



SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED

ANNUAL REPORT 2023-24



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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. Pankaj Raina, Nominee Director Mr. Mohamed Salim Asaria, Nominee Director
Registered Office	No.497, 3rd Floor, Kattima Isana Mall, Poonamallee High Road, Arumbakkam, Chennai - 600106, Tamil Nadu, India
Management Team	Mr. Srinivasaraghavan S, Chief Financial Officer Mr. Karthik S, National Collection & Legal Head Mr. Gururaj R, National Business Head Mr. Sampath Kumar T A, National Head-Operations Mr. Suresh Natarajan, IT Head Ms. Sathyabama R, Head-Human Resource and Administration Mr. Rajesh M, MFI Business Head
Statutory Auditors	N. C. Rajagopal & Co., Chartered Accountants No. 22, Krishnaswamy Avenue, Luz Church Rd, Mylapore, Chennai - 600004, Tamil Nadu.
Internal Auditors	Sundaram & Srinivasan 23 C P Ramaswamy Road, Alwarpet, Chennai – 600018, Tamil Nadu.
Bankers	HDFC Bank ICICI Bank Kotak Mahindra Bank RBL Bank Ltd
Lenders	MAS Financial Services Limited Profectus Capital Private Limited



NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of the Company will be held on Thursday, 26th day of September 2024 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 -600106, 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 2024, 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. Reappointment of statutory auditors of the company for three consecutive financial years from financial year 2024-25 to 2026-27.

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

Place: Chennai
Date: 27th August 2024

Sd/-
V. L. Ramakrishnan
Whole Time Director
DIN: 02326543
D-901, 9 th Floor, The Metro Zone,
44, Pillayar Kovil Street,
Anna Nagar, Chennai -600 040,
Tamil Nadu, India



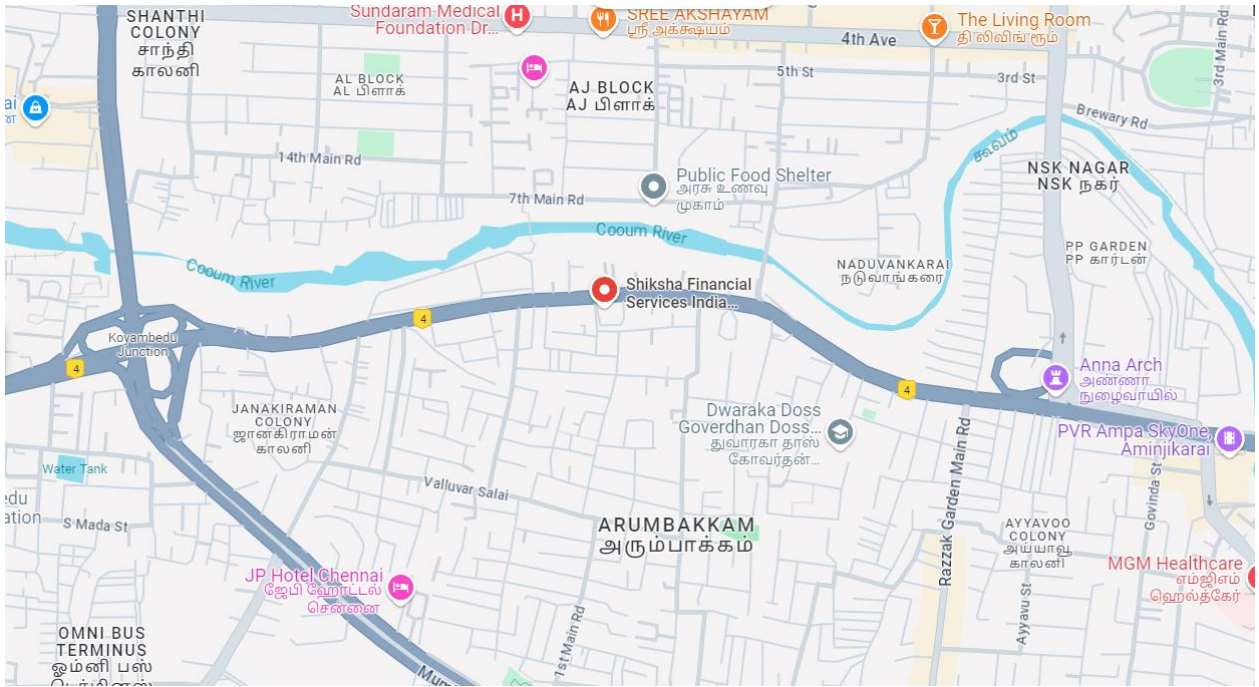
NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. However, 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 proxy for any other person or member. Form of proxy is attached at the end of the Notice.
2. Instrument of Proxies, in order to be effective, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting.
3. Corporate Members intending to send their authorized representative to attend an Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of relevant Board resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. 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.
5. All documents referred to in the Notice as available for inspection shall be open for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 A.M. to 5:00 P.M.) from the date of circulation of this Notice up to the date of the Annual General Meeting.



SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED

Roadmap to AGM Venue



ABOUT

Shiksha Financial Services India Private Limited (“SHIKSHA”)

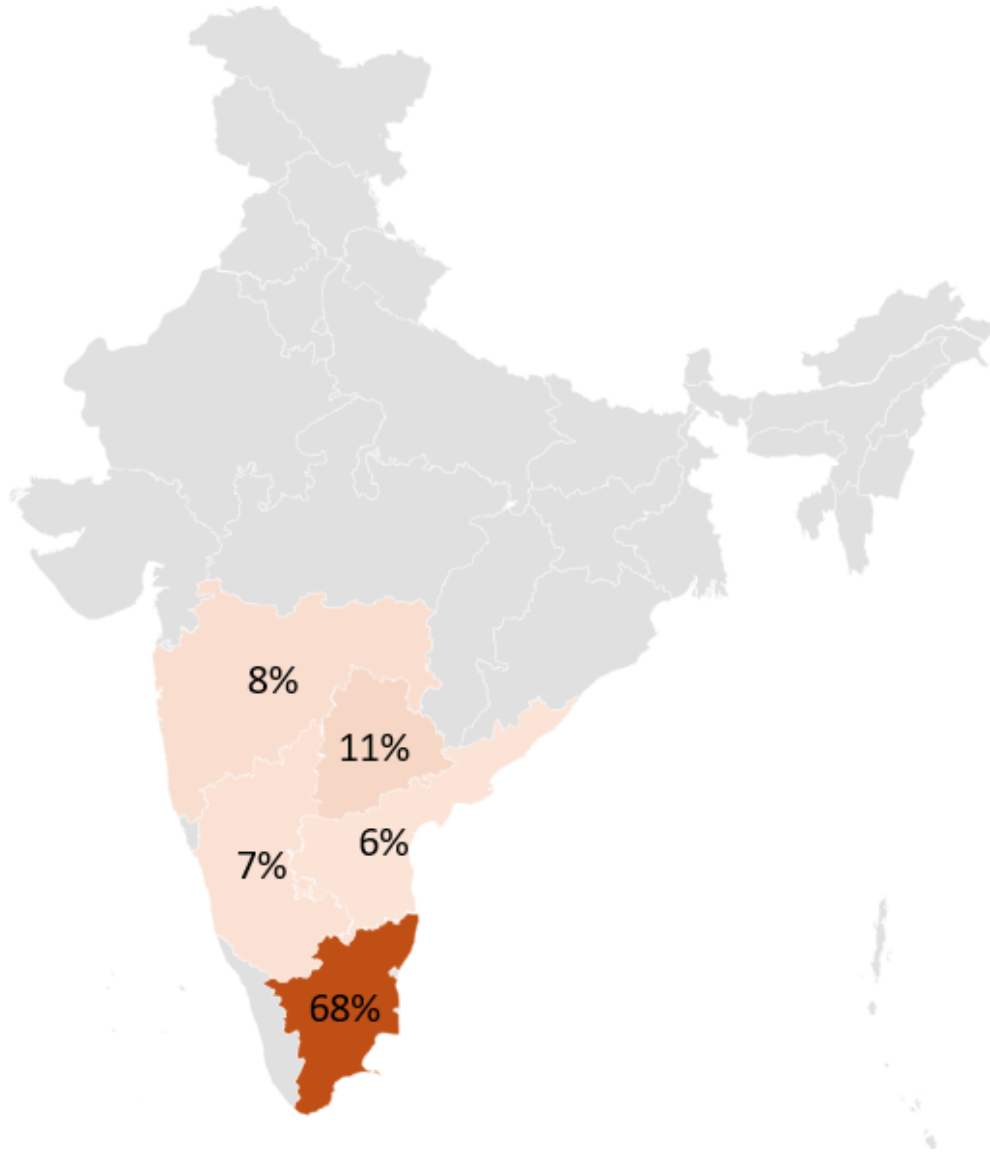
Shiksha Financial Service India Private Limited is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and was incorporated in the year 2014 with registered office in Chennai, Tamil Nadu.

Shiksha was initially engaged in the business of providing educational loans. Due to the challenges faced by Shiksha during the pandemic and slowdown of education sector, the Company has diversified its business to Loan against property and Business Correspondence for Micro Finance Product.

Shiksha currently has 34 branches, spread over 5 states and manages over 34,500 customers.



GEOGRAPHICAL COVERAGE



Your Company presently operates in 5 States across the Southern and Western regions of India, having a happy employee strength of 319 and Assets Under Management of INR 6,168 Lakhs excluding Managed Portfolio of INR 7,443 Lakh.



DIRECTORS' PROFILE

Mr. PRADEEP V BHIDE - NON-EXECUTIVE INDEPENDENT DIRECTOR AND BOARD CHAIRMAN

Mr. Pradeep V Bhide, I.A.S. (Retd.) (74 years; DIN-03304262) is a Graduate in Science and Law. He also holds a Master's degree in Business Administration with a specialization in Financial Management. He joined the Board in December 2016. In a career spanning 39 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, Borosil Renewables Limited, NOCIL Ltd, A.P.I.D.C. Venture Capital Private Limited and TRL Krosaki Refractories Limited. Mr. Bhide is associated with the company as an Independent Director since December 2016.

Mrs. PUSHYA SITARAMAN - NON-EXECUTIVE INDEPENDENT DIRECTOR

Mrs. Pushya Sitaraman (71 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 38 years, specializing in the field of taxation and corporate laws. She is on the Board of various companies including Asirvad Micro Finance Limited, Western India Plywoods Limited, Kohinoor Saw Mills Co Ltd, Mayabandar Doors Limited & Southern Veneers and Woodworks Limited. 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 (55 years; DIN-02326543) is a Chartered Accountant with 27 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 Suryoday 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. PANKAJ RAINA – NOMINEE DIRECTOR

Mr. Pankaj Raina (39 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.



Mr. MOHAMED SALEEM ASARIA – NOMINEE DIRECTOR

Mr. Saleem Asaria (60 Years; DIN - 08880222) is a Partner at Lightrock and works with the sector teams on evaluating and underwriting new investments and portfolio value creation as well as playing a supportive role in the healthcare and education sectors. He currently serves on the Board of Lithium, Shiksha and Capital Float. Prior to this, he spent the majority of his career in the UK, building and running healthcare and education businesses of size. He was the founder CEO of the Cambian Group Plc, which grew to become one of the largest behavioural health services companies in the UK and was listed on the London Stock Exchange in 2014. Saleem qualified with an honours degree in Pathology and Basic Medical Sciences from the University of London. Mr. Saleem Asaria is associated with the Company as a Nominee Director since November 2021.



MANAGEMENT TEAM - PROFILE

Mr. SRINIVASARAGHAVAN S – CHIEF FINANCIAL OFFICER

Mr. Srinivasaraghavan Soundararajan is a Cost and Management Accountant with 42 years of extensive experience across BFSI and extensive expertise and knowledge in the banking and micro finance business. He has work experience in SBI Group, IDBI Bank Group, Arman Group, Basix Group, Dhanalaxmi Bank, NKGSB Coop Bank and also KBS Local Area Bank.

He is currently the Chief Financial Officer with additional charge of Chief Risk Officer in Shiksha.

Mr. GURURAJ R – NATIONAL BUSINESS HEAD

Mr. Gururaj R is an MBA Graduate having 23 years of experience in Credit Underwriting across Banks and NBFCs. He has significant expertise in Mortgage Credit Underwriting and Portfolio Management. He has work experience in companies such as Barclays, Bajaj Finserv, Standard Chartered Bank etc.

He is currently the National Business Head of LAP Product in Shiksha.

Mr. KARTHIK S – NATIONAL COLLECTION AND LEGAL HEAD

Mr. Karthik S is an MBA Graduate having 26 years of experience in the field of collections including Legal Collections, Repossessions and Recoveries. He has expertise in Negotiations across various segments. He has work experience in companies such as Daimler Financial Services, Cholamandalam, DCB Bank, ICICI Bank etc.

He is currently the National Collection and Legal Head of Shiksha.

Mr. SAMPATHKUMAR TA – NATIONAL OPERATIONS HEAD

Mr. Sampathkumar TA is an MBA Graduate having 34 years of experience in Banking and Financial Services Industry. His areas of expertise include business transformation, operational excellence and strategic business planning in the customer market domain. He has work experience in companies such as CITI Bank, TCS, DCB Bank etc.

He is currently the National Operations Head of Shiksha.



Mr. SURESH NATARAJAN – IT HEAD

Mr. Suresh Natarajan is a qualified MCA Graduate with over 16 years of experience in the field of Information Technology. He has Specialized knowledge in implementing and leading projects related to Loan Origination System (LOS), Loan Management System (LMS), Dealer Funding (DF) and Collections. He has work experience in Cholamandalam, EBIX Inc etc.

He is currently the IT Head of Shiksha.

Ms. SATHYABAMA R– HR AND ADMIN HEAD

Ms. Sathyabama R is a qualified Masters in Human Resources Management with over 26 years of experience in the field of personnel recruitment and development. She has work experience in companies such as Visteon Automotive Systems, Belstar Microfinance. She was a co-founder of Intrall Consultancy Services.

She is currently the HR and Admin Head of Shiksha.

Mr. RAJESH M – BC MFI BUSINESS HEAD

Mr. Rajesh M is a qualified MBA Graduate with over 15 years of experience in the banking and financial services industry with specialization in the microfinance sector. He has work experience in Ujjivan Small Finance Bank, L&T Finance, Satya Microcapital Ltd etc.

He is currently the BC MFI Business Head of Shiksha.



BUSINESS HIGHLIGHTS

DISBURSEMENT		2020-21	2021-22	2022-23	2023-24
Education Portfolio	Rs in L	6 693	6 436	489	-
New Business Line*	Rs in L	-	240	5197	9674

* New business line includes LAP loan portfolio (own book) and MFI, BC portfolio (managed books)

OUTREACH (GEOGRAPHY)		2020-21	2021-22	2022-23	2023-24
STATES / UTs	COUNT	5 / 1	5 / 1	5 / 1	5 / 1
BRANCHES	COUNT	36	36	39	35

OUTREACH (CUSTOMERS^)		2020-21	2021-22	2022-23	2023-24
Educational Institutes	COUNT	3 233	3 548	3 560	3 560
Individual Women Borrowers	COUNT	80 442	93 354	94 583	94 583
MFI Customers	COUNT	-	601	13 543	29 419
LAP Customers	COUNT	-	14	52	677

^ Cumulative Disbursals to customers since inception.

EMPLOYEE STRENGTH		2020-21	2021-22	2022-23	2023-24
Feet on Street	COUNT	287	269	222	216
Support Staff(s)#	COUNT	66	62	61	103
Total employment generated	COUNT	353	331	283	319

Includes credit, operations, legal, technical and HO Staffs.



SIGNIFICANT DEVELOPMENTS DURING THE YEAR

COMPANY TURNED PROFITABLE

Your Company has turned profitable during the current financial year thanks to increased collections, increased business and continuous monitoring of expenses. Its net profit after tax during FY 2023-24 amounted to INR 66.97 lakhs.

REDUCTION OF NET NPA FROM 16% TO 3%

We wish to highlight the significant achievement of reducing our Net Non-Performing Assets (NPA) from 16% to 3%. The reduction in NPA is a testament to our focused recovery efforts. By effectively managing and minimizing Net NPAs, we have strengthened our ability to generate sustainable profits and ensure the long-term stability of our organization.

PROVISION COVERAGE FROM 76% TO 94%

We are pleased to highlight the remarkable improvement in our provision coverage ratio, which has increased from 76% to 94%. The provision coverage ratio is a key indicator of our ability to absorb potential credit losses and maintain a healthy loan portfolio. By diligently setting aside provisions, we have strengthened our ability to address potential credit risks and ensure the adequacy of our reserves. This is done without creating any additional provisions during the current financial year.

% OF SECURED LOANS FROM 39% TO 63%

We are delighted to highlight a significant increase in the percentage of secured loans from 39% to 63% thanks to the increased proportion of LAP Portfolio. This notable improvement underscores our commitment to strengthening the quality and security of our loan portfolio. By increasing the proportion of secured loans, we have enhanced our ability to recover collateral in the event of default, reducing potential credit losses and ensuring the overall stability of our lending operations.

ADEQUATE LIQUIDITY WITH LOW DEBT EQUITY RATIO

We are proud to say that the company always maintained adequate liquidity during FY 2023-24. This is done so with a low debt equity ratio of 0.06 and comparatively increased disbursements. The unencumbered cash and cash equivalents as on 31st March 2024 were Rs 10.93 crores.

WRITE OFF RECOVERY AT 45%

The Company had written off INR 25.24 crores in FY 2021-22. Out of this, INR 11.42 crores have been recovered reflecting our focused recovery efforts. In contrast, RBI data indicates INR 15 lakh crores have been written off in the last 3 years out of which only 18%-19% has been recovered.

INCORPORATION OF A WHOLLY OWNED SUBSIDIARY

The Company has incorporated a Wholly Owned Subsidiary, Shiksha Business Services Private Limited on 30th November 2023. This company shall cater to the needs of BC Operations and other avenues of prospective business opportunities. This company has become operational from 1st April 2024 Onwards.



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The International Monetary Fund (IMF) predicted the global economy will grow by 3.1 percent in 2024 and 3.2 percent in 2025, on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The picture is more positive among emerging market economies.

The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth.

INDIAN ECONOMY

The International Monetary Fund (IMF) projected that India would overtake Japan and become the fourth largest economy in the world by 2025 and overtake Germany to become the third largest by 2027.

The IMF in its latest World Economic Outlook report, projected that the Indian economy will grow by 6.8 per cent in the current fiscal year, making it the fastest-growing economy in the world. The IMF's bi-annual report observed that India's headline retail inflation is expected to ease up, from 4.9 per cent in the previous year to 4.6 per cent in 2024-25 and to 4.2% in 2025-26. This is a clear indication of India's economic prowess and its unwavering determination to overcome even the toughest of obstacles.

NBFC SECTOR OUTLOOK

After weathering countless challenges over the past three fiscals, exacerbated by the Covid-19 pandemic, fiscal 2024 has brought growth back into focus for NBFCs. This is expected to continue into fiscal 2025 with moderation of growth in fiscal 2026, The acceleration will ride on improving economic activity, strengthened balance sheet buffers, and better asset quality metrics.

According to ICRA Ratings, retail focused NBFCs are expected to grow 21-23 per cent while the housing finance companies may grow by 12-14 per cent. The growth is expected to moderate further in FY 2025 on the back of a tighter market liquidity expectation and large base created from the strong growths witnessed in FY 2023-24. The rating agency report also noted that the sectoral profitability would moderate by 20-40 basis points (bps) this fiscal, as operating conditions tighten for NBFCs.

EDUCATION SECTOR MARKET PROSPECTS

The Education Sector is the first sector to be affected by the pandemic and has had the slowest of rebounds amongst all sectors; with full recovery yet to be witnessed. The pandemic has severely impacted affordable private schools (APSs), which are facing numerous challenges such as delayed fee payments, shortage of qualified and skilled teachers, insufficient funds for infrastructure, and lack of effective parent engagement.



Government School admissions in Tamil Nadu are still on an increasing trend. Officials of the elementary education department expect the admissions in government schools to cross 5 lakhs in FY 2024-25 as the state government has allocated INR 6.26 crores to give a major infrastructure push to upgrade primary and middle schools.

Although the online education system has declined and people are opting more towards physical schools, affordable private schools are still recovering from the impact of COVID 19.

MSME SECTOR LENDING OPPORTUNITY

The Micro, Small, and Medium Enterprises (MSME) sector in India contributes 33% of India's GDP and creates has 45% share of total employment, making it a key sector in the country's economy. Over 94% of MSMEs in India are micro businesses, 4.5% are small and only 1% are medium-sized. NBFCs are off-late playing a crucial role in financing these sectors.

According to Transunion CIBIL and SIDBI, India has approximately 630 lakhs MSME Corporates out of which only 250 lakhs have ever been credited. While the sector continues to grow at a CAGR of 2.5%, in the coming times, the approximate number of MSME Corporate entities is expected to touch 750 lakhs. Out of this estimate, 500 lakhs are expected to be NTC (New to Credit) MSME entities. MSMEs face a major credit gap of Rs 33 trillion. The overall finance demand of MSMEs is INR 69.3 trillion.

The Small Ticket Loan Against Property (S-LAP) market is witnessing a strong push from NBFCs, capturing over 50% of the market share in secured MSME loans below INR 30 Lakhs.

Credit to MSMEs grew by 20% in FY24. In contrast, credit to MSMEs by Banks have decelerated according to Reserve Bank data. Players in the MSME sector said risk averseness makes banks reluctant to provide loans to small units, leading to a deceleration in bank credit growth.

According to an ICICI Securities Report, NBFCs are increasingly favoring the Small Ticket LAP Loan Against Property (S-LAP) segment over medium ticket loans. The market potential for S-LAP is estimated at a substantial INR 22 lakhs crore, with lenders having tapped only around INR 1.8 lakhs crore as of March 2023, reflecting a penetration rate of less than 10%.

The S-LAP market is currently concentrated in five states, namely Maharashtra, Tamil Nadu, Gujarat, Karnataka and Rajasthan, accounting for a significant 53% of the total market. While overall S-LAP penetration remains low, the analysis indicates that penetration in the top 5 states exceed 20%, emphasizing the concentrated growth in specific regions.

PORTFOLIO PERFORMANCE

Own book: As of March 31, 2024 your Company's AUM stood at INR 6,167 lakhs as compared to INR 6,531 lakhs as at March 31, 2023. Disbursements in FY 2023-24 aggregated INR 2,343 lakhs as compared to INR 642 lakhs in FY 2022-23. The Disbursements of ST-LAP loans constituted ~100% of overall disbursements during FY 2023-24. The Company had made an aggregate recovery of INR



1,142 lakhs by consistent monitoring and follow up from the loans it had written off (INR 2,523.92 Lakhs) in FY 2021-22.

Your Company remains focused on asset quality growth and looks for opportunities to enable efficient utilization of resources to grow its ST-LAP portfolio. LAP book created since December 2021 has been pristine and the collection efficiency as the end of March 2024 stood at 99.6%.

As of March 31, 2024, your Company operates in a total of 34¹ branches spread over 5 states of Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh and Telangana.

The Company continues to undertake a proper risk assessment of its credit exposures to reflect deterioration in the macroeconomic outlook and uncertainty in credit evaluations. The Company held provisions aggregating to INR 499 lakhs as per RBI regulations and an additional provision of INR 1,579 lakhs to immune its book from the impacts of the sluggishly recovering education segment is creating on its portfolio quality and collection metrics. This additional provision so created is part of risk mitigation to take care of any future contingencies in the portfolio.

Managed book: During FY 2021-2022, a Banking Correspondence (BC) arrangement was entered by the Company with Federal Bank to originate MFI loans and service their EMI collections. Under this BC arrangement, while sourcing and collections shall be our responsibility, Federal bank shall take care of disbursements. We are entitled to get a share of interest and also of processing charges. This arrangement has significantly increased income generation, cash inflows and the liquidity position of the company.

As of March 31, 2024 your Company is managing a MFI loan portfolio of INR 7,443 lakhs from across 20 branches present in states of Tamil Nadu, Karnataka and Maharashtra. The disbursements made during the Financial Year 2023-24 is INR 7,331 lakhs and its disbursement since inception is INR 12,560 lakhs.

FINANCIAL PERFORMANCE

The Pandemic and its aftereffects has considerably impacted the Company and its business and the Company had to declare losses during the last two previous years. Your Company considerably improved its financial performance during FY 2023-24 and had taken the following strategic measures:

- A. halting disbursement in its education portfolio and concentrating on collections
- B. concentrating on collections in written off portfolio.
- C. Diversifying own book and increasing LAP Portfolio,
- D. ramping up BC business adding significantly to top line with minimum cash outflows.

¹34 branches are an overall count that includes 20 branches exclusively overseeing BC operations.

Your company has maintained a Provision Coverage Ratio of 94% in FY 2023-24 and the Provisions in the books are more than adequate for any eventualities. Due to increased business, reduced



borrowing costs and increased Collections your Company could earn a PAT of INR 66.97 lakhs.

CAPITAL PROFILE

As the debt equity ratio of the company is just 0.06, your company has head room to raise more debts. No capital infusion was made in Financial Year 2023-24. Your Company has maintained a healthy capital adequacy ratio of 87.50% in March 2024 as against 88.85% in March 2023 and 46.52% in March 2022.

DEBT PROFILE

The Company raised debt of INR 2.50 Crores for onward lending of LAP loans. The lenders had their own limitations and constraints in advancing loans to the education sector as the same has been viewed as a stressed sector, however the Company received few soft commitments from prospective lenders for LAP product. Lenders are attracted mainly due to high proportion of MSME segment in LAP, the presence of an experienced team of professionals and Shiksha's proven quality metrics.

During the Financial Year 2023-24 your Company made prompt repayment of its dues, and as on 31st March 2024 it had an outstanding debt of INR 354 lakhs as against a total outstanding of INR 657 lakhs as on 31st March 2023. Your company also repaid the NCDs of INR 250 lakhs in FY 2023-24.

ASSET LIABILITY MANAGEMENT

The Company ensures adherence to the risk tolerance/limits and liquidity buffer. The Management oversees the Company's short, medium and long-term funding and liquidity management requirements. It also reviews the liquidity position based on future cash flows.

With challenges arising from ALM mismatches plaguing the wider NBFC in the last 12 months, Your Company has been proactive in maintaining adequate liquidity, increased collections from written off accounts and also increased business from BC segment.

These proactive measures enabled the Company to see through this challenging phase.

INFORMATION TECHNOLOGY – SYSTEMS AND AUTOMATION

Your Company has been taking several measures to promote and encourage digital collections. More than 70% of the Collections are through NACH. During the year 2023-24, Besides other things, HRMS Ticketing module to redress IT grievances, Mobile Device Management for tracking etc. was implemented. The Company is also in the process to digitalise the entire LAP Module. More digital channels facilitate communication, which leads to increased customer retention, and more consistent, on-time payments.

REPORTING AND COMPLIANCES CULTURE

Your Company has fully complied with all the periodic guidelines issued by the RBI and other



regulators and adhered strictly to Capital Adequacy, Fair Practice Codes, RBI Reporting, Asset Classification and Provisioning Norms, etc. to ensure zero-tolerance on the non-compliance aspect. Stringent review systems to ensure compliance with the statutory guidelines and norms of the NBFC industry are also in place. Apart from RBI, the Company strictly complies with the other applicable regulations.

As a result of prompt compliance, The Company has received Certificate of appreciation from the GST authorities for the filing of returns and remittance of GST on time.

The acknowledgement from the GST authorities serves as a testament to our dedication to uphold transparency and good governance in the business operations.

The certificate is enclosed at the end of this report.

INTERNAL CONTROL SYSTEMS

Your Company has put in place adequate internal control mechanisms to safeguard all its assets and to ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. Further, lender/investor covenants have been tracked and are periodically updated from time to time. At periodic intervals, the management team and statutory auditors check and ensure that the controls are adequate and operative. Besides Statutory Auditors, your Company has also engaged a professional audit firm for Internal audit of various systems & Control in place and to recommend suggestive actions wherever required.

Besides, the Company has a dedicated team of internal auditors to conduct internal audit. This team defines the audit agenda for the year, which is implemented. They also ensure that all transactions are correctly authorized and reported in accordance with the relevant regulatory framework.

HUMAN RESOURCES

Your Company recognizes that employees are at the center of all our operations; their collaborative skill and expertise are essential for our growth. There exists a structured framework which nurtures the functional and leadership capabilities of all employees across verticals. Reward & Recognition programs take place in the Company periodically. It also has a policy to recognize and celebrate young talents for extraordinary performance at work with a cash reward.

The Company invests in the training and development of its employees on a continual basis. As on March 31, 2024, the Company had 319 employees. During the year under review, the Company strengthened its Management Team with the induction of CFO & CTO.

Furthermore, from March 2024 to the Publication of the Annual Report, HR Head and MFI Business Head have also been recruited.

Mr. Jacob Abraham, Promoter & COO exited the Company on 30th September 2023.



DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Eleventh Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2024.

1. Financial Highlights

PARTICULARS	Amount (Indian Rupees in Lacs)	
	FY 2023-2024	FY 2022-2023
Total Income	2228.76	2959.89
Total Expenses	2154.77	5065.39
Profit/(Loss) before exceptional and extraordinary items & Tax	73.99	(2105.50)
Exceptional and extraordinary items	-	-
Profit/(Loss) Before Tax (PBT)	73.99	(2105.50)
Current tax	-	-
Reversal of current tax pertaining to earlier years	-	-
Deferred tax	7.02	(417.23)
Tax expenses	7.02	(417.23)
Net Profit/(Loss) (PAT)	66.97	(1688.27)

2. Operations

Unlike other sectors the affordable private school segment is slow to revive post pandemic. The education sector encountered a major transformation due to the pandemic. Due to various schemes and benefits offered, many students migrated from private schools to Government schools and the reverse migration is currently negligible. The financial burden of the study loan customers have skyrocketed due to the consequences of COVID 19 rendering them unable to repay their existing loans.

The Company's response to the above challenges were focused to strengthen its collection efforts so as to maximize cash flows and better the liquidity prospects of the Company. Such efforts taken include:

- a) conscious and continuous customer follow ups to maximize regular demand collections,
- b) actively encouraging negotiated settlements in delinquent loans and voluntary pre-closures.
- c) providing attractive collection incentives to staff in order to maximize overdue collections.

During this period, your company continued to hold a strong liquidity position all through the year. The Asset Liability Management (ALM) position was comfortable with no negative cumulative mismatches.



Total disbursements for the year 2023-24 was Rs. 2,343 lacs as compared with Rs. 642 lacs in the previous year. As at March 31st 2024, the assets under management stood at Rs. 6,168 lacs from Rs. 6,531 lacs in the previous year. Gross Income of the Company during the year ended March 31, 2024 was Rs.2,228.76 lacs, over Rs. 2,959.89 lacs in the previous year. During the year under review, the Company has registered Profit after tax (PAT) of Rs. 66.97 lacs as against loss of Rs. 1,688.29 lacs in the previous year.

As a diversification strategy from its education, the Company also began disbursing Small Ticket LAP loans (Business Loans and Small Mortgage loans) to eligible borrowers to meet their business and personal needs, after due underwriting of their cashflows and backed by the collateral of their residential house property. The Company provides secured loans to micro-entrepreneurs and self-employed individuals for business purposes, as well as for asset creation such as home renovation or improvement, or for meeting expenses for significant economic events such as marriage, healthcare and education.

Apart from its own portfolio, the Company in late 2021 entered into an arrangement to function as a Business Correspondent partner for Federal Bank (the Bank) so as to originate MFI loans on behalf of the Bank. The arrangement offered the Company a share in the interest income in exchange for its services of origination and collection services of MFI loans on behalf of the Bank. The arrangement provided a meaningful opportunity for the Company to grow its top-line using existing Study loan resources /infrastructure and with limited investment outlay.

Given the Company's local distribution network, its deep understanding of under-served markets and a fleet of experienced manpower, this arrangement has yielded a pristine quality book close to Rs 75 crores with collection efficiencies reaching 99% every month. Further, given India's large MFI market opportunity of Rs 300 lakh crores, the Company further aspires to scale up this book (and corresponding income stream) significantly.

Corporate Developments

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

Amount Raised (Amount in Rs. Lacs)		
Source of Debt	2023-24	2022-23
From Other than Banks	250.00	300.00
Total	250.00	300.00

2.1 Asset Quality: Risk assessment of customers is made at the time of initial appraisal for pricing and granting loans. The Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. The business had also undertaken a conservative underwriting approach to preserve asset quality.

2.2 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, your Company has transferred Rs.13.39 Lakhs to Statutory reserve during the current financial year.

2.3 Dividend: The Board of Directors of your company has not declared any Dividend for the year.

3. Change in nature of business

Besides catering to educational sector, the Company has been into LAP Business and also into BC operations.

4. Incorporation of a Wholly Owned Subsidiary

A wholly owned Subsidiary of Shiksha named Shiksha Business Services Private Limited was incorporated in the month of November 2023 to cater the BC operations. The Wholly Owned Subsidiary has commenced its operations with effect from 1st April 2024.

5. Material Changes and Commitments, if any 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 the report

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

6. Management of the Company

6.1 Directors and Key Managerial Personnel

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

Sl. No.	Name of Director	DIN	Directorship Status
1	Mr. Pradeep Vasudeo Bhide	03304262	Independent Director
2	Mr. Vadakkancherry Lakshminarayanan Ramakrishnan	02326543	Whole- time Director
3	Ms. Pushya Sitaraman	06537196	Independent Director
4	Mr. Pankaj Raina	06584042	Nominee Director
5	Mr. Mohamed Salim Asaria	08880222	Nominee Director

During the year:

- Re-appointment of Ms. Pushya Sitaraman, as Independent Director was approved by the Shareholders at the Annual General Meeting for a second term of five years commencing from 23rd July 2024 till 22nd July 2029.



- Mr. Jacob Abraham, Whole time Director has resigned from the company with effect from the closure of business hours on 30th September 2023.
- Ms. Sornamukhi Nitharsana, Company secretary of the company has resigned with effect from 27th November 2023
- Mr. Karthik Narayanan, Company Secretary of the company has been appointed with effect from 27th November 2023
- Mr. Karthik Narayanan, Company Secretary of the company has resigned with effect from 14th February 2024

6.2 Declaration by Independent Directors and statement on compliance of code of conduct:

- Necessary declaration with respect to independence has been received from all the Independent Directors of the Company;
- the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

6.3 Board Meetings

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:

Director's presence in the meeting	Date of Meeting			
	05-06-2023	23-08-2023	27-11-2023	14-02-2024
Mr. Pradeep Vasudeo Bhide	Yes	Yes	Yes	Yes
Mr. V. L. Ramakrishnan	Yes	Yes	Yes	Yes
Mr. Jacob Abraham [^]	Yes	Yes	NA	NA
Ms. Pushya Sitaraman	Yes	Yes	Yes	Yes
Mr. Pankaj Raina	Yes	Yes	LOA	Yes
Mr. Mohamed Salim Asaria	LOA	Yes	Yes	LOA
Total Directors entitled to attend as on date of Meeting	6	6	5	5

*LOA – Leave of Absence

[^] Ceased to be a director from 1st October 2023 Onwards

6.4 Directors' Responsibility Statement

Your Directors' confirm:

- 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.

6.5 Internal Financial Controls

The Company has adequate Internal Financial Controls with reference to the Financial Statements.

6.6 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.

6.7 Disclosures relating to Subsidiaries, Associates and Joint Ventures of the Company

During the period in purview, the Company invested INR 10 lakhs in its Wholly Owned Subsidiary Shiksha Business Services Private Limited.

7. Details of 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. 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.

9. Corporate Social Responsibility

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



10. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings Outgo

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

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)	
(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	: NIL

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	: NIL

11. Internal Audit

The Company has an independent internal audit department that evaluates the adequacy of control measures on a periodic basis. The Internal Audit team plays a vital role in monitoring effectiveness and efficiency of the controls and adherence to Standard Operating Procedures. In addition, the Company has appointed an external Chartered Accountant firm (M/s. Sundaram & Srinivasan, Chartered Accountants) who carry out other period audits. Care is taken to ensure that the work done by these two teams does not overlap.

12. Risk Management Policy

The Company has a well-established internal financial control and risk management framework to ensure the highest standards of integrity and transparency in its operations and 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 Risk Management Policy, inter alia, includes identification therein of elements of risk, including Cyber Security and related risks as well as those risks which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

13. Details of Significant and Material Orders Passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators, courts, or tribunals against the Company, impacting its going concern status or its future operations.

14. Statutory Auditors

M/s. N.C. Rajagopal & Co., Chartered Accountants, Chennai, were appointed as the Company's Statutory Auditor at the Annual General Meeting of the Company held during FY 2020-2021 for a period of three (3) consecutive Financial Years. Accordingly, M/s. N.C. Rajagopal & Co., Chartered Accountants conducted the Statutory Audit for FY 2023-24.

15. Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

16. Annual Return

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2024, is available on the Company's website and can be accessed at www.shikshafinance.com.

17. 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 2024.

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

The Company has not altered the authorized Share Capital. The authorized share capital of the Company as on 31st March 2024 is tabulated in the following manner:

Class A Equity Shares	Rs. 7,21,42,930 consists of 72,14,293 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 Series B, B1, B2	Rs. 2,48,57,070 consists of 24,85,707 Compulsorily Convertible Preference Shares of Rs. 10/- each



18.1 Details of 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:

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

For effective administration of this scheme, the Company has established Shiksha Employees Welfare and Stock Options Trust ("Trust") in the year ended March 31, 2018, with an initial allotment of 10,000 Class-B equity shares of Re.1 each. During the year ended March 31, 2018, the Trust has been allotted by way of Bonus issue- 29,90,000 fully paid Class-B Equity Shares having face value of Re.1 each per equity share to ESOP trust by capitalizing securities premium.

Detailed disclosures as per requirement of the Act is provided as **Annexure-A** to this report.

19. Particulars of 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 is provided as **Annexure – B** to this report.

20. Capital Adequacy

Your Company is adequately capitalized and has a capital adequacy ratio of 87.50% as at March 31, 2024 (88.85% as at March 31, 2023) compared to the regulatory minimum requirement of 15%.

21. 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.

22. Details of Application Made or Proceeding pending under Insolvency and Bankruptcy Code 2016

During the year under review, there were no applications made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

23. Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained

The above provisions are not applicable to the Company during the year under review.



24. Details Of difference between Valuation Amount on one time settlement and Valuation while Availing Loans from Banks and Financial Institutions

During the year under review, there was no one time settlement of loans taken from banks and financial institutions.

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

The Company is committed to providing 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.

No complaints were received during the financial year nor were any pending unresolved as on 31st March 2024.

Acknowledgement

Your Directors take this opportunity to place 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

Sd/-

(Pradeep Vasudeo Bhide)

Independent Director

DIN: 03304262

Sd/-

(V.L.Ramakrishnan)

Whole Time Director

DIN: 02326543

Place: Chennai

Date: 27.08.2024

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

Annexure B - 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, 2024 are:

1	Options granted	16,32,750
2	Options vested	16,32,750
3	Options exercised	8,40,000
4	The total number of shares arising as a result of exercise of option	8,40,000
5	Options lapsed (vested but not exercised during the Year)	7,92,750
6	Variation of terms of options	There were no variations of terms of options during the financial year 2023-24
7	Money realized by exercise of options	3,15,500
8	Total number of options in force	16,32,750

1. Employee wise details of options granted to:

Key Managerial Personnel:	NIL
Any other employee who receives a grant of options in the year 2022-23 of option amounting to 5 percent or more of options granted during that year	NIL
Identified employees who were granted option, during 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	NIL

By order of the Board

For M/s. Shiksha Financial Services India Private Limited

Sd/-

(Pradeep Vasudeo Bhide)

Independent Director

DIN: 03304262

Sd/-

(V.L.Ramakrishnan)

Whole Time Director

DIN: 02326543

Place: Chennai

Date: 27.08.2024



ANNEXURE - B
FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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 arm's length transactions under third proviso thereto

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:

Name of the Related Party	Nature of Relationship	Duration of Contract	Date of Approval by Board	Salient Terms	Amount in INR
Nature of Contract					
1. Managerial Remuneration					
Mr. V.L. Ramakrishnan	Key Managerial Personnel	On going basis	NA	NA	71,75,000
Mr. Jacob Abraham	Key Managerial Personnel	Upto 30 th September, 2023	NA	NA	28,09,000
2. Investments in Equity Shares of the Company					
Mr. V.L. Ramakrishnan / Ms. Annapurni R	Key Managerial Personnel and Relative of Key Managerial Personnel	NA	NA	NA	1,00,00,000

By order of the Board

For M/s. Shiksha Financial Services India Private Limited

Sd/-

(V.L.Ramakrishnan)

Whole Time Director

DIN: 02326543

Sd/-

(Pradeep Vasudeo Bhide)

Independent Director

DIN: 03304262

Place: Chennai

Date: 27.08.2024



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED
Report on the Audit of the 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 2024 and the Statement of Profit and Loss, and the 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 Companies Act, 2013 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 31st March, 2024, and loss, 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. Information Other than the Financial Statements and the Auditor's report Thereon

The Company's Board of Directors is responsible for 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 auditors' 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 course of our 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.

4. Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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.

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

5. Auditor's Responsibility 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 auditors’ 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.
- 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“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” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Statement of Cash Flows dealt with by this Report agree with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) Based on the written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors, none of the Directors have been disqualified as on 31st March, 2024 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 effect 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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 required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 38 (xiii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38 (xiii) to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which include test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For N.C. Rajagopal & Co
Chartered Accountants
Firm Reg No: 003398S

Sd/-

Arjun S

(Partner)

M. No: 230448

UDIN: 24230448BKDGZW4746

Place: Chennai

Date: 10.06.2024



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT
[Referred to in Para 6(I) of our Report of Even Date]

- i.
- (a) A. The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company is maintaining proper records showing full particulars of intangible assets.
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property and hence, reporting under Clause (i) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) Based on the information and explanations given to us, there have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
- (a) Based on the books and records verified by us, the Company does not hold any inventory. Hence, reporting under Clause (ii) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) Based on the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions based on security of current assets at any point of time of the year. Hence, reporting under Clause (ii) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- iii.
- (a) Since the Company's principal business is to give loans, reporting under Clause (iii) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) In our opinion and based on the information and explanations given to us, the Company has not provided any guarantees, securities, or advances in the nature of loans, and the investments made and the terms and conditions of the grant of all loans are not prejudicial to the company's interest.



- (c) and (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal or payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (e) Since the Company's principal business is to give loans, reporting under Clause (iii) (e) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (f) According to the information and explanation given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. There are no guarantees or security given by the Company under the provisions of Section 185 and 186 of Companies Act, 2013. In respect of loans and investments, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with, wherever applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under or under the directives of the Reserve Bank of India. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year. Hence, reporting under clause (v) of the Companies (Auditor's Report) Order, 2020 does not arise.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under Section 148(1) of the Companies Act, 2013 in respect of the company.
- vii.
- a. According to the information and explanations given to us and as per our verification of the records of the Company, in our opinion, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, Employees' Provident Fund, Professional Tax, Income Tax and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year.
- b. According to the information and explanation given to us and in our opinion, there are no dues on account including Income Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, and other Statutory dues applicable to the Company which have not been deposited on account of any dispute. With respect to Income Tax, refer to Note No. 35 of the financial statements.



viii. According to the information and explanations given to us and as per the records of the Company, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year and no tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year.

ix.

(a) The Company has not made any defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence, reporting under clause (ix)(a) of the Companies (Auditor's Report) Order, 2020 does not arise.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) Based on our verification of the books and records, the Company has applied the Term Loans for the purpose which they were obtained.

(d) In our opinion and according to the information and explanations given to us, the funds raised on a short-term basis have not been utilised for long term purposes.

(e) According to information and explanation given to us and on an overall examination of Financial Statements of the Company, the Company has not taken any funds from an entity or person on account of or to meet the obligations of its subsidiaries

(f) According to information and explanation given to us and based on audit procedures performed by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiary.

Accordingly, the reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) Based on the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. Hence, reporting under clause (x) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.

(b) According to the information and explanation given to us, the Company has not made any Preferential Allotment or Private Placement of Shares or Convertible Debentures during the year

xi.

(a) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year;

(b) No report under section 143 (12) of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;



- (c) According to the information and explanation given to us, there have been no whistle blower complaints received by the Company during the year. Hence, reporting under clause (xi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence, reporting under clauses (xii) (a) to (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xiii. 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 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards. The provisions of Section 177 of the Companies Act, 2013 are not applicable since it is a Private Limited Company.
- xiv.
- (a) Based on the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditor for the period under Audit were considered by us.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xvi.
- (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained.
- (b) Based on the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) and hence, reporting under Clause (xvi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) According to the information and explanations given to us, the Group does not have more than one CIC as part of the Group.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not incurred cash losses during the financial year and the immediately preceding financial year



- xviii. Based on the information and explanations given to us, there has been no resignation of the Statutory Auditors during the year. Hence, reporting under clause (xviii) of the companies (Auditor's Report) order, 2020 does not arise.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion, no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the balance sheet date as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 (5) of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under Clause (xx) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xxi. There have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 Reports of the Companies included in the consolidated financial statements of the Company. This reporting requirement has also been covered in our Independent Auditor's Report on the Consolidated Financial Statements of the Company.

For N.C. Rajagopal & Co
Chartered Accountants
Firm Reg No: 003398S

Sd/-
Arjun S
(Partner)
M. No: 230448
UDIN: 24230448BKDGZW4746

Place: Chennai
Date: 10.06.2024



ANNEXURE - B REFERRED TO PARAGRAPH 6(II)(f) OF OUR REPORT OF EVEN DATE

We have audited the Internal Financial Controls over financial reporting of Shiksha Financial Services India Private Limited (“the Company”) as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 the 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply the 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 aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 opinion on the Company’s internal financial control 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 these policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directions of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over the financial reporting to future periods are subject to the risk that the internal financial control over the 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 aspects, an adequate internal financial controls system over the financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over the 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 the Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.C. Rajagopal & Co
Chartered Accountants
Firm Reg No: 003398S
Sd/-
Arjun S
(Partner)
M. No: 230448
UDIN: 24230448BKDGZW4746
Place: Chennai
Date: 10.06.2024



Particulars	Notes	As at Mar 31, 2024	As at March 31, 2023
A Equity And Liabilities 1			
Shareholders' funds			
a) Share capital	3	938.26	938.26
b) Reserves and Surplus	4	4,769.22	4,702.25
2 Non Current liabilities			
a) Long term Borrowings	5	103.33	170.00
b) Long term Provisions	6	1,263.11	1,089.18
3 Current Liabilities			
a) Short term borrowings	7	250.38	486.67
b) Other Current liabilities	8	287.32	279.94
c) Short Term Provisions	9	907.34	1,114.41
	Total	8,518.96	8,780.71
B Assets			
1 Non Current Assets			
a) Property, Plant and Equipment & Intangible Assets (net)	10		
(i) Property Plant & Equipment		55.42	91.22
(ii) Intangible assets		20.75	30.57
b) Non-current investments	11	10.00	-
c) Deferred Tax Assets (net)	12	574.24	581.26
d) Long term receivables under Financing activities	13	3,656.19	3,809.23
e) Long term Loans and advances	14	312.40	224.30
2 Current assets			
a) Current Investments	15	1,053.00	772.00
b) Cash and Bank Balances	16	40.07	273.43
c) Short Term Receivables under Financing activities	17	2,511.52	2,722.15
d) Short Term Loans and advances	18	25.94	45.49
e) Other current assets	19	259.43	231.06
		8,518.96	8,780.71
Significant Accounting policies	1-2		
Accompanying notes forming part of the financial statements	28-39		

As per our report of even date attached

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

Place : Chennai

Date : 10-06-2024

For and on behalf of Board of Directors

Shiksha Financial Services India Private Limited

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543



Standalone Profit and Loss Account for the year ended Mar 31, 2024

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

Particulars	Notes	2023-24	2022-23
1 Revenue from operations	20	2,119.82	2,692.11
2 Other Income	21	108.94	267.78
3 Total Income (1+2)		2,228.76	2,959.89
4 Expenses			
Finance Cost	22	71.01	835.46
Employee Cost	23	1,497.57	1,424.94
Administrative and Other expenses	24	495.03	566.79
Provisions and Write off	25	26.50	2,151.27
Depreciation and Amortisation	10	64.66	86.93
Total Expenses		2,154.77	5,065.39
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		73.99	(2,105.50)
6 Exceptional and extraordinary items (refer note 33)		-	-
7 Profit / (Loss) before tax (5-6)		73.99	(2,105.50)
8 Tax expenses:	26		
Current tax		-	-
Reversal of Current Tax pertaining to earlier years		-	-
Deferred tax		7.02	(417.23)
		7.02	(417.23)
9 Profit / (Loss) for the year (7-8)		66.97	(1,688.27)
10 Earnings per share	27		
Basic (Rs 10/-)		0.96	(24.20)
Diluted (Rs 10/-)		0.71	(18.14)
Significant Accounting policies	1-2		
Accompanying notes forming part of the financial statements	28-39		

As per our report of even date attached

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

Place : Chennai

Date : 10-06-2024

For and on behalf of Board of Directors

Shiksha Financial Services India Private Limited

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543



Shiksha Financial Services India Private Limited
Standalone Cash flow statement for the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs except share data and otherwise stated)

Particulars	For the year ended March 2024	For the year ended 31st 31st March 2023
Cash flow from Operating Activities:		
Net Profit before tax and after extraordinary items	73.99	(2,105.50)
<u>Adjustments for</u>		
Depreciation & Amortisation	64.66	86.93
(Gain) / Loss on sale of Property, Plant and Equipment	(0.34)	(0.11)
Finance costs	71.01	835.46
Provision on Loans	(47.33)	1,971.78
Loans Written off	-	94.41
Provision for Leave encashment	(2.98)	(2.93)
Gain on sale of Mutual fund investments	(68.64)	(48.70)
Operating profit/(loss) before working capital changes	90.36	831.34
Changes in working capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Loans and advances, Financing Operations	363.67	6,080.77
Long term Loans and advances, Others	(88.10)	(141.80)
Short term Loans and advances, Others	19.55	270.51
Other current assets	(28.37)	1.46
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Short Term Provisions & Other Current Liabilities	27.64	(85.52)
Cash used in Operations	384.76	6,956.76
(A) Net cash used in Operating Activities	384.76	6,956.76
Cash flow from Investing Activities:		
Net Capital expenditure on Property, Plant and Equipment	(18.69)	(24.29)
Net (purchase)/Sale of investments - Mutual funds	(212.36)	551.55
Investment in subsidiary company	(10.00)	-
(B) Net cash from Investing Activities	(241.05)	527.26
Cash flow from Financing Activities:		
Proceeds from issue of Preference Shares	-	450.01
Share issue expenses	-	(4.59)
Redemption of Non-Convertible Debentures	(250.00)	(7,110.00)
Proceeds from Term loans from financial institutions	300.00	300.00
Repayment of Borrowings from financial institutions	(352.96)	(2,602.06)
Finance cost paid	(74.10)	(1,034.06)
(C) Net cash flow from Financing Activities	(377.06)	(10,000.70)
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	(233.36)	(2,516.68)
Cash and Cash equivalents at the beginning of the year	273.43	2,790.11
Cash and Cash equivalents at the end of the year	40.07	273.43
Note: Cash and Cash equivalents at the end of the year comprises:		
(a) Cash in Hand	8.81	5.77
(b) Balance in Current Accounts	27.85	44.56
(c) Current Maturities of Bank Deposits	3.40	223.10
	40.07	273.43

See accompanying notes forming part of the financial statements



As per our report of even date attached

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

Place : Chennai

Date : 10-06-2024

For and on behalf of Board of Directors

Shiksha Financial Services India Private Limited

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer



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

1 Company overview

Shiksha Financial Services India Private Limited (The Company) is an Non Banking Finance Company (NBFC) registered 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 education finance and loan against property.

2 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 the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on 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, Base Layer [NBFC-BL] (earlier, 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 taxes 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) Fees and commission income are recognised on an accrual basis.
- c) Recovery from bad debts written off, Loan Processing Fees, Legal & Technical Fees, Cheque dishonour charges etc., are recognised on receipt basis.
- d) Income from fixed deposits are recognised on accrual basis.
- e) Income from Mutual funds are recognised when it is realised. Profit or loss on sale of mutual fund units are accounted on First in First out basis.



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

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%. This is higher than the minimum provisioning norm of 0.25%, as specified by Reserve Bank of India (RBI) for Non-Banking Financial Company - Base Layer (NBFC-BL).

Provision for Non-Performing Assets are based on management estimates, which is higher than the minimum provisioning requirements specified by the Reserve Bank of India (RBI) for Non-Banking Financial Company in the Base Layer (NBFC-BL)

The Company 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. Property Plant and Equipment 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 the 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 are 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 Company's estimate whichever is lower. The useful life estimated is as follows:

Category	Useful Life (years) as per Companies Act, 2013	Useful life (years), as per Company
Computers	3	3
Office Equipment	5	3
Furniture, Fixtures, Electrical Equipment	10	5
Vehicles	8	3
Software	5	5

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.



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

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 benefitsDefined 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 towards 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, incentives, 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 reportable business segment i.e., financing 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.



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

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 Mar 31, 2024	As at March 31, 2023		
3. Share Capital				
Authorised				
72,14,293 (Previous year 72,14,293) Class A equity shares of Rs.10 each	721.43	721.43		
30,00,000 (Previous year 30,00,000) Class B equity shares of Re.1 each	30.00	30.00		
24,85,707 (Previous year 24,85,707) Series B, B1 and B2 Compulsorily Convertible preference shares of Rs.10 each	248.57	248.57		
	<u><u>1,000.00</u></u>	<u><u>1,000.00</u></u>		
Issued, subscribed and paid up				
66,76,052 (Previous year 66,76,052) Class A equity shares of Rs.10 each	667.60	667.60		
30,00,000 (Previous year 30,00,000) Class B equity shares of Re 1 each	30.00	30.00		
5,19,601 (Previous year 5,19,601) Series B 0.1% Compulsorily Convertible preference shares of Rs. 10 each	51.96	51.96		
12,60,674 (Previous year 12,60,674) Series B1 0.1% Compulsorily Convertible preference shares of Rs. 10 each	126.07	126.07		
626,308 (Previous year 626,308) Series B2 0.01% Compulsorily Convertible preference shares of Rs. 10 each	62.63	62.63		
	<u><u>938.26</u></u>	<u><u>938.26</u></u>		
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	66,76,052	667.60	66,76,052	667.60
Add: Shares issued during the year				
At the end of the year	<u>66,76,052</u>	<u>667.60</u>	<u>66,76,052</u>	<u>667.60</u>
Equity Shares - Class B				
At the beginning of the year	30,00,000	30.00	30,00,000	30.00
At the end of the year	<u>30,00,000</u>	<u>30.00</u>	<u>30,00,000</u>	<u>30.00</u>
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	5,19,601	51.96	5,19,601	51.96
Add: Shares issued during the period				
At the end of the year	<u>5,19,601</u>	<u>51.96</u>	<u>5,19,601</u>	<u>51.96</u>
ii) Preference Shares - Series B1 0.1% Compulsorily Convertible preference shares				
At the beginning of the year	12,60,674	126.07	12,60,674	126.07
Add: Shares issued during the period				
At the end of the year	<u>12,60,674</u>	<u>126.07</u>	<u>12,60,674</u>	<u>126.07</u>
iii) Preference Shares - Series B2 0.01% Compulsorily Convertible preference shares				
At the beginning of the period	6,26,308	62.63	4,18,921	41.89
Add: Shares issued during the period	-	-	2,07,387	20.74
At the end of the period	<u>6,26,308</u>	<u>62.63</u>	<u>6,26,308</u>	<u>62.63</u>



c) Details of shareholders holding more than 5% shares of the Company	As at Mar 31, 2024		As at March 31, 2023	
	No. of Shares	%	No. of Shares	%
Equity Shares - Class A				
Aspada Investment Company	20,06,457	30.05%	20,06,457	30.05%
Zephyr Peacock India Growth Fund, (Trust)	18,73,883	28.07%	18,73,883	28.07%
Individually held by V L Ramakrishnan	1,29,500	14.98%	1,29,500	14.98%
V L Ramakrishnan / Annapurni R	8,70,500		8,70,500	
Individually held by Jacob Abraham	55,000	9.14%	55,000	9.14%
Jacob Abraham / Nandini Raj	5,55,000		5,55,000	
Zephyr Peacock India Growth Fund Ltd	4,35,674	6.53%	4,35,674	6.53%
Equity Shares - Class B				
Shiksha ESOP Trust	21,60,000	72.00%	21,60,000	72.00%
ESOP Employees	8,40,000	28.00%	8,40,000	28.00%
Series B 0.1% Compulsorily Convertible Preference Shares				
Michael and Susan Dell Foundation	5,19,601	100.00%	5,19,601	100.00%
Series B1 0.1% Compulsorily Convertible Preference Shares				
Aspada Investment Company	2,48,051	19.68%	2,48,051	19.68%
Zephyr Peacock India Growth Fund Ltd	2,21,051	17.53%	2,21,051	17.53%
Michael and Susan Dell Foundation	7,91,572	62.79%	7,91,572	62.79%
Series B2 0.01% Compulsorily Convertible Preference Shares				
Aspada Investment Company	3,31,819	52.98%	3,31,819	52.98%
Michael and Susan Dell Foundation	1,79,274	28.62%	1,79,274	28.62%
Zephyr Peacock India Growth Fund	1,15,215	18.40%	1,15,215	18.40%

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.

Preference Shares

The Company has issued Compulsorily Convertible Preference Shares:



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

Series B Compulsorily Convertible Preference Shares

The Series B 0.1% 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.

Series B1 Compulsorily Convertible Preference Shares

The Series B1 0.1% 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 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.

Series B2 Compulsorily Convertible Preference Shares

The Series B2 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 B2 CCPS shall rank senior in preference to all other securities of the Company, including Equity Shares as regards payments of any dividends declared by the Company.

In a liquidation event, prior to payments to any class of shareholders including holders of any other preference shares, the holders of the Series B2 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 B2 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. Further, 29,90,000 fully paid Class B Equity shares were allotted to Shiksha ESOP trust by a bonus share issuance by capitalising securities premium.

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

g) During the year 2023-24, the Company has allotted Nil Series B2 Compulsorily Convertible Preference Shares of Rs. 10 each.

h) Details of Shares held by promoters

Equity shares - Class A

S.No	Promoter Name	No of Shares	% of total	% Change during the year
1	V.L. Ramakrishnan	1,29,500	1.94%	Nil
2	Jacob Abraham (upto 30 th Sep 23)^	55,000	0.82%	Nil
3	VL Ramakrishnan jointly with Annapurni R.	8,70,500	13.04%	Nil
4	Jacob Abraham jointly with Nandini Raj (upto 30 th Sep 23)^	5,55,000	8.32%	Nil
	Total	16,10,000	24.12%	

i) Mr. Jacob Abraham ceased to be a promoter/director with effect from 1st Oct, 2023.



	As at Mar 31, 2024	As at March 31, 2023
4. Reserves and Surplus		
(i) Statutory Reserve		
Balance at the beginning of the year	82.00	82.00
Add: Additions during the period	13.39	-
Balance at the end of the year	95.39	82.00
(ii) Securities Premium		
Balance at the beginning of the year	8,781.27	8,356.59
Securities Premium received during the period	-	429.27
Less: Capital raising costs	-	(4.59)
Balance at the end of the year	8,781.27	8,781.27
(iii) Surplus/Loss (Profit and loss balance)		
Balance at the beginning of the year	(4,161.02)	(2,472.75)
Add: Profit /(Loss) for the period	66.97	(1,688.27)
Less: Transferred to statutory reserve	(13.39)	-
Balance at the end of the year	(4,107.44)	(4,161.02)
Total	4,769.22	4,702.25
5. Long term Borrowings		
<i>Secured</i>		
Loans, from other than banks (Note 5.1)	103.33	170.00
	103.33	170.00
5.1 Term Loans, from other than banks		
MAS Financial Services Ltd	263.33	406.67
Profectus Capital Pvt Ltd	90.38	-
	353.71	406.67
<u>Out of the above</u>		
Long term maturities (maturities beyond 12 months)	103.33	170.00
Current maturities (maturities within next 12 months)	250.38	236.67

Note:

- a) Principal and Interest are payable monthly in respect of all lenders.
- b) Secured against hypothecation of book debts for loan taken from MAS & Profectus.
- c) Additional cash collateral of 5% of loan amount is given to profectus.
- c) Interest rates on above borrowings, as per the sanction range between 14.60% p.a. to 16.00% p.a.
- d) Defaults if any - Nil (Previous Year - Nil)



5.2 Non-convertible debentures

as at 31st March 2024

	< 1 year	1 - 2 years	2 - 6 years	Total
From Parties, other than related parties	-	-	-	-
	-	-	-	-

as at 31st March 2023

	< 1 year	1 - 2 years	2 - 6 years	Total
From Parties, other than related parties	250.00	-	-	250.00
	250.00	-	-	250.00

Note:

a) Non-convertible debentures is closed during the year

b) Defaults if any - Nil (Previous Year - Nil)

c) Out of the above

Long term maturities (maturities beyond 12 months)

-

-

Current maturities (maturities within next 12 months)

-

250.00

As at Mar 31, 2024
As at March 31, 2023
6. Long Term Provisions
Provision for Loan Assets

Provision for Standard Assets	38.45		7.20	
Provision for Restructured assets	7.77		22.04	
Provision for Sub Standard, Doubtful Assets	1,167.29		1,019.97	
Provision for Contingency	38.23		25.42	
		1,251.74		1,074.63

Provision for Employee Benefits

Provision for Leave Encashment		11.37		14.55
		1,263.11		1,089.18

7. Short Term Borrowings
Secured

Current maturities of long term borrowings from others		250.38		236.67
Current maturities of NCD		-		250.00
		250.38		486.67



	As at Mar 31, 2024	As at March 31, 2023
8. Other Current liabilities		
Interest accrued and not due on Loans	1.87	2.44
Interest accrued and not due on Non Convertible Debentures	-	2.52
Statutory dues payable	34.15	26.92
Expenses Payables	134.41	115.38
Employee Payables	68.16	57.02
Advances from customers	48.74	75.66
	<u>287.32</u>	<u>279.94</u>

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 year	> 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	134.41				134.41
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

9. Short Term Provisions
Provision for Loan Assets

Provision for Standard Assets	3.57		5.92	
Provision for Restructured assets	3.96		1.18	
Provision for Sub Standard, Doubtful Assets	831.93		1,073.97	
Provision for Contingency	13.71		26.52	
Provision for FLDG Assests	<u>29.97</u>	883.14	<u>-</u>	1,107.59

Others

Provision for Leave Encashment		7.02		6.82
Other provision for employees		17.18		-
		<u>907.34</u>		<u>1,114.41</u>

11. Non-current investments

a) In Equity Shares of Subsidiary

CompanyUnquoted, fully paid up

 Shiksha Business Services India Pvt Ltd
 1,00,000 shares of Rs. 10 each

	10.00	-
	<u>10.00</u>	<u>-</u>



	As at Mar 31, 2024		As at March 31, 2023	
12. Deferred Tax Assets (Net)				
<u>Deferred Tax Asset</u>				
Employee costs	4.63		5.38	
Provision for Loan Losses	537.31	541.94	549.22	554.60
<u>Less: Deferred Tax Liability</u>				
Depreciation	(32.30)	(32.30)	(26.66)	(26.66)
	<u>574.24</u>		<u>581.26</u>	
13. Long Term receivables under Financing activities				
Secured, considered good - Standard		2,850.97		1,136.88
Secured, Sub Standard and Doubtful		241.66		792.61
Unsecured, considered good - Standard		155.53		937.88
		408.03		941.86
Unsecured, substandard and doubtful		<u>3,656.19</u>		<u>3,809.23</u>
14. Long Term loans and advances				
Cash collateral with Financial institutions *		267.21		208.30
Rental deposit		45.19		16.00
		<u>312.40</u>		<u>224.30</u>

* Note: Cash collateral includes Rs 267.21 lakh, (previous year, Rs 208.28 Lakh) FLDG placed with a bank, in respect of BC lending activity.

15. Current Investment
a) In Mutual Funds (unquoted, non trade, at cost)

HSBC (earstwhile L&T), Liquid Fund Growth Fund plan

 (18,852.954 units with NAV of Rs.2405.9756 as on 31st Mar,2024 as against 21,062.386 units with NAV of Rs.2,242.1310 as on 31st March, 2023)

	453.00	472.00
--	--------	--------

HSBC (earstwhile L&T), Overnight Fund Growth Fund plan

(7,987.379 units with NAV of Rs.1,252.9183 as on 31st Mar, 2024 as against 8,526.521 units with NAV of Rs.1,172.9962 as on 31st March, 2023)

	100.00	100.00
--	--------	--------

HDFC Liquid Fund, Growth Fund plan (10,553.926 units with NAV of Rs.4743.661 as on 31st Mar, 2024 as against 4,524.424 units with NAV of Rs.4,423.2004 as on 31st March, 2023)

	500.00	200.00
--	--------	--------

	<u>1,053.00</u>	<u>772.00</u>
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Fair market value of above Mutual Fund investment as on 31st Mar, 2024 is Rs 1054.32 Lakhs
(Previous year Rs. 772.39 Lakhs)



16 Cash and Bank Balances
a) Cash and cash equivalents

i) Cash -in-hand	8.81	5.77
ii) Balance with banks In current accounts	27.85	44.56
iii) Current maturities of bank deposits with original maturity of < 3 months	-	82.10

b) Other Bank Balances

Bank deposits with original maturity of > 3 months	3.40	141.00
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40.07	273.43
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17. Short term receivables under Financing activities

Secured, considered good - Standard	472.97	178.70
Secured, Sub Standard and doubtful	73.33	127.61
Unsecured, considered good - Standard	350.28	1,050.95
Unsecured, Sub Standard and Doubtful	384.87	172.88
	1,281.45	1,530.14

Loan instalment overdue, secured, considered good - Standard	51.39	69.84
Loan instalment overdue, unsecured, considered good - Standard	60.60	280.11
Loan instalment overdue, secured, sub standard and doubtful	135.35	224.75
Loan instalment overdue, unsecured, sub standard and doubtful	935.74	575.66
	1,183.08	1,150.36

Interest accrued but not due (considered good) - Standard	46.99	41.65
	2,511.52	2,722.15

18. Short Term Loans and Advances

Cash collateral with Financial institutions	7.50	15.00
Other Advances	11.63	17.17
Balances with Govt Authorities	6.82	13.32
	25.94	45.49

19. Other current assets

Interest accrued on Fixed Deposits/Cash collaterals	19.31	6.80
Rental deposit	12.18	47.79
Prepaid Expenses	43.70	37.37
Gratuity Fund - Balance with Trust	10.96	20.21
Advance Income Tax, TDS (net of Provision for Tax)	22.82	7.85
Other recoverable	150.46	111.04
	259.43	231.06



Shiksha Financial Services India Private Limited

Notes to Standalone financial statements for the period ended Mar 31, 2024

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

Note 10 - Property, Plant and Equipment & Intangible Assets (Net):

Description	GROSS BLOCK				DEPRECIATION RESERVE				NET BLOCK	
	As at 01.04.2023	Additions	Disposal/ Adjustment	As at 31.03.2024	Upto 31.03.2023	For the year	Disposal/ Adjustment	Upto 31.03.2024	31.03.2024	31.03.2023
(i) PROPERTY, PLANT & EQUIPMENT										
Office Equipments	98.00	4.75	1.18	101.58	81.84	9.13	1.10	89.87	11.71	16.16
Furnitures and Fittings	83.96	2.27		86.23	58.71	13.11		71.82	14.41	25.25
Premises	72.80			72.80	43.66	14.60		58.26	14.54	29.14
Computers	110.66	9.13		119.80	90.00	15.04		105.03	14.76	20.67
Total	365.43	16.15	1.18	380.41	274.21	51.88	1.10	324.99	55.42	91.22
Previous Year	323.50	46.61	19.97	350.14	139.99	81.38	19.51	201.86	148.28	183.51
(ii) INTANGIBLE ASSETS										
Software	70.21	2.95	-	73.16	39.63	12.77	-	52.40	20.75	30.58
Total	70.21	2.95	-	73.16	39.63	12.77	-	52.40	20.75	30.58
Previous Year	44.34	18.79	-	63.13	17.37	9.72	-	27.08	36.04	26.97
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT										
Software	-	-	-	-	-	-	-	-	-	-
Previous Year	63.13	7.07	0	70.21	27.08	12.54	-	39.63	30.57	36.05
Total (i + ii + iii)										
Current Year	435.64	19.10	1.18	453.57	313.84	64.66	1.10	377.39	76.17	121.80
Previous Year	413.27	24.51	2.15	435.64	228.94	86.93	2.03	313.84	121.79	184.33

Note: During the year no revaluation was made for fixed assets.

Notes to Standalone financial statements for the period ended Mar 31, 2024

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

	For the period ended 31st Mar 2024		For the year ended 31st March 2023	
20. Revenue from operations				
Interest Income		853.47		1,589.35
Fees, Charges and Commission income		858.85		362.73
Bad debts recovered		407.49		740.03
		<u>2,119.82</u>		<u>2,692.11</u>
21. Other income				
Treasury Operations income				
- Interest on Bank Deposits	30.57		129.73	
- Gain on Mutual fund Investment	68.64	99.21	48.70	178.43
Interest on Income tax refund		0.99		3.00
Others - Miscellaneous		8.75		1.26
Provision Writtenback (refer note 24)		-		85.09
		<u>108.94</u>		<u>267.78</u>
22. Finance Cost				
Interest on debentures		3.78		634.59
Interest on Term loans - Non Banks		53.83		95.99
Interest on Term loans - Banks		-		58.87
Other Borrowing Costs		13.39		46.01
		<u>71.01</u>		<u>835.46</u>
23. Employee cost				
Salaries, wages and bonus		1,376.97		1,330.24
Contribution to Provident Fund, ESI and Gratuity		72.60		70.84
Staff welfare expenses		48.00		23.86
		<u>1,497.57</u>		<u>1,424.94</u>
24. Administrative and Other expenses				
Rent		98.31		94.92
Electricity, Office maintenance and repairs		38.63		44.43
Insurance expense - Others		23.41		31.08
Insurance expense - Loans		2.16		39.91
Rates and taxes		22.14		38.66
Travelling & Conveyance		106.64		125.22
Information Technology Expenses		38.60		45.41
Legal and Professional fees		57.12		62.18
Collection and Recovery Costs		6.44		4.56
Credit and Loan origination costs		9.18		5.11
Printing, Stationery and Communication Costs		22.95		22.17
Bank and Collection Charges		19.91		16.56
Audit fees				
Stutory Audit	8.05		5.50	
Tax audit	1.25		1.25	
Certifications	1.90	11.20	1.90	8.65
Director's Sitting Fees		9.00		6.80
Other expenses		29.34		21.13
		<u>495.03</u>		<u>566.79</u>



Notes to Standalone financial statements for the period ended Mar 31, 2024

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

	For the period ended 31st Mar 2024	For the year ended 31st March 2023
25. Provisions		
Provision, Sub Standard and Doubtful *	26.50	2,004.92
Provision for Contingency	-	51.94
Loans Written off	-	94.41
	<u>26.50</u>	<u>2,151.27</u>
* Reversal of provision in respect of		
- Standard assets	-	32.81
- Sub Standard, Doubtful and Restructured assets	-	52.28
Total reversal of provision (refer note 20)	<u>-</u>	<u>85.09</u>
26. Income Tax		
Deferred Tax	7.02	(417.23)
	<u>7.02</u>	<u>(417.23)</u>
27. Earning per Share		
Profit after tax	66.97	(1,688.27)
Weighted average number of Equity Shares (Basic)	69.76	69.76
Add: Dilutive effect relating to CCPS	24.07	23.32
Weighted average number of Equity Shares (Diluted)	93.83	93.08
Earning per Share - Basic (₹) *	0.96	(24.20)
Earning per Share - Diluted (₹)	0.71	(18.14)
Face value per Share (₹)	10.00	10.00

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



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	Amount Outstanding	Amount Overdue
Liabilities side:		
a Loans and advances availed by the NBFC		
i) Term Loans	355.58	-
Assets side:		
b Break-up of Loans and Advances including bills receivables		
i) Secured	3,865.24	-
ii) Unsecured	2,302.47	-
c Break-up of Investments		
Current Investments		
i) Quoted		
- Units of mutual funds	1,053.00	-
ii) Unquoted		
- Equity	10.00	-
	Amount net of provisions	
d i) Related Parties	Secured	Unsecured
- Subsidiaries	10.00	-
- Companies in the same group	-	-
- Other related parties	-	-
ii) Other than related parties	2,756.84	1,275.97
e Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market Value / Fair value or NAV	Book Value (Net of Provisions)
i) Related Parties		
- Subsidiaries	-	-
- Companies in the same group	-	-
- Other related parties	-	-
ii) Other than related parties	1,054.32	1,043.00
f Other information		
Particulars		Amount
(i) Gross Non-Performing Assets		
- related parties		-
- other than related parties		2,177.31
(ii) Net Non-Performing Assets		
- related parties		-
- other than related parties		126.15
(iii) Assets acquired in satisfaction of debt		-



Notes to Standalone financial statements for the period ended Mar 31, 2024

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

29. The Company is a Non-Banking Financial Company in the Base Layer (NBFC-BL). In addition to the disclosures being made vide Note 28 above, the following disclosure in the Financials Statement are being made

	As at March 31, 2024	As at March 31, 2023	
a) Capital Adequacy			
CRAR - Tier I Capital (%)	86.59%	88.21%	
CRAR - Tier II Capital (%)	0.91%	0.64%	
CRAR (%)	87.50%	88.85%	
b) Asset classification	As at March 31, 2024		
	Gross Loans	Provisions	Net Loans
Standard	3,990.40	53.76	3,936.64
Sub-standard	1,782.34	1,696.78	85.57
Doubtful	394.97	302.44	92.53
Total	6167.71	2052.98	4,114.74
Provision for Contingencies			51.94
Net Assets			4,062.80
c) Provisions for loan assets	As at March 31, 2024	As at March 31, 2023	
Provision for Standard Assets	42.02	13.12	
Provision for Sub Standard and Doubtful Assets *	1,999.22	2,093.94	
Provision for Restructured Assets	11.74	23.22	
Provision for Contingencies	51.94	51.94	
Provision for FLDG Assests	29.97	-	
Total Provisions and Contingencies	2,134.89	2,182.22	

* including Rs 1527.08 Lakhs (Previous Year 1748.06 Lakhs) of provision for NPA, in addition to RBI requirement

- 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, had created an additional provision for Contingencies of Rs 51.94 lakhs in FY 22-23. This is in addition to RBI requirements and as per Company policy. No additional provision is created during the current year.

30. Related Party Disclosures

Key Management personnel	V L Ramakrishnan	Promoter and Whole time
Relatives of Key Management Personnel	a) Mrs. Annapurni R	DirectorWife
Key Management personnel	Jacob Abraham (upto 30th Sep 23)	Promoter and Whole time Director
Relatives of Key Management Personnel	a) Mrs. Nandini Raj (upto 30th Sep 23)	Wife

Transactions	As at March 31 2024	As at March 31 2023
V.L. Ramakrishnan		
- Remuneration	71.75	63.98
Jacob Abraham (upto 30 th Sep 23)		
- Remuneration	28.09	53.11
Year end balances		
- Equity Share Capital - V L Ramakrishan / Annapurni R	100.00	100.00



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, 2024 hence, the disclosure relating to the same are not applicable.

32. Pursuant to Reserve Bank of India circular Number DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021; read with circular DOR.STR.REC.85/21.04.048/2021-22 dated 15 February 2022, The Company has implemented the necessary changes in Income Recognition, Asset Classification and Provisioning (IRACP) norms

33. During the year ended 31 March 2022 to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

a) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR. STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs), as at 31st March 2024

No. of accounts restructured	Amount (Rs in Lakhs)
19	11.74

34. Having regard to the devastating consequential impact of the COVID pandemic on the Company's customers and its impact on their cashflows/repayment, i.e. a) Lockdowns and mobility restrictions imposed by the central and various state governments due to COVID, impacted smooth functioning of educational institutions b) Customers livelihood, health and cashflows were impacted, affecting their ability to repay loans. the Company has:-

i) During the year ended 31 March 2024, as a prudent measure, the company has maintained an additional provision for Contingencies of Rs 51.94 lakhs (previous year 51.94 lakhs) and an additional provision for NPA, of Rs 1,527.08 Lakhs (Previous Year 1748.06), in addition to RBI requirements and as per Company policy/estimate.

ii) As per the agreement entered with federal bank for BC arrangements any PAR above 90 DPD, the corresponding outstanding POS can be invoked. The company has fully provided for the PAR 90+ cases as on 31st March 24 of Rs.

29.97 lakhs out of the total BC portfolio of Rs. 74.43 crores.

35. The Company has received an order under Section 143 (3) of the Income Tax Act, 1961 along with a tax demand Rs

21.94 lakhs for the Assessment year 2022-23. The Company has preferred an appeal before the CIT (appeals) and is also in the process of filing a stay petition for demand. The Management is confident of getting a favourable outcome in this matter.



36. Employee Benefits

Defined Benefit Scheme - Leave Encashment: The Company has defined benefit scheme in the form of Leave Encashment to employees. The disclosure under AS – 15 (Revised) in this regard is given hereunder:

Assumptions	2023-24	2022-23
Discount Rate	7.10%	7.20%
Attrition Rate	40.00%	30.00%
Salary Escalation	8.00%	8.00%

Table showing changes in Present Value of Obligations	2023-24	2022-23
Present value of obligations at the beginning of the year	21,36,981	24,30,421
Interest Cost	1,54,189	1,34,793
Current Service Cost	1,79,679	5,34,101
Benefits Paid	-2,64,435	-5,32,298
Actuarial (Gain) / Loss on obligations	-5,62,491	-4,30,036
Present value of obligations as at end of the year	16,43,923	21,36,981

Actuarial Gain/Loss Recognized	2023-24	2022-23
Actuarial gain / (loss) on obligations	5,62,491	4,30,036
Actuarial gain / (loss) for the year – plan assets	-	-
Total gain / (loss) for the year	5,62,491	-4,30,036
Actuarial gain / (loss) recognized in the year	5,62,491	-4,30,036

Amounts to be recognized in Balance Sheet	As at 31st Mar 2024	As at 31st Mar 2023
Present value of obligations as at the end of the year	16,43,923	21,36,981
Fair value of plan assets as at the end of the year	-	-
Funded Status	-16,43,923	-21,36,981
Net asset/(liability) recognized in balance sheet	-16,43,923	-21,36,981

Expenses Recognized In Statement of Profit and Loss	2023-24	2022-23
Current Service Cost/Past Service Cost(Vested)	1,79,679	5,34,101
Interest Cost	1,54,189	1,34,793
Expected return on plan assets	-	-
Net Actuarial (gain) / loss recognized in the year	-5,62,491	-4,30,036
Expenses recognized in profit and loss statement	-2,28,623	2,38,858



Notes to Standalone financial statements for the period ended Mar 31, 2024

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

Defined Benefit Scheme - Gratuity: The Company has defined benefit scheme in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS - 15 (Revised) in this regard is given hereunder

Assumptions	2023-24	2022-23
Discount Rate	7.10%	7.20%
Attrition Rate	40.00%	30.00%
Salary Escalation	8.00%	8.00%
Expected return on plan assets	7.10%	7.20%

Table showing changes in Present Value of Obligations	2023-24	2022-23
Present value of obligations at the beginning of the year	55,10,444	45,25,808
Interest Cost	3,97,595	2,51,005
Past Service Cost (Vested Employees)*	3,24,448	
Current Service Cost	10,78,891	13,18,458
Benefits Paid	-15,96,355	-1,85,708
Actuarial (Gain) / Loss on obligations	-3,79,420	-3,99,119
Present value of obligations as at end of the year	53,35,603	55,10,444

*Past service cost of Rs. 3,24,448 is arising due to change in the gratuity ceiling limit from Rs. 20 lakhs to Rs. 30 lakhs during the valuation period

Actuarial Gain/Loss Recognized	2023-24	2022-23
Actuarial gain / (loss) on obligations	3,79,420	3,99,119
Actuarial gain / (loss) for the year – plan assets	-67,571	96,813
Total gain / (loss) for the year	3,11,849	4,95,932
Actuarial gain / (loss) recognized in the year	3,11,849	4,95,932

Amounts to be recognized in Balance Sheet	As at 31st Mar 2024	As at 31st Mar 2023
Present value of obligations as at the end of the year	53,35,603	55,10,444
Fair value of plan assets as at the end of the year	64,31,351	75,50,484
Funded Status	10,95,748	20,40,040
Net asset / (liability) recognized in balance sheet	10,95,748	20,40,040

Expenses Recognized In Statement of Profit and Loss	2023-24	2022-23
Current Service Cost/Past Service Cost(Vested)	14,03,339	13,18,458
Interest Cost	3,97,595	2,51,005
Interest Earned	-5,44,790	-3,06,109
Net Actuarial (gain) / loss recognized in the year	-3,11,849	-4,95,932
Expenses recognized in profit and loss statement	9,44,295	7,67,422



37. Other disclosures:

a) There are no pending litigations against the Company, as at Mar 31, 2024.

b) Complaints received by the NBFCs from customers and from the Offices of Ombudsman

Complaints received by the NBFC from its customers

Particulars	As at March 31 2024	As at March 31 2023
No. of Complaints pending as at beginning of the year	0	0
No. of Complaints received during the year	4	4
No. of Complaints redressed during the year	4	4
No. of Complaints pending as at end of the year	0	0

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	As at March 31 2024	As at March 31 2023
No. of maintainable complaints received by the NBFC from Office of Ombudsman	2	3
No. of complaints resolved in favour of the NBFC by Office of Ombudsman	2	0
No. of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	0	3
No. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	1

38. Additional disclosures under Schedule III

(i) Title deeds of Immovable Property not held in name of the Company - Nil

(ii) During the year no revaluation was made for fixed assets.

(iii) The Company had not granted any loans or advances to promoters, Directors, KMP's and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

(iv) Capital-Work-in Progress (CWIP) - Nil

(v) Intangible assets under development - Nil

(vi) Details of Benami Property held: No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vii) Wilful Defaulter - The Company is not declared as a wilful defaulter by any bank or financial institution or other lender.

(viii) Relationship with Struck off Companies - Nil

(ix) Registration of charges or satisfaction with Registrar of Companies beyond the statutory period - Nil



(x) Compliance with number of layers of companies - Not Applicable

(xi) Ratios:-

Name of the Ratio	2023-24	2022-23	Variation	Reason for Variance
(a) Current ratio	NA	NA		
(b) Debt Equity ratio	0.06	0.12	47%	Due to reduced borrowing
(c) Debt Service Coverage ratio	0.31	-0.11	381%	Due to increased profitability and cash flow.
(d) Return on Equity ratio	1%	-27%	104%	Due to increase in profits during the current year
(e) Inventory turnover ratio	NA	NA		
(f) Trade Receivables turnover ratio	NA	NA		
(g) Trade Payables turnover ratio	NA	NA		
(h) Net capital turnover ratio	NA	NA		
(i) Net profit ratio	3%	-57%	105%	Due to increase in profits during the current year
(j) Return on capital employed	2.39%	-20.17%	112%	Due to increase in profits during the current year
(k) Return on investment	7.52%	4.76%	58%	Due to better returns from market

(xii) Compliance with approved Scheme(s) of Arrangements - Not Applicable

(xiii) Utilisation of Borrowed funds and share premium -

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

(xiv) Details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 - Nil

(xv) Corporate Social Responsibility (CSR) : The Provisions of section 135 of the Companies Act is not Applicable to the company for FY 23-24.

(xvi) Details of Crypto Currency or Virtual Currency - Nil

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

**As per our report of even date attached
For N.C.Rajagopal & Co**

Chartered Accountants

Firm Reg No: 003398S

Sd/-

Arjun S

Partner

Membership No 230448

**For and on behalf of the Board of Directors
Shiksha Financial Services India Private Limited**

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Place : Chennai

Date : 10-06-2024



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the Consolidated Financial Statements of SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED (hereinafter referred to as the “Holding Company”), and its subsidiary (Collectively referred to as “the Group”), which comprise the consolidated Balance Sheet as at 31st March 2024, and the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flows, Notes to consolidated 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 Consolidated Financial Statements give the information required by the Companies Act, 2013 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 31st March, 2024, and loss, 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 Consolidated Financial Statements section of our report. We are independent of the Group 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. Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, including Annexures to Board's Report, but does not include the Consolidated financial statements and our auditors' 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 Consolidated 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 course of our 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.

4. Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, and Consolidated cash flows of the Group 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 Group 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 Consolidated financial statements, the respective Board of Directors of the company included in the group are responsible for assessing the ability of the Group 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.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing the company's financial reporting process of the Group.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Consolidated 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 auditors’ 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (a) planning the scope of our audit work and in evaluating the results of our work; and (b) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.



O 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.

O 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.

6. Report on Other Legal and Regulatory Requirements

I. With respect to the matter specified in Clause (xxi) of Paragraph 3 of the Companies Auditor's Report) Order, 2020 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Independent Auditor's Report, we report that there are no qualifications or adverse remarks in the Group Company.

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 relating to preparation of the Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e. On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group Companies incorporated in India is disqualified as on 31st March, 2024 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 effect of such controls, refer to our separate Report in "Annexure A."



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial position of the Group – Refer Note No:37 to the Financial Statements
- II. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Company.
- IV.
- (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrower funds or share premium or any other sources or kind of funds) by the Parent company and its subsidiary incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Parent company or its Subsidiary incorporated in India or
- ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 36 (xiii) to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv)(b) contain any material misstatement.
- V) No dividend has been declared or paid during the year by the Group.



Vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and hence our reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as to whether the Company has used such accounting software is not furnished.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

Arjun S
(Partner)
M. No: 230448
UDIN: 24230448BKDGZX3939
Place: Chennai
Date: 10.06.2024



ANNEXURE - A REFERRED TO PARAGRAPH 6 (II)(f) OF OUR REPORT OF EVEN DATE

We have audited the Internal Financial Controls over financial reporting of SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED (“the Holding Company”) and its Subsidiary as of 31st March, 2024 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 respective Board of Directors of the Holding Company and its subsidiary Company which are Companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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”. 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 the 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply the 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 aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 opinion on the Company’s internal financial control 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 these policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directions of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over the financial reporting to future periods are subject to the risk that the internal financial control over the 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 Holding Company and its Subsidiary have, in all material aspects, an adequate internal financial controls system over the financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over the 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 the Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S
Arjun S
(Partner)
M. No: 230448
UDIN: 24230448BKDGZX3939

Place: Chennai
Date: 10.06.2024



Shiksha Financial Services India Private Limited
CIN: U74900TN2014PTC094623

Consolidated Balance Sheet As at March 31, 2024

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

Particulars	Notes	As at Mar 31, 2024
A Equity And Liabilities		
1 Shareholders' funds		
a) Share capital	3	938.26
b) Reserves and Surplus	4	4,768.53
2 Non Current liabilities		
a) Long term Borrowings	5	103.33
b) Long term Provisions	6	1,263.11
3 Current Liabilities		
a) Short term borrowings	7	250.38
b) Other Current liabilities	8	288.08
c) Short Term Provisions	9	907.34
	Total	8,519.03
B Assets		
1 Non Current Assets		
a) Property, Plant and Equipment & Intangible Assets (net)	10	
(i) Property Plant & Equipment		55.42
(ii) Intangible assets		20.75
c) Deferred Tax Assets (net)	11	574.24
d) Long term receivables under Financing activities	12	3,656.19
e) Long term Loans and advances	13	312.40
2. Current assets		
a) Current Investments	14	1,053.00
b) Cash and Bank Balances	15	50.30
c) Short Term Receivables under Financing activities	16	2,511.52
d) Short Term Loans and advances	17	25.98
e) Other current assets	18	259.23
		8,519.03
Significant Accounting policies	1-2	
Accompanying notes forming part of the financial statements	27-39	

As per our report of even date attached

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

For and on behalf of Board of Directors

Shiksha Financial Services India Private Limited

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Place : Chennai

Date : 10-06-2024



Shiksha Financial Services India Private Limited**CIN: U74900TN2014PTC094623****Consolidated Profit and Loss Account for the year ended Mar 31, 2024**

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

Particulars	Notes	2023-24
1 Revenue from operations	19	2,119.82
2 Other Income	20	108.94
3 Total Income (1+2)		2,228.76
4 Expenses		
Finance Cost	21	71.01
Employee Cost	22	1,497.57
Administrative and Other expenses	23	495.72
Provisions and Write off	24	26.50
Depreciation and Amortisation	10	64.66
Total Expenses		2,155.46
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		73.30
6 Exceptional and extraordinary items (refer note 33)		-
7 Profit / (Loss) before tax (5-6)		73.30
8 Tax expenses:	25	
Current tax		-
Reversal of Current Tax pertaining to earlier years		-
Deferred tax		7.02
		7.02
9 Profit / (Loss) for the year (7-8)		66.28
10 Earnings per share	26	
Basic (Rs 10/-)		0.95
Diluted (Rs 10/-)		0.71
Significant Accounting policies	1-2	
Accompanying notes forming part of the financial statement	27-39	

As per our report of even date attached**For N.C.Rajagopal & Co**

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

For and on behalf of Board of Directors**Shiksha Financial Services India Private Limited**

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Place : Chennai

Date : 10-06-2024



Shiksha Financial Services India Private Limited**Consolidated Cash flow statement for the year ended March 31, 2024**

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

Particulars	For the year ended <u>31st March 2024</u>
<u>Cash flow from Operating Activities:</u>	
Net Profit before tax and after extraordinary items	73.30
<u>Adjustments for</u>	
Depreciation & Amortisation	64.66
(Gain) / Loss on sale of Property, Plant and Equipment	(0.34)
Finance costs	71.01
Provision on Loans	(47.33)
Loans Written off	-
Provision for Leave encashment	(2.98)
Gain on sale of Mutual fund investments	(68.64)
Operating profit/(loss) before working capital changes	89.68
Changes in working capital	
<u>Adjustments for (increase) / decrease in operating assets:</u>	
Loans and advances, Financing Operations	363.67
Long term Loans and advances, Others	(88.10)
Short term Loans and advances, Others	19.51
Other current assets	(17.42)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>	
Short Term Provisions & Other Current Liabilities	17.65
Cash flow from Operations	384.99
(A) Net cash flow from Operating Activities	384.99
<u>Cash flow from Investing Activities:</u>	
Net Capital expenditure on Property, Plant and Equipment	(18.69)
Net (purchase)/Sale of investments - Mutual funds	(212.36)
Investment in subsidiary company	-
(B) Net cash used in Investing Activities	(231.05)
<u>Cash flow from Financing Activities:</u>	
Redemption of Non-Convertible Debentures	(250.00)
Proceeds from Term loans from financial institutions	300.00
Repayment of Borrowings from financial institutions	(352.96)
Finance cost paid	(74.11)
(C) Net cash used in Financing Activities	(377.07)
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	(223.13)
Cash and Cash equivalents at the beginning of the year	273.43
Cash and Cash equivalents at the end of the year	50.30
Note: Cash and Cash equivalents at the end of the year comprises:	
(a) Cash in Hand	8.81
(b) Balance in Current Accounts	38.09
(c) Current Maturities of Bank Deposits	3.40
	50.30

See accompanying notes forming part of the financial statements

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

For and on behalf of the Board of Directors**Shiksha Financial Services India Private Limited**

CIN: U74900TN2014PTC094623

Sd/-

Arjun S

Partner

Membership No 230448

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Place : Chennai

Date : 10-06-2024

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer



Shiksha Financial Services India Private Limited
Notes to Consolidated financial statements for the year ended Mar 31, 2024

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

1 Company overview

Shiksha Financial Services India Private Limited (The Company) is an Non Banking Finance Company (NBFC) registered 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 was primarily engaged in the business of providing education finance, now diversified to loan against property and business correspondence

2 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 the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on 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, Base Layer [NBFC-BL] (earlier, 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) Fees and commission income are recognised on an accrual basis.
- c) Recovery from bad debts written off, Loan Processing Fees, Legal & Technical Fees, Cheque dishonour charges etc., are recognised on receipt basis.
- d) Income from fixed deposits are recognised on accrual basis.
- e) Income from Mutual funds are recognised when it is realised. Profit or loss on sale of mutual fund units are accounted on First in First out basis.



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

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%. This is higher than the minimum provisioning norm of 0.25%, as specified by Reserve Bank of India (RBI) for Non-Banking Financial Company - Base Layer (NBFC-BL).

Provision for Non-Performing Assets are based on management estimates, which is higher than the minimum provisioning requirements specified by the Reserve Bank of India (RBI) for Non-Banking Financial Company in the Base Layer (NBFC-BL)

The Company 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. Property Plant and Equipment 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 the 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 are 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 Company's estimate whichever is lower. The useful life estimated is as follows:

Category	Useful Life (years) as per Companies Act, 2013	Useful life (years), as per Company
Computers	3	3
Office Equipment	5	3
Furniture, Fixtures, Electrical Equipment	10	5
Vehicles	8	3
Software	5	5

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.



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

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 towards 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, incentives, 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 reportable business segment i.e., financing 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.



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

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.



Shiksha Financial Services India Private Limited**Notes to Consolidated financial statements for the period ended Mar 31, 2024**

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

As at Mar 31, 2024**3. Share Capital****Issued, subscribed and paid up**

66,76,052 (Previous year 66,76,052) Class A equity shares of Rs.10 each	667.60
30,00,000 (Previous year 30,00,000) Class B equity shares of Re 1 each	30.00
5,19,601 (Previous year 5,19,601) Series B 0.1% Compulsorily Convertible preference shares of Rs. 10 each	51.96
12,60,674 (Previous year 12,60,674) Series B1 0.1% Compulsorily Convertible preference shares of Rs. 10 each	126.07
626,308 (Previous year 626,308) Series B2 0.01% Compulsorily Convertible preference shares of Rs. 10 each	62.63
	938.26

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

	No. of Shares	Amount
Equity Shares - Class A		
At the beginning of the year	66,76,052	667.60
Add: Shares issued during the year		
At the end of the year	<u>66,76,052</u>	<u>667.60</u>
Equity Shares - Class B		
At the beginning of the year	30,00,000	30.00
At the end of the year	<u>30,00,000</u>	<u>30.00</u>

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	5,19,601	51.96
Add: Shares issued during the period		
At the end of the year	<u>5,19,601</u>	<u>51.96</u>

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

At the beginning of the year	12,60,674	126.07
Add: Shares issued during the period		
At the end of the year	<u>12,60,674</u>	<u>126.07</u>

iii) Preference Shares - Series B2 0.01% Compulsorily Convertible preference shares

At the beginning of the period	6,26,308	62.63
Add: Shares issued during the period	-	-
At the end of the period	<u>6,26,308</u>	<u>62.63</u>



Shiksha Financial Services India Private Limited**Notes to Consolidated financial statements for the period ended Mar 31, 2024**

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

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

	No. of Shares	%
Equity Shares - Class A		
Aspada Investment Company	20,06,457	30.05%
Zephyr Peacock India Growth Fund, (Trust)	18,73,883	28.07%
Individually held by V L Ramakrishnan	1,29,500	14.98%
V L Ramakrishnan / Annapurni R	8,70,500	
Individually held by Jacob Abraham	55,000	9.14%
Jacob Abraham / Nandini Raj	5,55,000	
Zephyr Peacock India Growth Fund Ltd	4,35,674	6.53%

Equity Shares - Class B

Shiksha ESOP Trust	21,60,000	72.00%
ESOP Employees	8,40,000	28.00%

Series B 0.1% Compulsorily Convertible Preference Shares

Michael and Susan Dell Foundation	5,19,601	100.00%
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Series B1 0.1% Compulsorily Convertible Preference Shares

Aspada Investment Company	2,48,051	19.68%
Zephyr Peacock India Growth Fund Ltd	2,21,051	17.53%
Michael and Susan Dell Foundation	7,91,572	62.79%

Series B2 0.01% Compulsorily Convertible Preference Shares

Aspada Investment Company	3,31,819	52.98%
Michael and Susan Dell Foundation	1,79,274	28.62%
Zephyr Peacock India Growth Fund	1,15,215	18.40%

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.

Preference Shares

The Company has issued Compulsorily Convertible Preference Shares:



Shiksha Financial Services India Private Limited

Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

Series B Compulsorily Convertible Preference Shares

The Series B 0.1% 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.

Series B1 Compulsorily Convertible Preference Shares

The Series B1 0.1% 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 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.

Series B2 Compulsorily Convertible Preference Shares

The Series B2 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 B2 CCPS shall rank senior in preference to all other securities of the Company, including Equity Shares as regards payments of any dividends declared by the Company.

In a liquidation event, prior to payments to any class of shareholders including holders of any other preference shares, the holders of the Series B2 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 B2 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. Further, 29,90,000 fully paid Class B Equity shares were allotted to Shiksha ESOP trust by a bonus share issuance by capitalising securities premium.
- f) Details of Bonus shares issuance in the last five years: NIL
- g) During the year 2023-24, the Company has allotted Nil Series B2 Compulsorily Convertible Preference Shares of Rs. 10 each.

h) Details of Shares held by promoters **Equity shares - Class A**

S.No	Promoter Name	No of Shares	% of total	% Change during the year
1	V.L. Ramakrishnan	1,29,500	1.94%	Nil
2	Jacob Abraham (upto 30th Sep 23)^	55,000	0.82%	Nil
3	VL Ramakrishnan jointly with Annapurni R.	8,70,500	13.04%	Nil
4	Jacob Abraham jointly with Nandini Raj (upto 30th Sep 23)^	5,55,000	8.32%	Nil
	Total	16,10,000	24.12%	

- i) Mr. Jacob Abraham ceased to be a promoter/director with effect from 1st Oct, 2023.



As at Mar 31, 2024

4. Reserves and Surplus

(i) Statutory Reserve

Balance at the beginning of the year	82.00
Add: Additions during the period	13.39
Balance at the end of the year	<u>95.39</u>

(ii) Securities Premium

Balance at the beginning of the year	8,781.27
Securities Premium received during the period	-
Less: Capital raising costs	-
Balance at the end of the year	<u>8,781.27</u>

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

Balance at the beginning of the year	(4,161.02)
Add: Profit /(Loss) for the period	66.28
Less: Transferred to statutory reserve	(13.39)
Balance at the end of the year	<u>(4,108.14)</u>

Total 4,768.53

5. Long term Borrowings

Secured	
Loans, from other than banks (Note 5.1)	<u>103.33</u>
	<u>103.33</u>

5.1 Term Loans, from other than banks

MAS Financial Services Ltd	263.33
Profectus Capital Pvt Ltd	90.38
	<u>353.71</u>

Out of the above

Long term maturities (maturities beyond 12 months)	103.33
Current maturities (maturities within next 12 months)	250.38

Note:

- Principal and Interest are payable monthly in respect of all lenders.
- Secured against hypothecation of book debts for loan taken from MAS & Profectus.
- Additional cash collateral of 5% of loan amount is given to profectus.
- Interest rates on above borrowings, as per the sanction range between 14.60% p.a. to 16.00% p.a.
- Defaults if any - Nil (Previous Year - Nil)

5.2 Non-convertible debentures

as at 31st March 2024

	< 1 year	1 - 2 years	2 - 6 years	Total
From Parties, other than related parties	-	-	-	-
	-	-	-	-

Note:

- Non-convertible debentures is closed during the year
- Defaults if any - Nil (Previous Year - Nil)
- Out of the above

Long term maturities (maturities beyond 12 months)	-	-
Current maturities (maturities within next 12 months)	-	-



As at Mar 31, 2024

6. Long Term Provisions

Provision for Loan Assets

Provision for Standard Assets	38.45	
Provision for Restructured assets	7.77	
Provision for Sub Standard, Doubtful Assets	1,167.29	
Provision for Contingency	38.23	
		1,251.74

Provision for Employee Benefits

Provision for Leave Encashment	11.37
	1,263.11

7. Short Term Borrowings

Secured

Current maturities of long term borrowings from others	250.38
	250.38

8. Other Current liabilities

Interest accrued and not due on Loans	1.87
Statutory dues payable	34.14
Expenses Payables	116.38
Employee Payables	68.16
Advances from customers	48.74
Other Payables	18.79
	288.08

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 year	> 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	116.38				116.38
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

9. Short Term Provisions

Provision for Loan Assets

Provision for Standard Assets	3.57	
Provision for Restructured assets	3.96	
Provision for Sub Standard, Doubtful Assets	831.93	
Provision for Contingency	13.71	
Provision for FLDG Assests	29.97	883.14

Others

Provision for Leave Encashment	7.02
Other provision for employees	17.18
	907.34



Shiksha Financial Services India Private Limited**Notes to Consolidated financial statements for the period ended Mar 31, 2024**

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

As at Mar 31, 2024**11. Deferred Tax Assets (Net)**Deferred Tax Asset

Employee costs	4.63	
Provision for Loan Losses	537.31	541.94
<u>Less: Deferred Tax Liability</u>		
Depreciation	(32.30)	(32.30)
		574.24

12. Long Term receivables under Financing activities

Secured, considered good - Standard	2,850.97
Secured, Sub Standard and Doubtful	241.66
Unsecured, considered good - Standard	155.53
Unsecured, substandard and doubtful	408.03
	3,656.19

13. Long Term loans and advances

Cash collateral with Financial institutions *	267.21
Rental deposit	45.19
	312.40

* Note: Cash collateral of Rs 267.21 lakh, (previous year, Rs 208.28 Lakh) FLDG placed with a bank, in respect of BC lending activity.

14. Current Investmenta) In Mutual Funds (unquoted, non trade, at cost)

HSBC (earstwhile L&T), Liquid Fund Growth Fund plan (18,852.954 units with NAV of Rs.2405.9756 as on 31 st Mar, 2024 as against 21,062.386 units with NAV of Rs.2,242.1310 as on 31st March, 2023)	453.00
HSBC (earstwhile L&T), Overnight Fund Growth Fund plan (7,987.379 units with NAV of Rs.1,252.9183 as on 31st Mar, 2024 as against 8,526.521 units with NAV of Rs.1,172.9962 as on 31st March, 2023)	100.00
HDFC Liquid Fund, Growth Fund plan (10,553.926 units with NAV of Rs.4743.661 as on 31st Mar, 2024 as against 4,524.424 units with NAV of Rs.4,423.2004 as on 31st March, 2023)	500.00
	1,053.00

Fair market value of above Mutual Fund investment as on 31st Mar, 2024 is Rs 1054.32 Lakhs
(Previous year Rs. 772.39 Lakhs)



As at Mar 31, 2024

15. Cash and Bank Balances

a) Cash and cash equivalents

i) Cash -in-hand	8.81
ii) Balance with banks In current accounts	38.09
iii) Current maturities of bank deposits with original maturity of < 3 months	-

b) Other Bank Balances

Bank deposits with original maturity of > 3 months	3.40
--	------

50.30

16. Short term receivables under Financing activities

Secured, considered good - Standard	472.97
Secured, Sub Standard and doubtful	73.33
Unsecured, considered good - Standard	350.28
Unsecured, Sub Standard and Doubtful	384.87
	<u>1,281.45</u>

Loan instalment overdue, secured, considered good - Standard	51.39
Loan instalment overdue, unsecured, considered good - Standard	60.60
Loan instalment overdue, secured, sub standard and doubtful	135.35
Loan instalment overdue, unsecured, sub standard and doubtful	935.74
	<u>1,183.08</u>

Interest accrued but not due (considered good) - Standard	46.99
	<u>2,511.52</u>

17. Short Term Loans and Advances

Cash collateral with Financial institutions	7.50
Other Advances	11.63
Balances with Govt Authorities	6.85
	<u>25.98</u>

18. Other current assets

Interest accrued on Fixed Deposits/Cash collaterals	19.31
Rental deposit	12.18
Prepaid Expenses	43.70
Gratuity Fund - Balance with Trust	10.96
Advance Income Tax, TDS (net of Provision for Tax)	22.82
Other recoverable	150.26
	<u>259.23</u>



Shiksha Financial Services India Private Limited
Notes to Consoildated financial statements for the period ended Mar 31, 2024

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

Note 10 - Property, Plant and Equipment & Intangible Assets (Net):

Description	GROSS BLOCK				DEPRECIATION RESERVE				NET BLOCK	
	As at 01.04.2023	Additions	Disposal/ Adjustment	As at 31.03.2024	Upto 31.03.2023	For the year	Disposal/ Adjustment	Upto 31.03.2024	31.03.2024	31.03.2023
(i) PROPERTY, PLANT & EQUIPMENT										
Office Equipments	98.00	4.75	1.18	101.58	81.84	9.13	1.10	89.87	11.71	16.16
Furnitures and Fittings	83.96	2.27		86.23	58.71	13.11		71.82	14.41	25.25
Premises	72.80			72.80	43.66	14.61		58.27	14.54	29.14
Computers	110.66	9.13		119.80	90.00	15.04		105.03	14.76	20.67
Total	365.43	16.15	1.18	380.41	274.21	51.89	1.10	324.99	55.42	91.22
Previous Year	323.50	46.61	19.97	350.14	139.99	81.38	19.51	201.86	148.28	183.51
(ii) INTANGIBLE ASSETS										
Software	70.21	2.95	-	73.16	39.63	12.77	-	52.40	20.75	30.58
Total	70.21	2.95	-	73.16	39.63	12.77	-	52.40	20.75	30.58
Previous Year	44.34	18.79	-	63.13	17.37	9.72	-	27.08	36.04	26.97
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT										
Software	-	-	-	-	-	-	-	-	-	-
Previous Year	63.13	7.07	0	70.21	27.08	12.54	-	39.63	30.57	36.05
Total (i + ii + iii)										
Current Year	435.64	19.10	1.18	453.57	313.84	64.66	1.10	377.39	76.17	121.80
Previous Year	413.27	24.51	2.15	435.64	228.94	86.93	2.03	313.84	121.79	184.33
Note: During the year no revaluation was made for fixed assets.										

Shiksha Financial Services India Private Limited**Notes to Consolidated financial statements for the period ended Mar 31, 2024**

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

**For the period ended 31st
Mar 2024****19. Revenue from operations**

Interest Income		853.47
Fees, Charges and Commission income		858.86
Bad debts recovered		407.49
		<u>2,119.82</u>

20. Other income

Treasury Operations income		
- Interest on Bank Deposits	30.57	
- Gain on Mutual fund Investment	68.64	99.21
Interest on Income tax refund		0.99
Others - Miscellaneous		8.74
Provision Writtenback (refer note 24)		-
		<u>108.94</u>

21. Finance Cost

Interest on debentures		3.78
Interest on Term loans - Non Banks		53.83
Interest on Term loans - Banks		-
Interest on Overdraft Facility/CC		-
Other Borrowing Costs		13.39
		<u>71.01</u>

22. Employee cost

Salaries, wages and bonus		1,376.97
Contribution to Provident Fund, ESI and Gratuity		72.60
Staff welfare expenses		48.00
		<u>1,497.57</u>

23. Administrative and Other expenses

Rent		98.31
Electricity, Office maintenance and repairs		38.63
Insurance expense - Others		23.41
Insurance expense - Loans		2.16
Rates and taxes		22.14
Travelling & Conveyance		106.64
Information Technology Expenses		38.60
Legal and Professional fees		57.30
Collection and Recovery Costs		6.44
Credit and Loan origination costs		9.18
Printing, Stationery and Communication Costs		22.95
Bank and Collection Charges		19.92
Audit fees		11.70
Director's Sitting Fees		9.00
Other expenses		29.34
		<u>495.72</u>



Shiksha Financial Services India Private Limited**Notes to Consolidated financial statements for the period ended Mar 31, 2024**

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

**For the period ended 31st
Mar 2024****24. Provisions**

Provision, Sub Standard and Doubtful *	26.50
	26.50
* Reversal of provision in respect of	
- Standard assets	-
- Sub Standard, Doubtful and Restructured assets	-
Total reversal of provision (refer note 20)	-

25. Income Tax

Deferred Tax	7.02
	7.02

26. Earning per Share

Profit after tax	66.28
Weighted average number of Equity Shares (Basic)	69.76
Add: Dilutive effect relating to CCPS	24.07
Weighted average number of Equity Shares (Diluted)	93.83
Earning per Share - Basic (`) *	0.95
Earning per Share - Diluted (`)	0.71
Face value per Share (`)	10.00

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



Shiksha Financial Services India Private Limited

Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

27. 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	Amount Outstanding	Amount Overdue
Liabilities side:		
a Loans and advances availed by the NBFC		
i) Term Loans	355.58	-
Assets side:		
b Break-up of Loans and Advances including bills receivables		
i) Secured	3,865.24	-
ii) Unsecured	2,302.47	-
c Break-up of Investments		
Current Investments		
i) Quoted		
- Units of mutual funds	1,053.00	-
Borrower group-wise classification of assets financed		
	Amount net of provisions	
d i) Related Parties	Secured	Unsecured
- Subsidiaries	-	-
- Companies in the same group	-	-
- Other related parties	-	-
ii) Other than related parties	2,756.84	1,775.97
e Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market Value / Fair value or NAV	Book Value (Net of Provisions)
i) Related Parties		
- Subsidiaries	-	-
- Companies in the same group	-	-
- Other related parties	-	-
ii) Other than related parties	1,054.32	1,053.00
f Other information		
Particulars		Amount
(i) Gross Non-Performing Assets		
- related parties		-
- other than related parties		2,177.31
(ii) Net Non-Performing Assets		
- related parties		-
- other than related parties		126.15
(iii) Assets acquired in satisfaction of debt		-



Shiksha Financial Services India Private Limited

Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

28. The Company is a Non-Banking Financial Company in the Base Layer (NBFC-BL). In addition to the disclosures being made vide Note 27 above, the following disclosure in the Financials Statement are being made

a Capital Adequacy	As at March 31, 2024
CRAR - Tier I Capital (%)	86.59%
CRAR - Tier II Capital (%)	0.91%
CRAR (%)	87.50%

b Asset classification	As at March 31, 2024		
	Gross Loans	Provisions	Net Loans
Standard	3,990.40	53.76	3,936.64
Sub-standard	1,782.34	1,696.78	85.57
Doubtful	394.97	302.44	92.53
Total	6167.71	2052.98	4,114.74
Provision for Contingencies			51.94
Net Assets			4,062.80

c Provisions for loan assets	As at March 31, 2024
Provision for Standard Assets	42.02
Provision for Sub Standard and Doubtful Assets *	1,999.22
Provision for Restructured Assets	11.74
Provision for Contingencies	51.94
Provision for FLDG Assests	29.97
Total Provisions and Contingencies	<u>2,134.89</u>

* including Rs 1527.08 Lakhs (Previous Year 1748.06 Lakhs) of provision for NPA, in addition to RBI requirement

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, had created an additional provision for Contingencies of Rs 51.94 lakhs in FY 22-23. This is in addition to RBI requirements and as per Company policy. No additional provision is created during the current year.

29. 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 (upto 30th Sep 23)	Promoter and Whole time Director
Relatives of Key Management Personnel	a) Mrs. Nandini Raj (upto 30th Sep 23)	Wife

Transactions

As at March 31 2024

V.L. Ramakrishnan	
- Remuneration	71.75
Jacob Abraham	
- Remuneration	28.09
Year end balances	
- Equity Share Capital - V L Ramakrishan / Annapurni R	100.00



30. 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, 2024 hence, the disclosure relating to the same are not applicable.

31. Pursuant to Reserve Bank of India circular Number DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021; read with circular DOR.STR.REC.85/21.04.048/2021-22 dated 15 February 2022, The Company has implemented the necessary changes in Income Recognition, Asset Classification and Provisioning (IRACP) norms

32. During the year ended 31 March 2022 to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

a) & Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR. STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs), as at 31st March 2024

No. of accounts restructured	Amount (Rs in Lakhs)
19	11.74

33. Having regard to the devastating consequential impact of the COVID pandemic on the Company's customers and its impact on their cashflows/repayment, i.e. a) Lockdowns and mobility restrictions imposed by the central and various state governments due to COVID, impacted smooth functioning of educational institutions b) Customers livelihood, health and cashflows were impacted, affecting their ability to repay loans. the Company has:-

i) During the year ended 31 March 2024, as a prudent measure, the company has maintained an additional provision for Contingencies of Rs 51.94 lakhs (previous year 51.94 lakhs) and an additional provision for NPA, of Rs 1,527.08 Lakhs (Previous Year 1748.06), in addition to RBI requirements and as per Company policy/estimate.

ii) As per the agreement entered with federal bank for BC arrangements any PAR above 90 DPD, the corresponding outstanding POS can be invoked. The company has fully provided for the PAR 90+ cases as on 31st March 24 of Rs. 29.97 lakhs out of the total BC portfolio of Rs. 74.43 crores.

34. The Company has received an order under Section 143 (3) of the Income Tax Act, 1961 along with a tax demand Rs 21.94 lakhs for the Assessment year 2022-23. The Company has preferred an appeal before the CIT (appeals) and is also in the process of filing a stay petition for demand. The Management is confident of getting a favourable outcome in this matter.

35. Employee Benefits

Defined Benefit Scheme - Leave Encashment: The Company has defined benefit scheme in the form of Leave Encashment to employees The disclosure under AS – 15 (Revised) in this regard is given hereunder:

Assumptions	2023-24
Discount Rate	7.10%
Attrition Rate	40.00%
Salary Escalation	8.00%



Shiksha Financial Services India Private Limited
Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

Table showing changes in Present Value of Obligations	2023-24
Present value of obligations at the beginning of the year	0
Interest Cost	1,54,189
Current Service Cost	1,79,679
Benefits Paid	-2,64,435
Actuarial (Gain) / Loss on obligations	-5,62,491
Present value of obligations as at end of the year	-4,93,058

Actuarial Gain/Loss Recognized	2023-24
Actuarial gain / (loss) on obligations	5,62,491
Actuarial gain / (loss) for the year – plan assets	-
Total gain / (loss) for the year	-5,62,491
Actuarial gain / (loss) recognized in the year	-5,62,491

Amounts to be recognized in Balance Sheet	As at 31st Mar 2024
Present value of obligations as at the end of the year	-4,93,058
Fair value of plan assets as at the end of the year	-
Funded Status	4,93,058
Net asset/(liability) recognized in balance sheet	4,93,058

Expenses Recognized In Statement of Profit and Loss	2023-24
Current Service Cost/Past Service Cost(Vested)	1,79,679
Interest Cost	1,54,189
Expected return on plan assets	-
Net Actuarial (gain) / loss recognized in the year	-5,62,491
Expenses recognized in profit and loss statement	-2,28,623

Defined Benefit Scheme - Gratuity: The Company has defined benefit scheme in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS - 15 (Revised) in this regard is given hereunder

Assumptions	2023-24
Discount Rate	7.10%
Attrition Rate	40.00%
Salary Escalation	8.00%
Expected return on plan assets	7.10%

Table showing changes in Present Value of Obligations	2023-24
Present value of obligations at the beginning of the year	0
Interest Cost	3,97,595
Past Service Cost (Vested Employees)*	3,24,448
Current Service Cost	10,78,891
Benefits Paid	-15,96,355
Actuarial (Gain) / Loss on obligations	-3,79,420
Present value of obligations as at end of the year	-1,74,841

*Past service cost of Rs. 3,24,448 is arising due to change in the gratuity ceiling limit from Rs. 20 lakhs to Rs. 30 lakhs during the valuation period

Actuarial Gain/Loss Recognized	2023-24
Actuarial gain / (loss) on obligations	3,79,420
Actuarial gain / (loss) for the year – plan assets	-67,571
Total gain / (loss) for the year	3,11,849
Actuarial gain / (loss) recognized in the year	3,11,849



Shiksha Financial Services India Private Limited

Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

Amounts to be recognized in Balance Sheet	As at 31st Mar 2024
Present value of obligations as at the end of the year	-1,74,841
Fair value of plan assets as at the end of the year	64,31,351
Funded Status	66,06,192
Net asset / (liability) recognized in balance sheet	66,06,192

Expenses Recognized In Statement of Profit and Loss	2023-24
Current Service Cost/Past Service Cost(Vested)	14,03,339
Interest Cost	3,97,595
Interest Earned	-5,44,790
Net Actuarial (gain) / loss recognized in the year	-3,11,849
Expenses recognized in profit and loss statement	9,44,295

36. Additional information on the entities included in the consolidated financial statements

Name of the entity	Net Assets (total assets minus total liabilities)		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
Parent- Shiksha Financial Services India Private Limited	99.88%	8,508.76	101.04%	66.97
Subsidiary Indian- Shiksha Business Services Private Limited	0.12%	10.27	-1.04%	(0.69)
Total		8,519.03		66.28

37. Other disclosures:

a) There are no pending litigations against the Company, as at Mar 31, 2024.

b) Complaints received by the NBFCs from customers and from the Offices of Ombudsman

Complaints received by the NBFC from its customers

Particulars	As at March 31 2024
No. of Complaints pending as at beginning of the year	0
No. of Complaints received during the year	4
No. of Complaints redressed during the year	4
No. of Complaints pending as at end of the year	0

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	As at March 31 2024
No. of maintainable complaints received by the NBFC from Office of Ombudsman	2
No. of complaints resolved in favour of the NBFC by Office of Ombudsman	2
No. of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	0
No. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0



Shiksha Financial Services India Private Limited

Notes to Consolidated financial statements for the period ended Mar 31, 2024

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

38. Additional disclosures under Schedule III

- (i) Title deeds of Immovable Property not held in name of the Company - Nil
- (ii) During the year no revaluation was made for fixed assets.
- (iii) The Company had not granted any loans or advances to promoters, Directors, KMP's and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- (iv) Capital-Work-in Progress (CWIP) - Nil
- (v) Intangible assets under development - Nil
- (vi) Details of Benami Property held: No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vii) Wilful Defaulter - The Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (viii) Relationship with Struck off Companies - Nil
- (ix) Registration of charges or satisfaction with Registrar of Companies beyond the statutory period - Nil
- (x) Compliance with number of layers of companies - Not Applicable
- (xi) Compliance with approved Scheme(s) of Arrangements - Not Applicable
- (xii) Utilisation of Borrowed funds and share premium -
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- (xiii) Details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 - Nil
- (xiv) Corporate Social Responsibility (CSR) : The Provisions of section 135 of the Companies Act is not Applicable to the company for FY 23-24.
- (xv) Details of Crypto Currency or Virtual Currency - Nil

39. The figures have been rounded off to Indian Rupees Lakhs.

As per our report of even date attached

For N.C.Rajagopal & Co

Chartered Accountants

Firm Registration Number 003398S

Sd/-

Arjun S

Partner

Membership No 230448

For and on behalf of the Board of Directors

Shiksha Financial Services India Private Limited

CIN: U74900TN2014PTC094623

Sd/-

Pradeep V Bhide

Chairman

DIN:03304262

Sd/-

V.L.Ramakrishnan

Director

DIN:02326543

Sd/-

Srinivasaraghavan Soundararajan

Chief Financial officer

Place : Chennai

Date : 10-06-2024





Government of India Ministry of Finance

**CERTIFICATE
OF APPRECIATION**

The Central Board of Indirect Taxes and Customs conveys its appreciation to SHIKSHA FINANCIAL SERVICES INDIA PRIVATE LIMITED

having GST registration number 33AAUCS1384C1ZA for their prompt filing of returns and payment of Goods and Services Tax during the financial year 2023-24, thereby substantially contributing to building a strong and resilient nation.

A handwritten signature in black ink, appearing to read 'Sanjay'.

Sanjay Kumar Agarwal
Chairman

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 Thursday, the 26th day of September 2024 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, 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 2024		
2.	To approve the reappointment of Statutory auditors of the company for the three consecutive financial years commencing from 2024-25 to 2027-28		

Signed this day of 2024

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. 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.
2. A Proxy need not be a member of the Company.
3. 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.
4. This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave

