



**Indian School Finance Company Private Limited**  
**11<sup>th</sup> Annual Report**  
**2018-19**

**CORPORATE INFORMATION**

**CORPORATE IDENTITY NUMBER**

U65921AP1994PTC065392

**REGISTERED OFFICE**

Unit no. 8-2-269/2/52, Plot No. 52, Sagar  
Society, Road No. 2, Banjara Hills,  
Hyderabad-500 034

Website: [www.isfc.in](http://www.isfc.in)

**CORPORATE OFFICE**

236/237, DLF Towers,  
15 Shivaji Marg  
New Delhi-110015

**DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. kamani Marg,  
Ballard Estate  
Mumbai-400001  
Maharashtra, India

**BOARD OF DIRECTORS**

Mr. Rakesh Rewari  
Mr. Amit Ratanpal  
Mr. Neeraj Sharma - Managing Director & CEO  
Ms. Vibha Batra  
Ms. Ragini Chaudhary

**STATUTORY AUDITORS**

M/s S.R. Bathboi & Associates LLP  
Chartered Accountants

Catalyst Trusteeship Limited  
Mittal Tower, B Wing,  
Nariman Point, Mumbai-400021, India

A handwritten signature in black ink, which appears to be 'Amit Ratanpal', is written over a horizontal line. The signature is partially obscured by a large 'X' mark.

A handwritten signature in black ink, reading 'Amit Ratanpal', is written below a horizontal line.

## DIRECTOR'S REPORT

TO THE MEMBERS

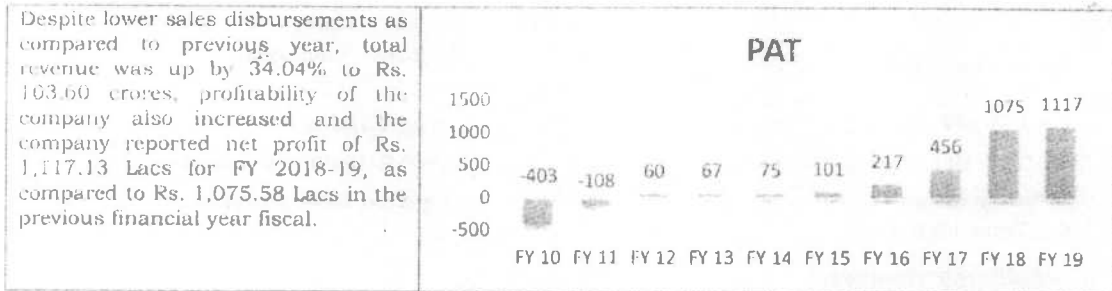
The Board of Directors of your Company is pleased to present the 11<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the year ended on March 31, 2019.

### 1. FINANCIAL RESULTS:

Your Company's performance during the financial year 2018-19 is summarized below:

Particulars	(Rs. In lacs)	
	Year ended 31.03.2019	Year ended 31.03.2018
Total Income	10,360.32	7,729.48
Financial Charges	5,102.64	3,633.36
Personnel and Other Expenses	2,520.07	2,208.15
Depreciation	84.91	114.56
Provisions & Write-Offs	1,103.33	273.05
<b>Profit / (Loss) Before Tax</b>	<b>1,549.37</b>	<b>1,500.35</b>
Less: Tax Expense	432.24	424.77
<b>Profit/ (Loss) After Tax</b>	<b>1,117.13</b>	<b>1,075.57</b>
Add Balance brought forward from previous year	1,005.90	145.44
Transfer to Reserve Fund under section 45-1C of the RBI Act, 1934	223.42	215.11
Balance Carried to Balance Sheet	1,899.61	1,005.90
Paid up Capital	506.15	501.80

### 2. BUSINESS PERFORMANCE:



#### RATIO ANALYSIS:

Sr.no	Particulars	Units	2018-19	2017-18
1	NIM to Avg. AUM*	In %	10.65	10.70
2	Operating Expenses % to NIM	In %	50.05	57.00

*Amit Katarpal*

3	Return on Avg. AUM (On books)	In %	2.70	4.20
4	NPA - 90dpd	In %	3.77	0.95
5	Average AUM	In Lacs	54,248	40,392

\*Avg. AUM = (Opening AUM + Closing AUM)/2

Growth in company led to improvisation of expense ratios and other parameters.

### 3. SHARE CAPITAL

<b>Authorized</b>	<b>Amount (Rs.)</b>
8,000,000 (Previous year 5,450,000) Equity Shares of Rs. 10/- each	80,000,000
4,000,000 (Previous year 550,000) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	40,000,000
	<b>120,000,000</b>
<b>Issued &amp; Subscribed</b>	
<b>Equity Share Capital</b>	
2,262,999 (Previous year 2,219,499) Equity Shares of Rs. 10/- each fully paid up	22,629,990
<b>Compulsory Convertible Preference Share Capital</b>	
283,283 (Previous year 283,283) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	2,832,830
3,484,367 (Previous year NIL) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	34,843,670
	<b>60,306,490</b>
<b>Paid up Capital</b>	
<b>Equity Share Capital</b>	
14,43,106 (Previous year 1,399,606) Equity Shares of Rs. 10/- each	14,431,060
Less: Amount Recoverable from ESOP Trust (face value of 150,000 Equity Shares allotted to Trust)	(1,500,000)
819,893 (Previous year 819,893) Equity Shares of Rs. 10/- each paid up Re 0.01/- each	8,199
<b>Compulsory Convertible Preference Share Capital</b>	
283,283 (Previous year 283,283) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	2,832,830
3,484,367 ((Previous year 3,484,367)) 0.5% Series A Compulsory Convertible Preference Shares of Rs. 10/- each	34,843,670
	<b>50,615,759</b>

The capital structure of your company is given as under as on 31<sup>st</sup> March, 2019.

### 4. DIVIDEND

The board has decided not to declare any dividend for the financial year 2018-19.

### 5. COMPLIANCE WITH NBFC REGULATIONS

The Company has complied with all the applicable rules, regulations & guidelines as prescribed by the Reserve Bank of India from time to time and as are applicable to Non-deposit accepting, Systematically Important NBFC's.

### 6. RESERVES AND PROVISIONS

As per section 45IC of RBI Act, 1934 the Company has transferred Rs.22,342,638 in reserve fund i.e. aggregating of 20% of its Net Profit.



Amit Ratanpal

**7. DEPOSITS**

The Company is registered as a "Non-Deposit Taking NBFC" with the Reserve Bank of India, hence it has not accepted any public deposits during the year under review.

**8. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of the business of the company.

**9. 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**

The company is planning to raise additional capital in the financial year 2019-20.

**10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**11. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The company does not have any subsidiary company and joint venture company.

However, company has one associate company during the year under review and details of the same is mentioned at form MGT-9 annexed to this report.

**12. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has established vigil mechanism for directors and employees to report genuine concerns of fraud & misconduct in the company.

**13. THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ARE AS FOLLOWS:**

**A) Conservation of energy:**

The Company is in the business of extending loans to its customers and does not employ any heavy energy consumption equipment for the purpose. Further, the company promotes usage of latest technology and low energy consumption products in its offices.

**B) Technology absorption:**

The company uses modern technology solutions like Emails, Cloud Sharing, Loan Management software for its internal communication and process management. All endeavors are made to adopt paperless methods and eco-friendly technology solutions for enhanced productivity and cost efficiencies.

**C) Foreign exchange earnings and Outgo:**

Foreign Exchange earned and spent by the company during the year under review as given hereunder:

(Amount in Rupees)

Party Name	Foreign Currency Inflow	Foreign Currency Outgo
Interest payment on CCDs to Blayfort Limited		1,52,08,252
Capital Plus Exchange Corporation	368,069	
Opportunity International Education Finance	13,57,778	
<b>Net Inflow/Outgo</b>		<b>13,482,405</b>



Amie Katarpal

#### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on March 31, 2019, the Company has 4 Directors of which one is executive and 3 are non- executive Directors. As on March 31, 2019 Company has one Independent Director. The composition of the Board is in conformity with Company Law regulations.

##### Key Managerial Personnel:

Mr. Neeraj Sharma	Managing Director and Chief Executive Officer
Mr. Ankur Aggarwal	Chief Financial and Operating Officer
Ms. Priya Goel	Company Secretary

#### I. Changes in Directors and Key Managerial Personnel:

Ms. Kalpana Iyer resigned as Independent Director from Board of ISFC w.e.f. 28 May, 2018.

#### II. Declaration by Independent Directors

All the independent directors have given declaration regarding their compliance of conditions of sub-section 6 of section 149 of the Companies Act, 2013 in the first board meeting of the FY 2018-19 as per the provisions of sub-section 7 of section 149 of the said Act. No independent director has been reappointed for second term on passing of a special resolution by the Company.

#### III. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

Company deliberates the appointment in the Board meetings and decides on the candidature according to qualifications, relevant experience and clean CIBIL records of the Directors.

#### 15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) that in preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 ended March 31, 2019;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) the Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management and tested by the internal audit team appointed by the Management to conduct the internal audit. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls;
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### 16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business.



Amit Katarwal

The notice of Board meetings is given well in advance to all the Directors. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met seven times during the financial year 2018-19 viz.:

28<sup>th</sup> May, 2018

2<sup>nd</sup> July, 2018

2<sup>nd</sup> July, 2018

18<sup>th</sup> October, 2018

13<sup>th</sup> November, 2018

3<sup>rd</sup> December, 2018

14<sup>th</sup> March, 2019

The maximum interval between any two meetings did not exceed 120 days.

Details of attendance of Directors at Board Meetings and at last Annual General Meeting held in FY 2018-19 are given below:

Name	Category	Attendance	
		Number of Board Meetings Attended	Last AGM 31 August, 2018
Mr. Neeraj Sharma	Executive	7	-
Ms Kalpana Iyer	Independent	1	-
Mr. Robert Alexander Pattillio	Non- Executive	5	-
Mr Rakesh Rewari	Independent	7	-
Ms. Ragini Chaudhary	Non- Executive	6	-

**NUMBER OF MEETINGS OF The Audit Committee:**

The Audit Committee met two times during the financial year 2018-19 viz.:

30<sup>th</sup> May, 2018

13<sup>th</sup> November, 2018

Details of attendance of Directors at Audit Committee meeting held in FY 2018-19 are given below:

Name	Category	Attendance
Mr. Neeraj Sharma	Executive	2
Ms Kalpana Iyer	Independent	1
Mr. Robert Alexander Pattillio	Non- Executive	-
Mr Rakesh Rewari	Independent	2
Ms. Ragini Chaudhary	Non- Executive	1

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

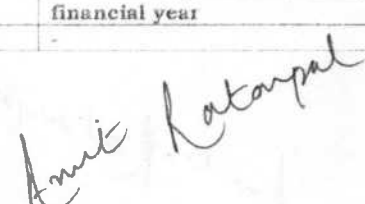
Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

**18. PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- The ratio of the remuneration of Executive Director to the median remuneration of the employees of the Company for the financial year 2018-19: 21.96:1
- percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19

Executive Directors/KMII	% increase in remuneration in the financial year
Mr. Neeraj Sharma	-

*Handwritten signature: Ankur Aggarwal*

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Employee Code	Emp Name
1021	Sundep Munia
1022	D P Sukanya
1031	Bhasker Shetye
1037	Samir Mehra
1077	Suresh Karni
1100	Neeraj Sharma
1107	Ankur Aggarwal
1129	Tenzing Bhutta
1744	Komal Kharakar Kosaraju
1789	Suman Kadyan

(C) the names of the top ten employees in terms of remuneration drawn:

(B) Personnel who are in receipt of remuneration aggregating not less than Rs. 8,50,000 per month and employed for part of the financial year: Nil.

Name	Designation	Remuneration	Qualification	Experience	Date of Joining	Age	Previous Employment	No. of shares held in related companies	No. of directors
Neeraj Sharma	Managing Director and CEO	13,457,211	CA, CMA	24 Years	19th Sept, 2012	46 yrs	Fullerton India Credit Company Ltd.	5,72,400	No

(A) Personnel who are in receipt of remuneration aggregating not less than Rs. 1,02,00,000 p.a. and employed throughout the financial year:

Report for the year ended March 31, 2019.  
 Statement in pursuant to section 197(12) of companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Director's

- (i) The company affirms that the remuneration paid is as per the remuneration policy of the company.
- (ii) The explanation on the relationship between average increase in remuneration and company performance: The Company started growing rapidly in the first half of 2018-19 and to motivate the employees, to reduce attrition and to bring right talent, the salary went up.
- (iii) The percentage increase in the median remuneration of employees in the financial year 2018-19: 17%
- (iv) The number of permanent employees on the rolls of company: 345
- (v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 is 8% and percentile increase in the managerial remuneration is 0%.

Mr. Ankur Aggarwal, Chief Financial Officer	-
Ms. Priya Goel, Company Secretary	13.33%

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or 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 is disclosed in **Form No. AOC -2 annexed as Annexure-A** with this report.

**20. BUSINESS RISK MANAGEMENT:**

Business risk evaluation and management is an ongoing process within the Company covering the entire gamut of business operations and the Board was informed of the same.

In view of the activities of the company the board has opinion that the company has two major inherent risks which may threaten the existence of the company are "default in payment of loans by the customers" and "liquidity risk". However, the company has followed the principal of assessing the risk and accordingly managing the business.

**21. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Company Constituted CSR policy during the year 2017-18. Following are the members of CSR Policy of the Company.

Mr. Rakesh Rewari

Mr. Neeraj Sharma

Ms. Ragini Chaudhary

The complete Policy of the company is placed at its website: [www.isfc.in](http://www.isfc.in) and brief details are annexed herewith.

**22. EXTRACT OF THE ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in **form MGT-9** is annexed herewith as "**Annexure B**".

**23. SECRETARIAL AUDIT REPORT**

The Board had appointed M/s Vinita Rani, Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure 'C'**.

**24. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. There were no complaints received from any employee during the financial year 2018- 2019 and hence no complaint is outstanding as on 31.03.2019 for redressal.

**25. CORPORATE GOVERNANCE REPORT**

Your Company has been practicing the principle of good Corporate Governance, which is a continuous and ongoing process.

**26. Composition of an Audit Committee:**

The company has reconstituted the audit committee comprising of following members as on 16<sup>th</sup> May, 2019.

Mr. Rakesh Rewari

Mr. Amit Ratanpal

Ms. Vibha Batra

**27. Internal Financial Controls:**

The Company has proper and adequate system of internal control geared towards achieving efficiency in its operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. Your company has instituted various preventive or control measures in the loan process to mitigate the risk of extending loans to non-existent borrowers or fictitious borrowers.

The Company has continued its efforts to align its processes and controls with best practices and has put in place a process-wise internal control framework across the Company. The Internal Auditors of the company



Amit Ratanpal

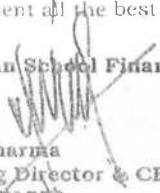


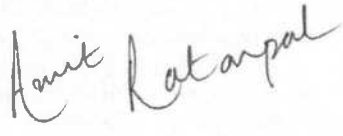
conduct audits of various departments based on an annual audit plan covering key area of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. There was no material event recorded subsequent to the date of financial statements.

**28. ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thank Regulatory and Government Authorities, the Company's shareholders, investors, customers, bankers, and other stakeholders for their continued support to the company. Your Directors express their deep sense of appreciation towards all the employees and staff of the company and wish the management all the best for achieving greater heights in the future.

**For Indian School Finance Company Private Limited**

  
Neeraj Sharma  
Managing Director & CEO  
DIN: 00071579  
Delhi  
06 August, 2019

  
Amit Ratanpal  
Director  
DIN: 02871692  
Mumbai

**ANNEXURE-A**  
**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**

**No such transactions were taken place during the year under review.**

- (a) Name(s) of the related party and nature of relationship-NIL
- (b) Nature of contracts/arrangements/transactions- NIL
- (c) Duration of the contracts / arrangements/transactions- NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any-NIL
- (e) Justification for entering into such contracts or arrangements or transactions-NIL
- (f) Date(s) of approval by the Board-NIL
- (g) Amount paid as advances, if any:-NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188-NIL

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

Transactions taken place during the year is described hereunder:

Particulars	Nature	(Amount in Rupees)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Key Management Personnel</b>			
Mr. Neeraj Sharma - Remuneration*	Paid	13,457,211	11,196,224
Mr. Ankur Aggarwal - Remuneration**	Paid	6,955,437	6,300,000
Ms. Priya Goel - Remuneration***	Paid	654,321	450,966
<b>Independent Directors</b>			
Mr. Rakesh Rewari - Sitting Fees	Paid	248,000	215,000
Ms. Kalpana Iyer - Sitting Fees	Paid	58,000	182,000
<b>Gray Matters India Private Limited</b>			
(a) Professional Charges (Expenses)	Paid	329,725	556,250
<b>Blayfort Limited</b>			
(a) Interest on Compulsorily Convertible Debentures	Paid	15,208,252	15,208,252
<b>Caspian Impact Investments Private Limited</b>			
(a) Term Loan	Received	70,000,000	5,00,00,000
(b) Processing Fee and Interest on Term Loan	Paid	12,562,671	9,453,310

\* Includes Provident Fund Contribution of Rs. 514,438 (Previous Year Rs.4,90,572)

\*\* Includes Provident Fund Contribution of Rs. 328,053 (Previous Year Rs. 3,12,000)

\*\*\* Includes Provident Fund Contribution of Rs. 21,600 (Previous Year Rs. 15,826)



*Amit Katarapur*

**Annexure  
CSR Policy of the company:**

The company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects/programmes/activities, excluding activities in its normal course of business. The policy is approved by the Board of Directors. The detailed policy is available at company's website

**Composition of CSR Committee:**

Mr. Rakesh Rewari, Independent Director as Chairman  
Ms. Ragini Chaudhary, Non-Independent Director as Member  
Mr Neeraj Sharma, Managing Director and CEO

**Average Net Profit and Prescribed Expenditure:**

The average net profit and prescribed CSR expenditure is as detailed below:

Particulars	(Rs./Lac)
Average net Profits for Last Three Years	803.23
Prescribed CSR Expenditure	16.06

Detailed of CSR spent during the Financial Year 2018-19

Particulars	(Rs./Lac)
Total amount spent during the year	31.29
Amount unspent	Nil

Manner in which the amount spent during the financial year is detailed:

Sr. No	CSR Project or Activity Identify	Sector in which the project is covered	Projects or Programs location	Amount outlay(budget)project or programs wise Rs.(/Lac)	Amount spent on projects or programs	Cumulative expenditure up to the reporting period	Amount direct or through implementing agency
1	Quality Improvement of Schools	Education	Haryana, Vizag, Bangalore, Jaipur	31.29	31.29	31.29	Direct

**Responsibility Statement:**

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014 Mr. Rakesh Rewari, Ms. Ragini Chaudhary and Mr. Neeraj Sharma do confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the company.

Neeraj Sharma  
Managing Director and CEO

Rakesh Rewari  
Chairman (CSR Committee)

Ragini Chaudhary  
Ms. Ragini Chaudhary  
Non-Independent Director

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS**

- i CIN U65921AP1994PTC065392
- ii Registration Date 09/05/1994
- iii Name of the Company Indian School Finance Company Pvt. Ltd.
- iv Category/Sub-category of the Company Other Credit Granting
- v Address of the Registered office & contact details  
First Floor, 8-2-269/2/52, Plot No. 52, Sagar Society Road  
No. 2, Banjara Hills, Hyderabad- 500 034  
Tel: 011-47572697  
Email: ankun@isfc.in
- vi Whether listed company Yes (Debentures of the Company are listed)
- vii Name, Address, contact details of the Registrar & Transfer Agent, If any. Link Intime India Private Limited  
C-13, Pannatal Slik Mills Compound,  
L.B.S Marg Bhandup(west),  
Mumbai, Maharashtra

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The principal business activity of the Company includes carrying on the business of finance Company, money lending and securitization business etc.

Sl. No.	Name & Description of main products/services	NIC Code of the product/Service	% to total turnover of the company
i)	Other Credit Granting	99711390	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	GGV School Financing Co. Limited 2200 Century Parkway, Suite 100 Atlanta, GA 30345		Associate Company	43%	2(6) of Companies Act, 2013

Note: Shareholding includes both equity and Compulsory Convertible Preference shares on non-diluted basis.

**IV SHAREHOLDING PATTERN**

- i) Category wise shareholding



*Amir Ratanpal*

Sl. No.	Category of Shareholders Particulars	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters & Promoter Group	0	0	0	0	0	0	0	0	0.00
	(1) Indian	0	0	0	0	0	0	0	0	0.00
	as Individual/HFI	0	819903	819903	100%	10	819893	819903	100%	0%
	(2) Central Govt or State Govt	0	0	0	0	0	0	0	0	0.00
	(3) Bodies Corporate	0	0	0	0%	0	0	0	0%	0%
	(4) Bank/FI	0	0	0	0	0	0	0	0	0.00
	(5) Any other	0	0	0	0	0	0	0	0	0.00
	<b>SUB TOTAL (A) (1)</b>	<b>0</b>	<b>819903</b>	<b>819903</b>	<b>100%</b>	<b>10</b>	<b>819893</b>	<b>819903</b>	<b>100%</b>	<b>0%</b>
	(2) Foreign	0	0	0	0	0	0	0	0	0.00
	(a) FSI Individuals	0	0	0	0	0	0	0	0	0.00
	(b) Other Individuals	0	0	0	0	0	0	0	0	0.00
	(c) Bodies Corp	0	0	0	0%	0	0	0	0%	0%
	(d) Banks/FI	0	0	0	0	0	0	0	0	0.00
	(e) Any other...	0	0	0	0	0	0	0	0	0.00
	<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>819903</b>	<b>819903</b>	<b>100%</b>	<b>10</b>	<b>819893</b>	<b>819903</b>	<b>100%</b>	<b>0%</b>
B	<b>PUBLIC SHAREHOLDING</b>	0	0	0	0	0	0	0	0	0.00
	(1) Institutions	0	0	0	0	0	0	0	0	0.00
	(a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
	(b) Banks/FI	0	0	0	0	0	0	0	0	0.00
	(c) Central Govt	0	0	0	0	0	0	0	0	0.00
	(d) State Govt	0	0	0	0	0	0	0	0	0.00
	(e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
	(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
	(g) FII	0	0	0	0	0	0	0	0	0.00
	(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	(i) Others (Specify)	0	0	0	0	0	0	0	0	0.00
	<b>SUB TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	(2) Non Institutions	0	0	0	0	0	0	0	0	0.00
	(a) Bodies corporate	0	0	0	0	0	0	0	0	0.00
	(i) Indian	0	0	0	0	0	0	0	0	0.00
	(ii) Overseas	0	0	0	0	0	0	0	0	0.00
	(b) Individuals	0	0	0	0	0	0	0	0	0.00
	(i) Holding shares upto Rs. 1 Lakh	0	0	0	0	0	0	0	0	0.00
	(ii) Holding shares above Rs. 1 Lakh	0	0	0	0	0	0	0	0	0.00
	(c) Others (NRI & clearing m...	0	0	0	0	0	0	0	0	0.00
	<b>SUB TOTAL (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>819903</b>	<b>819903</b>	<b>100</b>	<b>10</b>	<b>819893</b>	<b>819903</b>	<b>100</b>	<b>0.00</b>



Anurag Kataria

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the Year		% change in shareholding during the year
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
1	Neeraj Sharma	5,72,403	25.79%	5,72,403	25.29%	0.50%
2	Ankur Aggarwal	2,47,500	11.15%	2,47,500	10.94%	0.21%
	Total	8,19,903	36.94%	8,19,903	36.23%	0.71%

Note: Percentage of shareholding includes only equity shares.

iii) Change in Promoter's shareholding

There was change in promoter's shareholding due to exercise of ESOP by the employees of the company during the period under review.

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

Shareholder's Name	No. of Shares	%
GGV School Financing Co. Ltd	851,040	37.61%
Caspian Impact Investment Adviser Pvt. Ltd	398,536	17.61%
ISFC Employee Welfare Trust	150,000	6.63%
Tarun Rumalla	30,000	1.33%
Manjunath C	6,000	0.27%
C Pavan Kumar	5,000	0.22%
B Ramesh	2,500	0.11%
Blayfort Ltd	10	0.00%
Gray Matters Capital AIF	10	0.00%

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
1	Neeraj Sharma	5,72,403	25.79%	5,72,403	25.29%	0.50%
2	Ankur Aggarwal	2,47,500	11.15%	2,47,500	10.94%	0.21%



Amik Ratarpu

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,70,41,45,030	11,97,50,000	-	3,82,38,95,030
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,75,28,548	16,94,982	-	5,92,23,530
<b>Total (i+ii+iii)</b>	<b>1,23,63,29,071</b>	<b>12,14,62,103</b>	<b>-</b>	<b>1,35,77,91,174</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	10,68,88,123	-	10,68,88,123
Reduction	-14,33,12,861	-	-	-14,33,12,861
<b>Net Change</b>	<b>-14,33,12,861</b>	<b>10,68,88,123</b>	<b>-</b>	<b>-3,64,24,738</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,56,08,32,169	22,66,38,123	-	3,78,74,70,292
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,71,32,692	22,12,658	-	4,93,45,349
<b>Total (i+ii+iii)</b>	<b>2,04,48,71,280</b>	<b>12,14,44,981</b>	<b>-</b>	<b>2,16,63,16,261</b>

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Name of MD and CEO: Mr. Neeraj Sharma		
S. No.	Particulars of Remuneration	
1	<b>Gross salary</b>	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	Rs. 13,457,211
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option (No. of Shares)	301,500
3	Sweat Equity	-
4	Commission as % of profit, others (specify)	-
5	Others, please specify	-
	<b>Ceiling as per the Act</b>	Not Applicable



Anurag Ratanpal

**B. Other payments to other directors:**

S. No	Particulars of Payments	Name of the Directors	Total Amount for the period ending 31.03.19
1	Independent Directors	Kalpana Iyer	58,000/-
		Rakesh Rewari	2,48,000/-
2	Other Non-Executive Directors	-	-
	Overall Ceiling as per the Act.	Not Applicable	


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

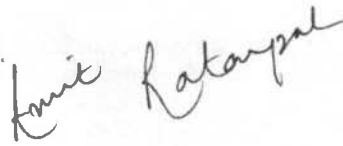
Gross Salary	CFO	CS
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs. 6,955,437	Rs. 654,321
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
Stock Option (No. of Shares)	132,500	-
Sweat Equity	-	-
Commission as % of profit others, specify	-	-
Others, please specify	-	-

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

NIL

For & On Behalf of Board of Directors,  
For Indian School Finance Company Pvt. Ltd.

  
Neeraj Sharma  
Director  
DIN: 00071579  
Delhi  
06 August, 2019

  
Amit Ratanpal  
Director  
DIN: 02871692  
Mumbai



## MANAGEMENT DISCUSSION AND ANALYSIS

Over last 10 years the company has established its foot print in 15 states of India where approx. 90% of the country's population resides. Currently the company operates out of 155 locations with hub and spoke model. The company started its equity raise pursuit in 2017 and we were overwhelmed by the response of big entities in the company, both strategic and PE players expressed keen interest in the company. In July 2018 we signed up with Manappuram Finance to sell the stake of existing shareholders and also to raise fresh capital as per the requirements of the company. However owing to some reasons, RBI rejected the change of control application by a written letter on 12<sup>th</sup> Sept 2018. The company represented and requested RBI to reconsider the decision which was also turned down on 11<sup>th</sup> March 2019. The rejection was for reasons not associated with ISFC.

In Sept 2019, due to ILFS crisis the general sentiments about NBFCs went down and borrowing became difficult, the market started risk aversion and held on to liquidity. As a result, the company saw decline in its total loan disbursements during the year. For first half the company disbursed approx. Rs 198 Crores vs Rs 31 Crores in the second half of FY 18-19.

The risk aversion in the market is still there and in our estimate it will take another one year before normalcy will start reflecting in the money markets. Our company has been maintaining enough liquidity in the company to take care of liabilities.

Sl-no	Particulars	Unit	2016-17	2017-18	2018-19
1	Location Present	#	75	116	155
2	Employees	#	219	314	345
3	Number of RM	#	127	193	204
4	Amount of Loan Disbursed	Rs. In Lacs	19697	36304	22913

### Interest Rate

During the year company reduced Interest rate on its lending products post filing control change application with RBI however, after Sept 2018 we have increased our lending rates from 75 bps to 200 bps on different categories of our loans.

### Portfolio quality

Post Sept 2018, the company is witnessing elevated levels of delinquencies, both bounce ratio and Par Ratio have gone up. We have taken several measures to control the delinquencies and we are hopeful that the ratio will start improving from Sept 2019 onwards.



Amrit Katarpal

**Liquidity, borrowing cost and capital adequacy:**

Despite tight liquidity, we were able to raise close to Rs 200 crores from Sept till March 19 through securitization and borrowing efforts. During FY 2018-19, the Company raised approx. Rs. 183 Crores from various lenders compared to Rs. 351 Crores during FY 2017-18. The incremental borrowing cost is still high and ranges between 12.00% to 13.00%.

Capital adequacy of the company is at a comfortable level of 21.28%.

**Cautionary Statement:**

Statements in the management discussion and analysis describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statements. Important factors that could influence the company's operations include change in government regulations, tax, laws, economic & political developments within and outside the country and such other factors.

A handwritten signature in black ink, appearing to be a stylized name, possibly 'Amik', with a large 'X' mark over it.

Amik Katarpal