statements. The particulars of contracts or arrangements with related parties in Form AOC-2 (as Annexure - C) are annexed and forms part of this report.

15. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings outgo

A. Details of Conservation of Energy

Steps taken or impact on conservation of energy	: NIL
Steps taken by the Company for utilizing alternate sources of energy	: NIL
Capital investment on energy conservation equipment	: NIL

B. Technology Absorption

(i) Efforts made towards technology absorption	: NIL
(ii) Benefits derived as a result of the above efforts e.g., product improvements, cost reduction, product development, import substitution, etc.	: NIL
(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	: NIL
(a) Details of technology imported	: NIL
(b) Year of import	: NIL
(c) Whether the technology been fully absorbed	: NIL
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	: NIL
(iv) Expenditure incurred on Research and Development	



C. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year	: NIL
Foreign Exchange outgo during the year in terms of actual outflows	: Rs.66,75,236

16. Fraud Reported by Auditor

The Statutory Auditor of the Company has not reported any instances of Fraud under sub-section 12 of Section 143 of the Companies Act, 2013.

17. Particulars of Loans, Guarantees or Investments

As on the date of this report, the Company is a Non-Banking Financial Company and the requirements under Section 186 of the Companies Act, 2013 relating to Loans, Guarantees or Investments are not applicable to the Company.

18. Particulars of Employees

There was no employee drawing remuneration in excess of limits prescribed under the Companies Act, 2013 read along with the applicable Rules and provisions made thereunder.

19. Directors' Responsibility Statement

Your Directors' confirm:

- a) that in the preparation of the Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation in relation to material departures.
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 the profit of the Company for that year.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the Annual Accounts on a going concern basis.
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Corporate Social Responsibility

The Company is not required to undertake any Corporate Social Responsibilities under the provisions of the Companies Act, 2013.

21. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide and promote a safe and healthy work environment for all its employees. The Company has zero tolerance towards sexual harassment at the workplace and has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the period in purview, Mr. Srinivas Rangarajan, Committee Member, upon his resignation was replaced with Mr. Rajanikanta Senapati. The Company has not received any complaints on sexual harassment during 2019-2020.



Acknowledgement

Your Directors take this opportunity in placing on record the valuable contribution and continued support received from the Customers, Investors, Bankers, Lenders, Business Associates and the Shareholders. The Directors also whole-heartedly recognize, acknowledge and commend the dedication and commitment of the Team. The Directors are also grateful to the Company's stakeholders and partners including its lawyers, valuers, professional consultants and all the vendors/ suppliers, for their consistent and constant support. The Chairman would also like to thank all his colleagues in the Board for their support and encouragement.

By order of the Board
For **M/s. Shiksha Financial Services India Private Limited**

Place: Chennai
Date: 27.08.2020

(V L Ramakrishnan)
Whole Time Director
DIN: 02326543

(Jacob Abraham)
Whole Time Director
DIN: 02335950

Annexure – A- Particulars of Shiksha Employees Stock Option Plan, 2019

Annexure – B- Extract of the annual return in Form MGT-9

Annexure - C- Particulars of contracts or arrangements with related parties in Form AOC-2



ANNEXURE – A
SHIKSHA EMPLOYEES STOCK OPTION PLAN

(Pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014)

The details of the Shiksha Employees Stock Option Plan, 2017 as on March 31, 2020 are:

- | | |
|-----------------------------------|--|
| 1. Options granted: | 2947500 |
| 2. Options vested: | 1547250 |
| 3. Options exercised: | 140750 |
| 4. Options lapsed: | 303250 |
| 5. Variation of terms of options: | There were no variations of terms of options during the financial year 2019- 20. |

Money realized by exercise of options during the year 2019-20 Rs. 140750/-

6. Employee wise details of options granted to:

- i. Key managerial personnel: Mr. Rajanikanta Senapathi
- Company Secretary cum Compliance Officer
- ii. Any other employee who receives a grant of options in NIL
the year 2019-20 of option amounting to 5 percent or more of options granted during that year
- iii. Identified employees who were granted option, during NIL
the year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

By order of the Board

For **M/s. Shiksha Financial Services India Private Limited**

Place: Chennai

Date: 27.08.2020

(V.L.Ramakrishnan)

Whole Time Director

DIN: 02326543

(Jacob Abraham)

Whole Time Director

DIN: 02335950



ANNEXURE - B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and

Rule 12(1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U74900TN2014PTC094623
Registration Date	20/01/2014
Name of the Company	Shiksha Financial Services India Private Limited
Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered Office and contact details	No. 497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road, Arumbakkam, Chennai-600 106, Tamil Nadu, India, 044 – 4306 6663
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total income of the Company shall be stated:-

S. No.	Name and Description of Main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Financial & Related Services- Financial Leasing Services	9971	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	-	-	-	-	-



IV. SHARE HOLDING PATTERN

(a) Category-Wise Share Holding (Equity Share Capital Breakup as percentage of Total Equity)

Category of shareholders	No of shares held at the year beginning(01st April 2019)				No of shares held at the year end (31st March 2020)				% of change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total shares	
A. PROMOTERS									
(1) Indian									
a)Individual/ HUF	-	17,10,000	17,10,000	50.51	-	17,10,000	17,10,000	50.51	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	17,10,000	17,10,000	50.51	-	17,10,000	17,10,000	50.51	-
(2) Foreign									
a) NRIs –Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	17,10,000	17,10,000	50.51	-	17,10,000	17,10,000	50.51	-
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-



i) Others: Foreign Organization	-	3,25,300	3,25,300	9.61	-	3,25,300	3,25,300	9.61	-
Sub-total (B)(1)	-	3,25,300	3,25,300	9.61	-	3,25,300	3,25,300	9.61	-
Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	27,188	27,188	0.80	-	27,188	27,188	0.80	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	10,22,750	10,22,750	30.21	-	10,22,750	10,22,750	30.21	-
c) Others- ESOP Trust Class B Equity shares	-	30,00,000 ¹	30,00,000 ¹	8.862	-	30,00,000 ¹	30,00,000 ¹	8.862	-
Sub-total (B)(2) Class A Equity shares	NIL	10,49,938	10,49,938	31.02	NIL	10,49,938	10,49,938	31.02	-
Sub-total (B)(2) Class B Equity shares	NIL	30,00,000 ¹	30,00,000 ¹	8.862	-	30,00,000 ¹	30,00,000 ¹	8.862	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	NIL	43,75,238	43,75,238	49.49	NIL	43,75,238	43,75,238	49.49	-
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C) Class A Equity share holding	NIL	30,85,238	30,85,238	91.14	NIL	30,85,238	30,85,238	91.14	-
Grand Total (A+B+C) Class B Equity share holding	-	30,00,000 ¹	30,00,000 ¹	8.862	-	30,00,000 ¹	30,00,000 ¹	8.862	-

¹ Class B equity shares have face value of Re.1/- per share.

2 % to total capital calculated on an equivalent basis.



(ii) Shareholding of Promoters (equity share capital)

S.No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	
1.	V.L. Ramakrishnan	1,54,500	4.56	NIL	1,54,500	4.56	NIL	No Change
2.	Jacob Abraham	1,05,000	3.10	NIL	1,05,000	3.10	NIL	No Change
3.	V.L. Ramakrishnan jointly with R. Annapurni	8,95,500	26.45	NIL	8,95,500	26.45	NIL	No Change
4.	Jacob Abraham jointly with Nandini Jacob	5,55,000	16.40	NIL	5,55,000	16.40	NIL	No Change

(iii) Change in Promoters' Shareholding (Equity Share Capital)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. V. L. Ramakrishnan¹				
	At the beginning of the year	10,50,000	12.57	10,50,000	12.57
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,50,000	12.57	10,50,000	11.99
2.	Mr. Jacob Abraham²				
	At the beginning of the year	6,60,000	7.90	6,60,000	7.90
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	6,60,000	7.90	6,60,000	7.54

¹Includes Joint-Holding with Ms. R. Annapurni

²Includes Joint-Holding with Ms. Nandini Jacob



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

a) Equity share capital

S.No.	Name of Top 10 shareholders	Date wise increase / decrease in Promoters Shareholding during the year	Shareholding at the beginning of the year		Cumulative shareholding during the year		Reasons for increase/decrease (e.g. allotment/ Transfer/ bonus/ sweat equity etc.)
			No. of shares	% of total Shares	No. of shares	% of total Shares	
1.	M/s. Aspada Investment Company	01.04.2019	3,25,100	3.89	3,25,100	3.71	No change
		31.03.2020	3,25,100	3.89	3,25,100	3.71	
2.	M. P. George	01.04.2019	2,38,800	2.86	2,38,800	2.73	No change
		31.03.2020	2,38,800	2.86	2,38,800	2.73	
3.	Raghu Balakrishnan	01.04.2019	2,00,000	2.39	2,00,000	2.28	No Change
		31.03.2020	2,00,000	2.39	2,00,000	2.28	
4.	Ramkumar Krishnamachari	01.04.2019	1,24,250	1.49	1,24,250	1.41	No change
		31.03.2020	1,24,250	1.49	1,24,250	1.41	
5.	Sudhir Kamath	01.04.2019	1,00,000	1.20	1,00,000	1.14	No Change
		31.03.2020	1,00,000	1.20	1,00,000	1.14	
6.	Antony Jacob jointly with Uma Jacob	01.04.2019	1,00,000	1.20	1,00,000	1.14	No Change
		31.03.2020	1,00,000	1.20	1,00,000	1.14	
7.	Ranganathan Venkatesan	01.04.2019	75,000	0.90	75,000	0.86	No change
		31.03.2020	75,000	0.90	75,000	0.86	
8.	John Arunkumar Diaz jointly with Lakshmi Narayan	01.04.2019	59,700	0.71	59,700	0.68	No change
		31.03.2020	59,700	0.71	59,700	0.68	
9.	A Ramaswamy jointly with Vinod Kondurkar	01.04.2019	50,000	0.60	50,000	0.57	No change
		31.03.2020	50,000	0.60	50,000	0.57	
10.	R Prema	01.04.2019	50,000	0.60	50,000	0.57	No Change
		31.03.2020	50,000	0.60	50,000	0.57	



(b) Compulsorily Convertible Preference Shareholders

S. No.	Shareholders Name	Date wise increase / decrease in Promoters shareholding during the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease (e.g. allotment/ Transfer/ bonus/ sweat equity etc.)
			No. of shares	% of total Shares	No. of shares	% of total Shares	
1.	Aspada Investment Company	01.04.2019	18,49,408	22.14	18,49,408	22.14	NA
		31.03.2020	18,49,408	21.12	18,49,408	21.12	
2.	Michael & Susan Dell Foundation	01.04.2019	13,11,173	15.69	13,11,173	15.69	NA
		31.03.2020	13,11,173	14.97	13,11,173	14.97	
3.	Zephyr Peacock India Growth Fund Limited	01.04.2019	18,08,339	21.65	18,08,339	21.65	Upon Allotment
		31.12.2019*	22,10,508	25.24	22,10,508	25.24	
		31.03.2020	22,10,508	25.24	22,10,508	25.24	

*Issue of Series B1 Compulsorily Convertible Preference Shares

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	Name of shareholders who are also KMP/ Directors of the Company	Date wise increase / decrease in Director shareholding during the year	Shareholding at the beginning of the year		Cumulative shareholding during the year		Reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc)
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	V. L. Ramakrishnan	01.04.2019	10,50,000	12.57	10,50,000	11.99	No Change in the Shareholding.
		31.03.2020	10,50,000	12.57	10,50,000	11.99	
2.	Jacob Abraham	01.04.2019	6,60,000	7.90	6,60,000	7.54	No Change in the Shareholding.
		31.03.2020	6,60,000	7.90	6,60,000	7.54	

V. INDEBTEDNESS OF THE COMPANY

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)(in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8313.18	–	–	8313.18
ii) Interest due but not paid	11.22	–	–	11.22
iii) Interest accrued but not due	21.62	–	–	21.62
Total (i+ii+iii)	8346.02	–	–	8346.02
Change in Indebtedness during the financial year				
Addition	8124.17	–	–	8135.39
Reduction	–	–	–	11.22
Net Change	–	–	–	
Indebtedness at the end of the financial year				
i) Principal Amount	16239.94	–	–	16239.94



ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	230.25	-	-	230.25
Total (i+ii+iii)	16470.19	-	-	16470.19

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

S. No.	Particulars of Remuneration	Name of WTD	Name of WTD	Total Amount
		Mr. V.L. Ramakrishnan	Mr. Jacob Abraham	
1.	Gross Salary (a) Salary as per provisions U/s. 17(1) of the Income Tax Act, 1961 (b) Value of perquisites U/s.17(2) of Income Tax Act,1961 (c) Profits in lieu of salary U/s. 17(3)	62,33,000	51,76,000	1,14,09,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, please specify	-	-	-
	Total	62,33,000	51,76,000	1,14,09,000
	Ceiling as per the Act	N.A.	N.A.	N.A.

B. REMUNERATION PAID TO OTHER DIRECTORS:

S. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr. Pradeep Vasudeo Bhide	Mrs. Pushya Sitaraman	
I	Independent Directors	3,50,000	1,40,000	4,90,000
	Fee for attending Board			
	Fee for committee meetings Commission			
	Total (1)	3,50,000	1,40,000	4,90,000
II.	Other Non-Executive Directors			
	Fee for attending Board			
	Fee for committee meetings Commission-	-	-	
	Total (2)	-	-	-
	Total (1+2)		-	
	Total Managerial Remuneration		-	
	Overall Ceiling as per the Act	NA	NA	NA



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD:

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary		
		Mr. Srinivas Rangarajan (01.03.2019-03.08.2019)	Mr. Rajanikanta Senapati (appointed with effect from 21 st October 2019)	
1.	Gross salary			
	Salary as per provisions contained in U/s. 17(1) of the Income-tax Act, 1961			
	Value of perquisites U/s 17(2) Income-tax Act, 1961			
	Profits in lieu of salary U/s. 17(3) Income-tax Act, 1961	2,59,175	3,89,109	6,48,284
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission as % of profit	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment	Authority (RD/NCLT/ COURT)	Appeal Made, If any, (give details)
A. COMPANY					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL

By order of the Board
For **M/s. Shiksha Financial Services India Private Limited**

Place: Chennai
Date: 27.08.2020

(V. L. Ramakrishnan)
Whole Time Director
DIN: 02326543

(Jacob Abraham)
Whole Time Director
DIN: 02335950



ANNEXURE C
FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
 - a) Name(s) of the related party and nature of relationship:
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts/arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) Date(s) of approval by the Board:
 - g) Amount paid as advances, if any:
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

Nature of contracts	Name of the Party	Relationship	Amount in INR
Remuneration	Mr. V.L. Ramakrishnan	Promoter and Whole Time Director	Rs. 62,33,000
Remuneration	Mr. Jacob Abraham	Promoter and Whole Time Director	Rs. 51,76,000

- a) Duration of the contracts/arrangements/transactions: On a Going Concern Basis.
- b) Salient terms of the contracts or arrangements or transactions including the value, if any:
- c) Date(s) of approval by the Board, if any: Not Applicable
- d) Amount paid as advances, if any: NIL

By order of the Board
For M/s. Shiksha Financial Services India Private Limited

Place: Chennai
Date: 27.08.2020

(V.L.Ramakrishnan)
Whole Time Director
DIN: 02326543

(Jacob Abraham)
Whole Time Director
DIN: 02335950



INDEPENDENT AUDITOR'S REPORT

To the Members of Shiksha Financial Services India Private Limited Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the financial statements of Shiksha Financial Services India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss, statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and Profit, and its Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw attention to Note No.33 of Financial Statements wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter

4. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard



5. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
The reporting under this clause is not applicable, as the company is a Private Limited Company.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) there are no pending legal proceedings against the Company.
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & Co.**
Chartered Accountants
Firm Regn. No.000511S

Place: Chennai

Date: 27th June, 2020

P. Babu
Partner
Membership No. 203358
UDIN No:20203358AAAALV2133



“Annexure - A” to the Auditors’ Report

Referred to in Paragraph 7 of Our Report of Even Date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
c) The company does not own any immovable properties.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and 186 of the Companies Act, 2013 respectively.
4. The company has not accepted deposits from public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Goods and Service tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
ii) According to the records of the Company and the information and explanations given to us, there are no dues of Goods and Service tax, Income tax and other material statutory dues which have not been deposited on account of any dispute.
7. Based on our examination of the records and the information and explanations given to us, the Company has not defaulted in the repayment of dues to Debenture holders, Banks and Financial Institutions. The company does not have any borrowings from Government.
8. Based on our examination of the records and the information and explanations given to us, the company did not raise any money by way of Initial public offer and / or Further public offer. Term loans availed by the company were applied for the purposes for which the loans were obtained.
9. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported during the year.
10. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
11. The Company has made Private Placement of Compulsorily convertible Preference shares during the year. The company has complied with the applicable provisions of section 42 of the Act. The amounts raised by issue of Compulsorily convertible Preference shares



through Private placement were used for the purposes for which the funds were raised. Apart from the above the company has not made any private placement of shares or fully or partly convertible debentures during the year.

12. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
13. The Company is required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and has obtained the registration.
14. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the year has been such that clause (ii), clause (xi) and clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year.

For **Brahmayya & Co.**

Chartered Accountants

Firm Regn. No.000511S

Place: Chennai

Date: 27th June, 2020

P. Babu

Partner

Membership No: 203358

UDIN No:20203358AAAAALV2133



Annexure - B” to the Auditors’ Report

Referred to in Paragraph 7 of Our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Shiksha Financial Services India Private Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BRAHMAYYA & Co.**
Chartered Accountants
Firm Regn.No.000511S

Place: Chennai

Date: 27th June, 2020

P. Babu
Partner
Membership No. 203358
UDIN No:20203358AAAAALV2133



Shiksha Financial Services India Private Limited**CIN: U74900TN2014PTC094623****Balance Sheet as at March 31, 2020**

(All amounts are in Indian Rupees in Lacs except share data and otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
A Equity And Liabilities			
1 Shareholders' funds			
a) Share capital	3	875.63	835.31
b) Reserves and Surplus	4	7,682.14	6,939.00
2 Non Current liabilities			
a) Long term Borrowings	5	11,815.80	6,289.52
b) Long term Provisions	6	130.95	104.58
3 Current Liabilities			
a) Current Liabilities	7	478.35	137.15
b) Other Current Liabilities- Short term Borrowings	8	4,424.14	2,023.66
c) Short term Provisions	9	303.96	140.39
Total		25,710.97	16,469.61
B Assets			
1 Non Current Assets			
a) Property, Plant and Equipment (net)	10		
(i) Tangible assets		211.23	50.47
(ii) Intangible assets		26.63	18.43
(iii) Intangible Assets Under Development		1.34	-
b) Deferred Tax Assets (net)	11	136.97	89.88
c) Long term receivables under Financing activities	12	8,138.96	6,389.21
d) Long term Loans and advances	13	405.60	166.23
2. Current assets			
a) Current Investments	14	3,846.51	4,330.61
b) Cash and cash equivalents	15	2,428.95	632.74
c) Short term receivables under Financing activities	16	10,277.95	4,566.02
d) Short term loans and advances	17	107.14	138.90
e) Other current assets	18	129.69	87.12
Total		25,710.97	16,469.61

See accompanying notes forming part of the financial statements

As per our report of even date attached

Chartered Accountants

For Brahmayya & Co.

Firm Registration Number 000511S

P. Babu

Partner

Membership No 203358

Place : Chennai

Date : 27.06.2020

For and on behalf of Board of Directors**Shiksha Financial Services India Private Limited****V.L.Ramakrishnan**

Director

Jacob Abraham

Director

Rajanikanta Senapati

Company Secretary



Shiksha Financial Services India Private Limited**CIN: U74900TN2014PTC094623****Profit and Loss Account for the year ended March 31, 2020**

(All amounts are in Indian Rupees in Lacs except share data and otherwise stated)

	Notes	2019-20	2018-19
1 Revenue from operations	19	3,963.03	2,261.42
2 Other Income	20	275.14	134.36
3 Total Revenue (1+2)		4,238.17	2,395.78
4 Expenses			
Finance Cost	21	1,775.31	1,102.94
Employee Cost	22	1,373.76	754.47
Administrative and Other expenses	23	628.92	288.26
Provisions and Write off	24	205.66	89.80
Depreciation and Amortisation	10	43.52	16.76
Total Expenses		4,027.17	2,252.23
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		211.00	143.55
6 Exceptional and extraordinary items		-	-
7 Profit / (Loss) before tax (5-6)		211.00	143.55
8 Tax expenses:	25		
Current tax		112.16	72.72
Deferred tax charge/ (credit)		(47.08)	(35.87)
		65.08	36.85
9 Profit / (Loss) for the year (7-8)		145.92	106.70
10 Earnings per share	26		
Basic (Rs 10/-)		4.31	3.15
Diluted (Rs 10/-)		1.73	1.89

Significant Accounting Policies and Notes to the Accounts

As per our report of even date attached**For Brahmayya & Co.**

Chartered Accountants

Firm Registration Number 000511S

P. Babu

Partner

Membership No 203358

For and on behalf of Board of Directors**Shiksha Financial Services India Private Limited****V.L.Ramakrishnan**

Director

Jacob Abraham

Director

Place : Chennai**Date : 27.06.2020****Rajanikanta Senapati**

Company Secretary



Shiksha Financial Services India Private Limited

Cash flow statement for the Year ended March 31, 2020

(All amounts are in Indian Rupees in Lacs except share data and otherwise stated)

Particulars	2019-20	2018-19
Cash flow from Operating Activities:		
Net Profit before extraordinary items and tax	211.00	143.55
Adjustments for		
Depreciation & Amortisation	43.52	16.76
Finance costs	1,775.31	1,102.94
Provision on Loans	187.48	84.62
Loans Written off	18.18	5.18
Provision for Gratuity	-	(7.51)
Provision for Leave encashment	2.41	5.19
Income on Mutual fund investment	(170.63)	(82.20)
Operating profit/(loss) before working capital changes	2,067.27	1,268.53
Changes in working capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Loans and advances, Financing Operations	(7,479.86)	(4,551.67)
Long term Loans and advances, Others	(239.37)	83.04
Short term Loans and advances, Others	31.76	(102.28)
Other current assets	(154.73)	(126.28)
Other Current Liabilities	143.79	45.62
Cash used in Operations	(5,631.14)	(3,383.04)
Finance Costs paid	(1,577.90)	(1,086.73)
(A) Net cash used in Operating Activities	(7,209.04)	(4,469.77)
Cash flow from Investing Activities:		
Capital expenditure on Property, Plant and Equipment	(212.48)	(60.28)
Purchase of investments - Mutual funds	(26,509.00)	(17,250.00)
Sale of of investments - Mutual funds	27,163.72	13,450.00
(B) Net cash from Investing Activities	442.24	(3,860.28)
Cash flow from Financing Activities:		
Proceeds from issue of Equity Shares	-	0.16
Proceeds from issue of Preference Shares	660.76	5,519.84
Proceeds from issue of Non-Convertible Debentures	5,860.00	1,500.00
Share issue expenses	(24.51)	(150.36)
Redemption of Non-Convertible Debentures	(90.00)	(10.00)
Proceeds from Term loans from financial institutions	5,000.00	3,300.00
Repayment of Term loans from financial institutions	(2,843.24)	(1,761.00)
(C) Net cash flow from Financing Activities	8,563.01	8,398.64
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	1,796.21	68.59
Cash and Cash equivalents at the beginning of the year	632.74	564.15
Cash and Cash equivalents at the end of the year	2,428.95	632.74
Note: Cash and Cash equivalents at the end of the year comprises:		
(a) Cash on Hand	2.02	14.26
(b) Balances with banks		
- in Current accounts	126.93	418.48
- in deposits maturing within 12 months	2,300.00	200
	2,428.95	632.74

See accompanying notes forming part of the financial statements

For Brahmayya & Co.**Chartered Accountants**

Firm Registration Number 000511S

P. Babu

Partner

Membership No 203358

Place : Chennai

Date : 27.06.2020

For and on behalf of the Board of Directors

Shiksha Financial Services India Private Limited

V.L.Ramakrishnan

Director

Jacob Abraham

Director

Rajanikanta Senapati

Company Secretary



1 Company overview

Shiksha Financial Services India Private Limited (The Company) is a registered Non Banking Finance Company (NBFC) with Reserve Bank of India (RBI). The Company follows RBI guidelines applicable to NBFCs. The Company is a Private Limited company with registered office in Chennai, Tamil Nadu. The Company is engaged in the business of providing loans for educational purpose since May 2015.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Reserve Bank of India / Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Assets and Liabilities have been classified as Non Current and Current based on 12 month operating cycle.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Company, Non-Systemically Important Non-Deposit taking Company (NBFC-Non-SI-ND).

2.2 Use of estimates

The preparation of the financial statements is in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates. Revisions to accounting estimates are recognized prospectively in current and future periods.

2.3 Cash flow statement

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

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).

2.4 Revenue recognition

- a. Interest income is recognized on a time proportion basis based on the interest rates implicit in the contracts. Income on Non Performing assets is recognised only when realised
- b. Loan Processing Fees and Additional Finance Charges, Cheque dishonour charges etc., are recognised on receipt basis.
- c. Income from investment in fixed deposits is recognised on accrual basis. Income from Mutual funds is recognised when is realised.
- d. Profit or loss on sale of mutual fund units is accounted on First in First out basis.



2.5 Receivables under Financing Activity, Provisioning and De-recognition

All loan exposures to borrowers with installment structure are stated at the full agreement value after netting off unearned income and Installments appropriated up to the Balance Sheet date

The Company provides for standard assets at 0.40% (previous year 0.40%). This is higher than the minimum provisioning norm of 0.25% specified by Reserve Bank of India (RBI) for Non-Banking Financial Company Non- Systemically Important Non-Deposit taking Company (NBFC-Non-SI-ND)

Provision for Non-Performing Assets has been made based on the applicable Regulations specified by the Reserve Bank of India (RBI) for Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (NBFC-Non-SI-ND), except where it warrants higher provisions, the Company has considered higher provision.

The Company also creates an overarching Contingency Provision as a matter of prudence and abundant caution.

Any interest accrued on Non-Performing Assets until the said asset became a Non performing Asset and remaining overdue is de-recognised by reversing the interest income

2.6 Fixed assets and depreciation**Tangible assets**

Fixed assets are carried at cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use including an subsequent expenditure after their purchase/completion if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition.

Depreciation

Depreciation on tangible assets is provided on straight line method. Depreciation is provided based on the useful life as prescribed in Part C of Schedule II to the Companies Act, 2013 or management's estimate whichever is lower. The useful life estimated is as follows:

Category	Useful life (in years) as per Companies Act	Useful life (in years) as per Management
Computers	3	3
Office equipment	5	3
Furniture and fixtures/Electrical Equipment	10	5
Vehicles	8	8

Improvements to leasehold premises are depreciated over the primary lease period or 5 years, whichever is lower.

Intangible assets are amortized over their estimated useful life (presently 5 years), on a straight line basis.



2.7 Foreign currency transactions and translations

Transactions in foreign currencies, if any, entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

2.8 Investments

Investments are classified as Current and Non-Current based on their nature and intended holding period. Non Current Investments are valued at cost, Current Investments are valued at lower of cost or net realisable value

2.9 Retirement and other employee benefits

Defined contribution plans

- **Provident Fund:** The Company makes contributions to the Employees' Provident Fund Scheme maintained by the Government of India and Company's contributions to the fund are recognised as an expense in the Profit and Loss account in the period when services are rendered by the employees.
- **Employee State Insurance:** The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Profit and Loss account in the period when services are rendered by the employees.

Defined benefit plans

- **Gratuity:** The Company's liability under The Payment of Gratuity Act is recognised based on an actuarial valuation and the same has been expensed in the Profit and Loss account.
- **Compensated absences:** The liability on account of accumulated leave balances, in accordance with the Company's policy are actuarially valued and the same has been recognised as an expense in the Profit and Loss account.

Short term employment benefits:

All short term employee benefit plans such as salaries, wages, special awards and medical benefits which fall due within 12 months of the financial year are recognized on an undiscounted basis and charged to the statement of profit and loss.

2.10 Finance costs

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Ancillary costs incurred in connection with the arrangement of borrowings are expensed in the year of occurrence.

2.11 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. Currently the company is operating in only one segment i.e., financing for education and hence reporting segment wise is not warranted for.

2.12 Leases

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis.



2.13 Basic earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

2.14 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences, being the difference between taxable and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

2.15 Impairment

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such condition exists, the Company estimates the recoverable amount (defined as higher of cash generating unit's net selling price and its value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

2.16 Provisions, Contingent Liabilities and Contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.



	As at March 31, 2020	As at March 31, 2019
3. Share Capital		
Authorised		
32,00,000 (Previous year 32,00,000) Class A equity shares of Rs.10 each	320.00	320.00
30,00,000 (Previous year 30,00,000) Class B equity shares of Re.1 each	30.00	30.00
16,07,881 (previous year 16,07,881) Series B Compulsorily Convertible preference shares of Rs.10 each	160.79	160.79
38,92,119 (previous year 38,92,119) Series B1 Compulsorily Convertible preference shares of Rs.10 each	389.21	389.21
Issued, subscribed and paid up		
30,85,238 (Previous year 30,85,238) Class A equity shares of Rs.10 each	308.52	308.52
30,00,000 (Previous year 30,00,000) Class B equity shares of Re 1 each	30.00	30.00
Amount recoverable from ESOP Trust (30,00,000 shares of face value Re1 each allotted to trust)	-	(0.10)
16,07,881 (Previous year 16,07,881) Series B 0.1% Compulsorily Convertible preference shares of Rs. 10 each	160.79	160.79
37,63,208 (Previous year 33,61,039) Series B1 Compulsorily Convertible preference shares of Rs. 10 each	376.32	336.10
	875.63	835.31

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	No. of Shares	Amount	No. of Shares	Amount
Equity Shares - Class A				
At the beginning of the year	30,85,238	308.52	30,85,138	308.51
Shares issued during the period	-	-	100	0.01
At the end of the period	30,85,238	308.52	30,85,238	308.52
Equity Shares - Class B				
At the beginning of the year	30,00,000	30.00	30,00,000	30.00
Shares issued during the period	-	-	-	-
At the end of the period	30,00,000	30.00	30,00,000	30.00

b) Reconciliation of preference shares outstanding at the beginning and at the end of the reporting period

i) Preference Shares - Series B 0.1% Compulsorily Convertible preference shares

At the beginning of the year	16,07,881	160.79	16,07,881	160.79
Shares issued during the period	-	-	-	-
At the end of the period	16,07,881	160.79	16,07,881	160.79

ii) Preference Shares - Series B1 0.1% Compulsorily Convertible preference shares

At the beginning of the year	33,61,039	336.10	-	-
Shares issued during the period	4,02,169	40.22	33,61,039	336.10
At the end of the period	37,63,208	376.32	33,61,039	336.10



As at March 31, 2020 **As at March 31, 2019**

c) Details of shareholders holding more than 5% shares of the Company

	No. of Shares	%	No. of Shares	%
Equity Shares - Class A				
Individually held by V L Ramakrishnan	5,000		5,000	
V L Ramakrishnan / Annapurni	10,45,000	34.03%	10,45,000	34.03%
Individually held by Jacob Abraham	5,000		5,000	
Jacob Abraham / Nandini Raj	6,55,000	21.39%	6,55,000	21.39%
Aspada Investment Company	3,25,100	10.54%	3,25,100	10.54%
M P George	2,38,800	7.74%	2,38,800	7.74%
Raghu Balakrishnan	2,00,000	6.48%	2,00,000	6.48%

Equity Shares - Class B

Shiksha ESOP Trust	30,00,000	100.0%	30,00,000	100.0%
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Series B 0.1% Compulsorily Convertible Preference Shares

Aspada Investment Company	10,88,280	67.68%	10,88,280	67.68%
Michael and Susan Dell Foundation	5,19,601	32.32%	5,19,601	32.32%

Series B1 0.1% Compulsorily Convertible Preference Shares

Aspada Investment Company	7,61,128	20.23%	7,61,128	22.65%
Zephyr Peacock India Growth Fund, Ltd	22,10,508	58.74%	18,08,339	53.80%
Michael and Susan Dell Foundation	7,91,572	21.03%	7,91,572	23.55 %

d) Rights, preferences and restrictions attached to shares**Equity shares**

The company has issued Class A and Class B equity shares.

Class A Shares

The face value of Class A Shares is Rs. 10 per share. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each holder of equity shares is entitled to one vote per share. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Class B Shares

The face value of Class B Shares is Re. 1 per share. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

Each holder of equity shares is entitled to one vote per share. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Series B Compulsorily Convertible Preference Shares

The Series B CCPS shall be automatically converted into equity shares, at the earlier of a) 10 years from the date of issuance b) prior to a qualified IPO c) at the option of the shareholder. The Series B CCPS allotted, have priority with respect to payment of dividend. In a liquidation event, the holders of the Series B CCPS shall have priority over the other shareholders of the Company. The proceeds of a liquidation event shall be distributed such that the holder of a Series B CCPS shall be paid the higher of a) total amount invested b) pro rata entitlement



As at March 31, 2020

As at March 31, 2019

Series B1 Compulsorily Convertible Preference Shares

The Company has allotted 4,02,169 Compulsorily Convertible Preference Shares (Series B1 CCPS) of Rs.10 each during the current year and 33,61,039 Series B1 0.1% CCPS during the previous year, The Series B1 CCPS shall be automatically converted into equity shares, at the earlier of a) 20 years from the date of issuance b) prior to a qualified IPO c) at the option of the investor. The Series B1 CCPS shall rank senior in preference to all other Securities (other than the existing compulsorily convertible preference shares, being Series B CCPS, issued to Aspada Investment Company and Michael & Susan Dell Foundation, which will be treated pari passu with the Series B1 CCPS) of the Company, including the Equity Shares as regards payments of any dividends declared by the Company. In the event of winding up or liquidation of the Company or the occurrence of a Liquidation Event, prior to payments to any class of shareholders including holders of any other preference shares, the holders of the Series B1 CCPS shall have priority over the other shareholders of the Company. The proceeds of a liquidation event shall be distributed such that the holder of a Series B1 CCPS shall be paid the higher of a) total amount invested b) pro rata entitlement.

- e) In the financial year ended March 31, 2018, The Company established Shiksha Employee Stock Options Trust (Shiksha ESOP Trust) for grant of shares to Eligible employees, under a duly approved ESOP scheme. The ESOP Trust, purchased 10,000 Class B Equity Shares having face value of Re 1 per equity share fully paid through a loan extended to the Trust by the Company. This loan, has since been repaid.

f) Details of Bonus shares issuance in the last five years

In the financial year ended March 31, 2018, The Company allotted 29,90,000 fully paid Class B Equity shares having face value of Re 1 per equity share to Shiksha ESOP trust by capitalising securities premium.

- g) During the year 2019-20, the Company has:

Issued 4,02,169 Series B1 0.1% Compulsorily Convertible Preference Shares (Series B1 CCPS) to its existing Preference shareholders by way of preferential offer.

4. Reserves and Surplus**(i) Statutory Reserve**

Balance at the beginning of the year	33.00	11.00
Add: Additions during the period	<u>30.00</u>	<u>22.00</u>
Balance at the end of the period	63.00	33.00

(ii) Securities Premium

Opening	6,905.14	1,871.62
Securities Premium received during the period	620.54	5,183.88
Less: Capital raising costs	<u>(24.51)</u>	<u>(150.36)</u>
Closing	7,501.17	6,905.14
Less: Amount recoverable from ESOP Trust (Premium on 10,000 shares allotted to trust)	-	(1.19)
Closing after adjusting recoverable from Trust	7,501.17	6,903.95

(iii) Surplus/Loss (Profit and loss balance)

At the commencement of the year	2.05	(82.65)
Add: Profit /(Loss) for the period	145.92	106.70
Less: Transferred to statutory reserve	<u>(30.00)</u>	<u>(22.00)</u>
At the end of the period	117.97	2.05
Total	<u>7,682.14</u>	<u>6,939.00</u>



Shiksha Financial Services India Private Limited
Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees in Lacs except share data and otherwise stated)

	As at March 31, 2020	As at March 31, 2019
5. Long term Borrowings		
Secured		
Loans, from banks (Note 5.1)	960.01	333.33
Loans, from other than banks (Note 5.2)	3,495.79	3,481.19
Non-convertible debentures (Note 5.3)	7,360.00	2,475.00
	11,815.80	6,289.52
5.1 Term Loans, from banks		
IDFC First Bank Limited	320.51	487.18
IndusInd Bank	1,170.08	-
	1,490.59	487.18
Out of the above		
Long term maturities (maturities beyond 12 months)	960.01	333.33
Current maturities (maturities within next 12 months)	530.59	153.85
Note: For Security details, refer foot note of note 5.2		
5.2 Term Loans, from other than banks		
MAS Financial Services Ltd	2,833.68	2036.46
Northern Arc Capital Services Ltd	991.76	1465.87
Muthoot Capital Services Ltd	118.75	193.75
Manappuram Finance Ltd	294.80	408.67
Caspian Impact Investments Private Ltd	625.00	875.00
Grameen Impact Investments India Private Ltd	200.89	281.25
Hinduja Leyland Finance	860.93	-
Vivriti Capital	488.53	-
	6,414.34	5,261.00
Out of the above		
Long term maturities (maturities beyond 12 months)	3,495.79	3,481.19
Current maturities (maturities within next 12 months)	2,918.55	1,779.81

Note:

- Interest is payable monthly and Principal is payable quarterly, in respect of two lenders
- Interest and Principal are payable monthly, in respect of all other loans
- Secured against hypothecation of specified receivables under Financing Activity
- Interest rates on above borrowings, range between 13.50% p.a. to 15.90% p.a.

5.3 Non-convertible debentures

	as at March 2020			
	< 1 year	1 - 2 years	2 - 6 years	Total
From Parties, other than related parties	975.00	-	7360.00	8,335.00
	975.00	-	7,360.00	8,335.00
	as at March 2019			
	< 1 year	1 - 2 years	2 - 6 years	Total
From Parties, other than related parties	90.00	975.00	1,500.00	2,565.00
	90.00	975.00	1,500.00	2,565.00



As at March 31, 2020

As at March 31, 2019

- a) The Company has issued Non-convertible debentures on a Private placement basis in 2019-20:
- 15,000 debentures of Rs.10,000 each in October-2019 to Domestic NBFC and Foreign Investor respectively.
 - 286 debentures of Rs.10,00,000 each in March-2020 to two Foreign Institutional Investors respectively.
- b) Interest is payable quarterly to two debenture holders and Half Yearly to other two debenture holders
- c) These debentures are secured against specified receivables under Financing Activity
- d) Interest rates on above NCDs, range between 13.25% p.a to 14.44% p.a
- e) An Independent debenture trustee manages the interest of the debentures holders
- f) Out of the above

Long term maturities (maturities beyond 12 months)	7,360.00	2,475.00
Current maturities (maturities within next 12 months)	975.00	90.00

6. Long Term Provisions

Provision for Standard Assets	32.00	25.06
Provision for Sub Standard and Doubtful assets	22.52	14.85
Provision for Contingencies	58.98	51.12
Provision for Leave Encashment	17.45	13.55
	130.95	104.58

7. Current liabilities

Statutory dues payable	35.31	20.50
Creditors for Expenses	148.23	68.30
Creditors for Fixed Assets	11.36	-
Advance EMI from customers	51.24	14.01
Interest accrued and Not due on Non Convertible Debentures	212.65	11.22
Amount payable to Gratuity Fund	1.96	-
Interest accrued and not due on Loans	17.60	21.62
Provision for Income Tax #	-	1.50
	478.35	137.15

Provision for Income tax is net off of Advance tax Rs. 89.88 Lakhs as on March 31,2019

8. Other Current liabilities

Secured		
Current maturities of long term borrowings from banks	530.59	153.85
Current maturities of long term borrowings from others	2,918.55	1,779.81
Current maturities of NCD	975.00	90.00
	4,424.14	2,023.66

Note: For Security details, refer Foot Note of Note 5.2

9. Short Term Provisions

Provision for Standard Assets	39.49	17.47
Provision for Sub Standard and Doubtful assets	126.59	84.94
Provision for Contingencies	74.52	36.53
Regulatory Provision-COVID-19	63.36	-
Provision for Leave Encashment	-	1.45
	303.96	140.39



Note 10 - Property, Plant and Equipment:

Description	GROSS BLOCK				DEPRECIATION RESERVE				NET BLOCK	
	As at 01.04.2019	Additions	Disposal/ Adjustment	As at 31.03.2020	Upto 31.03.2019	For the year	Disposal/ Adjustment	Upto 31.03.2020	31.03.2020	31.03.2019
(i) TANGIBLE ASSETS										
Office Equipments	12.83	63.24	-	76.07	3.40	10.19	-	13.59	62.48	9.43
Furniture	25.95	41.03	-	66.98	6.32	7.50	-	13.82	53.16	19.63
Improvement to Leasehold Premises	-	46.04	-	46.04	0.00	0.48	-	0.48	45.56	-
Computers & Accessories	35.61	47.35	-	82.96	14.20	18.73	-	32.93	50.03	21.41
	74.39	197.66	-	272.05	23.92	36.90	-	60.82	211.23	50.47
Previous Year	31.24	43.15	-	74.39	8.83	15.09	-	23.92	50.47	22.41
(ii) INTANGIBLE ASSETS										
Software	22.00	14.82	-	36.82	3.57	6.62	-	10.19	26.63	18.43
	22.00	14.82	-	36.82	3.57	6.62	-	10.19	26.63	18.43
Previous Year	4.87	17.13	0.00	22.00	1.90	1.67	-	3.57	18.43	2.97
Total										
Current Year	96.39	212.48	-	308.87	27.49	43.52	-	71.01	237.86	68.90
Previous Year	36.11	60.28	-	96.39	10.73	16.76	-	27.49	68.90	25.38



	As at March 31, 2020		As at March 31, 2019	
11. Deferred tax assets (net)				
Deferred Tax Asset				
Employee costs	5.40		4.17	
Provision for Loan Losses	103.02		57.77	
Income derecognised on NPA Loans	30.26	138.68	28.71	90.65
Less:				
Deferred Tax Liability				
Depreciation		1.71		0.77
		136.97		89.88
12. Long Term receivables under Financing activities				
Secured, considered good - Standard	3,197.28		2,029.70	
Secured, Sub Standard and Doubtful	66.73		105.64	
Unsecured, considered good - Standard	4,803.26		4,235.91	
Unsecured, substandard and doubtful	71.69		17.96	
	8,138.96		6,389.21	
13. Long Term loans and advances				
Cash collateral with Financial institutions	390.10		162.5	
Rental deposit	15.50		3.72	
Other Advances	-		0.01	
	405.60		166.23	
14. Current Investment				
In Mutual Funds (unquoted, non trade, at cost)				
IDFC Cash Fund, Growth Fund Plan (1435.192 units with NAV of Rs. 2401.8326)	33.54		877.27	
L&T Liquid Fund, Growth Fund plan (26253.772 units with NAV of Rs. 2721.6289)	708.14		987.62	
HDFC Liquid Fund, Growth Fund plan (79744.261 units with NAV of Rs. 3906.6111)	3,104.83		1,056.08	
Tata Liquid Fund, Growth Fund plan (NIL units)	-		704.64	
Aditya Birla Liquiid Fund, Growth Fund Plan (NIL units)	-		705.00	
	3,846.51		4,330.61	

The Fair market value of the above investment as on 31st March, 2020 is Rs. 3,864.30 Lakhs (Previous year Rs. 4343.71 Lakhs)



	As at March 31, 2020	As at March 31, 2019
15. Cash and cash equivalents		
Cash -in-hand	2.02	14.26
Balance with banks		
On current accounts*	126.93	418.48
Current maturities of bank deposits		
i) with original maturity of less than 3 months	2,000.00	-
ii) with original maturity of more than 12 months**	300.00	200.00
	2,428.95	632.74
16. Short term receivables under Financing activities		
Secured, considered good - Standard	336.54	261.38
Secured, Sub Standard and doubtful	46.55	43.49
Unsecured, considered good - Standard	9,076.97	3,868.90
Unsecured, Sub Standard and Doubtful	96.74	33.21
Loan instalment overdue, secured, considered good - Standard	31.21	23.91
Loan instalment overdue, unsecured, considered good - Standard	187.88	77.65
Loan instalment overdue, secured, sub standard and doubtful	99.38	67.80
Loan instalment overdue, unsecured, sub standard and doubtful	173.27	54.83
Interest accrued but not due (considered good) - Standard	229.41	134.85
	10,277.95	4,566.02
17. Short Term Loans and Advances		
Current maturities of long term Cash collateral with Financial institutions	85.00	135.00
Other Advances	22.14	3.90
	107.14	138.90
18. Other current assets		
Interest accrued on Fixed Deposits/Cash collaterals	48.67	42.86
Rental deposit	58.99	29.35
Prepaid Expenses	9.33	12.20
Gratuity Fund - Balance with Trust	-	2.71
Advance Income Tax and TDS#	8.46	-
Advance for Fixed Assets	4.24	-
	129.69	87.12

Advance Income tax and TDS is net off of Provision for Income Tax amounting to Rs.212.00 Lakhs as on March 31,2020



		2019-20	2018-19
19. Revenue from operations			
Interest Income from Lending operations		3,574.82	2,063.12
Fees and Charges from Lending Operations		388.21	198.30
		3,963.03	2,261.42
20. Other income			
Treasury Operations income			
- Interest on Bank Deposits	100.74	51.65	
- Income on Mutual Fund Investment	170.63	271.37	133.85
Other income		3.77	0.51
		275.14	134.36
21. Finance Cost			
Interest on debentures		573.35	291.02
Interest on Term loans - Non Banks		851.32	770.42
Interest on Term loans - Banks		144.44	-
Interest on Overdraft Facility		1.15	-
Other Borrowing Costs		205.05	41.50
		1,775.31	1,102.94
22. Employee cost			
Salaries, wages and bonus		1,269.48	694.30
Contribution to Provident Fund, ESI and Gratuity		64.66	39.62
Staff welfare expenses		39.62	20.55
		1,373.76	754.47
23. Administrative and Other expenses			
Rent		74.11	34.88
Electricity Charges		8.81	4.83
Rates and taxes		6.03	2.16
Communication Expenses		14.97	13.41
Credit and collection related Costs		63.39	30.51
Legal and Professional fees		37.24	9.87
Printing & Stationery		18.72	9.61
Director's Sitting Fees		4.90	1.40
Repairs and maintenance		16.19	8.78
Audit fees			
Stautory Audit	5.50	4.25	
Tax audit	1.25	1.00	
Certifications	1.25	8.00	0.55
Travelling & Conveyance		157.14	84.31
Insurance expense - Others		15.24	6.14
Insurance expense - Loans		92.61	20.70
GST Expenses		29.61	12.98
Information Technology Expenses		16.39	11.72
Business Promotion		4.16	1.89
Other expenses		61.41	29.27
		628.92	288.26



	2019-20	2018-19
24. Provisions		
Provision for Standard Assets	28.96	17.69
Provision for Sub Standard and Doubtful Assets	49.31	(20.72)
Provision for Contingency	45.85	87.65
Regulatory Provision-COVID-19	63.36	-
Loans Written off	18.18	5.18
	205.66	89.80
25 Income Tax		
Current Tax	112.16	72.72
Deferred Tax	(47.08)	(35.87)
	65.08	36.85
26 Earning per Share		
Profit after tax	145.92	106.7
Weighted average number of Equity Shares (Basic)	33.85	33.85
Add: Dilutive effect relating to CCPS	50.70	22.69
Weighted average number of Equity Shares (Diluted)	84.55	56.54
Earning per Share - Basic (`) *	4.31	3.15
Earning per Share - Diluted (`)	1.73	1.89
Face value per Share (`)	10.00	10.00

*Note: Earnings per Share calculations are as per Accounting standard 20 (AS 20) "Earnings per Share" :-

a) During the year ended March 31,2018, Class B Equity shares and bonus on Class B Equity shares have been issued.

b) During the year ended March 31,2019, Class A Equity shares by way of Rights issue have been issued to existing investors.

27 Contingent liabilities and commitments

Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	Nil	Nil
Contingent Liabilities not provided for (income tax appeal, PF)	Nil	Nil
Claims against the Company not acknowledged as Debts	Nil	Nil



		2019-20	
		Amount	Amount
		Outstanding	Overdue
28. Additional disclosures pursuant to the Reserve Bank of India's Non-Systemically Important Non-Banking			
Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 Particulars			
Liabilities side:			
a	Loans and advances availed by the NBFC ^		
	i) Debentures : Secured	8,547.65	-
	: Unsecured	-	-
	ii) Deferred Credits	-	-
	iii) Term Loans	6,431.94	-
	iv) Inter-Corporate loans and borrowings	-	-
	v) Commercial Paper	-	-
	vi) Public Deposits	-	-
	vii) Other Loans	-	-
	- Bank Borrowings	1,490.59	-
	^ Includes interest accrued thereon but not due and hence not paid		
b	Break-up of (a) (vi) above (public deposits)		
	i) In the form of Unsecured debentures	-	-
	ii) In the form of partly secured debentures	-	-
	iii) Other public deposits	-	-
Assets side:			
c	Break-up of Loans and Advances including bills receivables		
	i) Secured	3,813.85	-
	ii) Unsecured	14,603.06	-
d	Break up of Leased Assets and stock on hire and other assets counting counting towards asset financing activities		
	i) Lease assets including lease rentals		
	- Financial lease	-	-
	- Operating lease	-	-
	ii) Stock on hire including hire charges		
	- Assets on hire	-	-
	- Repossessed Assets	-	-
	iii) Other loans counting towards asset financing activities		
	- Loans where assets are repossessed	-	-
	- Loans other than (a) above	-	-
e	Break-up of Investments		
	Current Investments		
	i) Quoted		
	- Shares	-	-
	- Equity	-	-
	- Preference	-	-
	- Debentures and Bonds	-	-
	- Units of mutual funds	3,846.51	-
	- Government Securities	-	-
	- Others -		



2019-20

ii) Unquoted			
- Shares	-	-	
- Equity	-	-	
- Preference	-	-	
- Debentures and Bonds	-	-	
- Units of mutual funds	-	-	
- Government Securities	-	-	
Others	-	-	
Long Term investments			
i) Quoted			
- Shares	-	-	
- Equity	-	-	
- Preference	-	-	
- Debentures and Bonds	-	-	
- Units of mutual funds	-	-	
- Government Securities	-	-	
- Others	-	-	
ii) Unquoted			
- Shares	-	-	
- Equity	-	-	
- Preference	-	-	
- Debentures and Bonds	-	-	
- Units of mutual funds	-	-	
- Government Securities	-	-	
- Others	-	-	
f	Borrower group-wise classification of assets financed	Amount net of provisions	
	i) Related Parties	Secured	Unsecured
	- Subsidiaries	-	-
	- Companies in the same group	-	-
	- Other related parties	-	-
	ii) Other than related parties	3,674.66	14,324.80
g	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market Value / Fair Book Value (Net of	
		value or NAV	Provisions)
	i) Related Parties		
	- Subsidiaries	-	-
	- Companies in the same group	-	-
	- Other related parties	-	-
	ii) Other than related parties	3,864.30	3,846.51
h	Other information		
	Particulars		Amount
	(i) Gross Non-Performing Assets		
	- related parties		-
	- other than related parties		554.36
	(ii) Net Non-Performing Assets #		
	- related parties		-
	- other than related parties		271.75
	(iii) Assets acquired in satisfaction of debt		-
	# Arrived at by deducting Provision for Non performing assets and provision for contingencies from Gross Non performing assets		



2019-20

29. The Company is a Non-Banking Financial Company, Non-Systemically Important Non-Deposit taking Company (NBFC-Non-SI-ND). In addition to the disclosures being made vide Note 28 above, the following disclosure in the Financials Statement is being made voluntarily

a Capital Adequacy	As at March 31, 2020	As at March 31, 2019
CRAR - Tier I Capital (%)	36.89%	48.74%
CRAR - Tier II Capital (%)	0.32%	1.25%
CRAR (%)	37.21%	49.99%

Note: For the purpose of these computation, the risk weights applicable to a Non-Banking Financial Company Systemically Important (NBFC-SI) have been applied, in the absence of comparable risk weights in the regulations applicable to Non-Banking Financial Company, Non-Systemically Important Non-Deposit taking Company (NBFC-Non-SI-ND)

b Asset classification	Gross Loans	As at March 31, 2020 Provisions	Net Loans
Standard	17,862.55	134.85	17,727.70
Sub-standard	364.71	41.32	323.39
Doubtful	189.65	107.78	81.87
Total	<u>18,416.91</u>	<u>283.95</u>	<u>18,132.96</u>
Provision for Contingencies			133.50
Net Assets			<u>17,999.46</u>

c Provisions for loan assets	As at March 31, 2020	As at March 31, 2019
Provision for Standard Assets	71.49	42.53
Provision for Sub Standard and Doubtful Assets	149.11	99.79
Provision for Contingencies	133.50	87.65
Regulatory Provision-COVID-19	63.36	
Total Provisions and Contingencies	<u>417.46</u>	<u>229.97</u>

d The Company, as a prudent measure, has made a provision at 0.40% (Previous year 0.40%) for Standard Assets on the Balance Sheet date as against the RBI requirement of 0.25% provision.

e The Company, as a prudent measure has created a cumulative Provision for Contingencies of Rs. 133.50 Lacs (previous year 87.65 Lacs) as on Mar 31,2020, This is in addition to RBI requirements and is based on the Management policy.

30. Related Party Disclosures

Key Management personnel	V L Ramakrishnan	Promoter and Whole time Director
Relatives of Key Management Personnel	a) Mrs. Annapurni R	Wife
Key Management personnel	Jacob Abraham	Promoter and Whole time Director
Relatives of Key Management Personnel	a) Mrs. Nandini Raj	Wife
	b) Mrs. Leela Abraham	Mother



	As at March 2020	2019-20 As at March 2019
Transactions		
V.L. Ramakarishnan		
- Remuneration	62.33	55.37
Jacob Abraham		
- Remuneration	51.76	46.08
Leela Abraham		
- Interest on NCD	-	0.23
Year end balances		
- Equity Share Capital - V L Ramakrishnan / Annapurni	105.00	105.00
- Equity Share Capital - Jacob Abraham / Nandini Raj	66.00	66.00

31. Micro, Small and Medium Enterprises Development Act, 2006

There have been no overdue amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company. Further the Company has not paid any interest to Micro, Small and Medium Enterprises during the year ended Mar 31, 2020 hence, the disclosure relating to the same are not applicable.

32. There are no pending litigations against the Company, as at Mar 31, 2020.

33. COVID-19, a global pandemic with no known medicine at this point of time, has spread across our country, resulting in unprecedented disruption and economic hardship. In response, the Government of India and respective state government took various measures including a nation-wide lock down from March 24, 2020 which is still continuing in varying degrees in some parts of the country. There is a high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

34. Arising from this, the Reserve Bank of India announced a COVID-19 regulatory package vide guidelines dated March 27, 2020 and April 17, 2020. The Company has in line with these guidelines and a duly Board approved policy:

- Extended the option of moratorium to its customers for loan instalments falling due between March 1, 2020 and May 31, 2020 to eligible customers.
- Provided Covid-19 provision of Rs 63.36 Lakhs in respect of all loan accounts, where moratorium benefit was extended.

35. Previous year figures have been regrouped, to align with current year disclosure, where relevant. The figures have been rounded off to Indian Rupees Lac.

As per our report of even date attached

For Brahmaya & Co.

Chartered Accountants

Firm Registration Number 000511S

For and on behalf of the Board of Directors

Shiksha Financial Services India Private Limited

P. Babu

Partner

Membership No 203358

V.L.Ramakrishnan

Director

Jacob Abraham

Director

Place : Chennai

Date : 27.06.2020

Rajanikanta Senapati

Company Secretary



FORM NO. MGT-11**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN: U74900TN2014PTC094623

Name of the Company: Shiksha Financial Services India Private Limited

Registered office: No. 497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road, Arumbakkam, Chennai-600 106, Tamil Nadu, India

I/We, being member(s) of shares of the above-named company, hereby appoint

1. Name: Address:

E-mail Id:

Signature:

or failing him

2. Name: Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company, to be held on the Wednesday, the 30th day of September 2020 at 11.00A.M.. at the Registered Office of the Company situated at No. 497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road, Arumbakkam, Chennai-600 106, Tamil Nadu, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the Box Below: -

S. No.	Resolutions: -	For	Against
1	To consider and adopt the Financial Statements for the financial year ended 31st March 2020		
2	Ratification of appointment of M/s. Brahmayya & Co. as Statutory Auditors of the Company and fixing their remuneration thereof.		

Signed this day of 2020

Signature of shareholder

Signature of Proxy holder(s)

Note:

Affix

Re. 1/-

Revenue

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes









Disclaimer: all the pictorial representations are for illustration purpose only.