INDEPENDENT AUDITOR'S REPORT

To the Members of Indian School Finance Company Private Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Indian School Finance Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity 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 Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements 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 audit opinion on the Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Impairment of loan assets as at balance sheet date (expected credit losses)
As described in note 5 of the Ind AS Financial Statements</td></tr>
<tr><td>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan assets using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In this process, a significant degree of judgement has been applied by the management for:

a) Defining Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);
b) Grouping of borrowers based on homogeneity by using appropriate statistical techniques;
c) Estimation of behavioural life;
d) Estimation of losses for loan products with no / minimal historical default; and
e) Management overlay for macro-economic factors and estimation of their impact on the credit quality.

In assessing the recoverability of loans and receivables, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results.

In the view of such high degree of management's judgement involved in estimation of ECL, it is identified as key audit matter.</td><td>Our audit procedures included the following:

• Evaluated the Company's accounting policies for impairment of loan assets and assessed compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.
• Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.
• Assessed the criteria for staging of loans based on their past-due status to evaluate compliance with requirement of Ind AS 109. Tested samples of performing loans (stage 1) to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or stage 3.
• Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the Probability of default and loss given default rates and agreed the data with the underlying books of account and records.
• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.
• Read and assessed adequacy of the disclosures included in the financial statements in respect of ECL with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.
• Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of ECL estimation and other disclosure as prescribed by RBI.</td></tr>
<tr><td colspan="2">(b) Information technology ('IT') systems and controls</td></tr>
<tr><td>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure appropriate financial reporting.
Therefore, due to the pervasive nature and complexity</td><td>Our audit procedures, with support from IT specialists, included the following:
• Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.
• Tested IT general controls (such as logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised.</td></tr>
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of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	• Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation. • In addition to the above, we tested the design and operating effectiveness of certain application controls (automated and IT dependent manual controls) that were considered as key internal controls over financial reporting. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. 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 implementation and maintenance of 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 Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS Financial Statements, including the disclosures and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 1" 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 including the Statement of Other Comprehensive Income, and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these Ind AS Financial Statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";

   (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 has disclosed the impact of pending ligation on its financial position in its Ind AS Financial Statement – Refer Note 35 to the Ind AS Financial Statement;

      ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 53.17 (a) to the accounts, during the year 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 or entity, 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 it's knowledge and belief, as disclosed in the note 53.17 (b) to the accounts, during the year no funds have been received by the Company from any person or entity, 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 (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLKV7946

Place: Mumbai
Date: June 20, 2023

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Indian School Finance Company Private Limited ("the Company")

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment by which the fixed assets including property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.

(e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in Note 53.1 to the Ind As Financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from the bank during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such bank is in agreement with the books of accounts of the Company.

(iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the terms and conditions of the grant of all loans and advances to Companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans granted to Companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Name of the Entity / Loan Type	Amount (In Rs million)	Due date	Extent of delay (In days)	Remarks, If any
School Loan	25.73	Various due dates	More than one day	-
College Loan	10.41	Various due dates	More than one day	-
Coaching Classes Loan	0.49	Various due dates	More than one day	-
Teacher Loan	0.18	Various due dates	More than one day	-

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(d) The following amounts are overdue for more than ninety days from Companies to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Loan Given to	No. of cases	Total Overdue (In Rs millions)	Remarks, If any
School Loan	25	25.73	-
College Loan	6	10.41	-
Coaching Classes Loan	1	0.49	-
Teacher Loan	1	0.18	-

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations 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 to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company have generally been regular in depositing with appropriate authorities though there has been slight delay in a few cases of undisputed statutory dues including goods and services tax, provident fund, income-tax, employee state insurance corporation and other statutory dues applicable to it. The provisions relating to duty of customs, sales-tax, duty of excise and value added tax are currently not applicable to Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, employee's state insurance, goods and service tax and cess which have not been deposited on account of any dispute. The provision relating to sales- tax, service tax, custom duty, excise duty and value-added tax are currently not applicable to the Company.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations are given to us, the Company has not raised any money by way of initial public offer or further public offer and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Section 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. The funds raised, have been used for the purposes for which the funds were raised.

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

(b) During the year, no report under sub-section (12) of section 143 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) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations are given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations are given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the Information and explanations given to us and audit procedures performed by us, the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year and in immediately preceding financial year amounting Rs 37.89 Mn and Rs 181.43 Mn respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53.2 to the financial statements, the 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 and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII to the Companies Act 2013 (the Act), within a period of six months from end of the financial year in compliance with second proviso to sub section (5) of section 135 the Act, except in respect of the following.

(In Millions)

Financial year*	Amount unspent on corporate social responsibility activities for other than ongoing projects	Amount transferred to Fund specified in Schedule VII within six months end of the financial year	Amount transferred after due date (specify date of transfer)
FY 2019-20	0.02	0.02	May 24, 2023

* For the previous year for which the amount remains unspent

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 30 to the financial statements.

(xxi) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company

For **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLKV7946

Place: Mumbai
Date: June 20 2023

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED

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

To
The Member of
Indian School Finance Company Private Limited

We have audited the internal financial controls over financial reporting of Indian School Finance Company Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS 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 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 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 ICAI.

For **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLKV7946

Place: Mumbai
Date: June 20, 2023

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	157.22	10.50
Bank Balance other than cash and cash equivalents	4	15.12	80.44
Loans	5	1,039.10	1,865.39
Investments	6	401.60	165.96
Other financial assets	7	32.86	44.01
Non-financial Assets			
Current tax assets (net)	8	11.70	8.22
Deferred tax assets (net)	9	-	17.07
Property, plant and equipment	10	1.69	1.50
Intangible assets under development	10	-	7.20
Other intangible assets	10	5.47	1.48
Right to use assets	11	25.91	17.69
Other non-financial assets	12	18.03	17.37
TOTAL ASSETS		**1,708.70**	**2,236.83**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Payables			
(i) Trade Payables			
(a) total outstanding dues of micro enterprise and small enterprise	13	-	0.04
(b) total outstanding dues of creditors other than micro enterprise and small enterprise	13	1.92	10.42
(ii) Other Payables			
(a) total outstanding dues of micro enterprise and small enterprise	13	-	-
(b) total outstanding dues of creditors other than micro enterprise and small enterprise	13	-	-
Debt securities	14	46.35	503.25
Borrowings (other than debt securities)	15	449.05	477.24
Lease Liability	16	29.22	21.10
Other financial liabilities	17	50.79	105.37
Non-financial liabilities			
Provisions	18	5.22	4.78
Deferred Tax Liabilities (net)	9	1.69	-
Other non-financial liabilities	19	2.74	2.71
Equity share capital			
Equity share capital	20	13.15	13.13
Other equity	21	1,108.57	1,098.79
TOTAL LIABILITIES AND EQUITY		**1,708.70**	**2,236.83**
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration number : 002391C/N500069

Mr. Jaspreet Singh Bedi
Partner
Membership No. 601788

Place: Mumbai

Date: June 20, 2023

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited
CIN: U65921TG1994PTC065392

Sandeep Wirkhare
Managing Director & CEO
DIN: 02407395
Place: Mumbai

Rakesh Rewari
Director
DIN: 00286853
Place: Delhi

Vipul Patel
Chief Financial Officer

Place: Mumbai

Kirti Agarwal
Company Secretary
Membership No. 27117
Place: Mumbai

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest Income	22	258.30	437.21
Net gain on derecognition of financial instruments under amortised cost category	23	1.97	-
Other Operating Income	24	8.62	10.23
Total Revenue from operations		**268.89**	**447.44**
Other Income	25	3.67	2.18
Total Income		**272.56**	**449.62**
Expenses			
Finance Costs	26	97.85	198.79
Impairment on financial instruments	27	(53.64)	39.43
Employee Benefits Expenses	28	128.57	143.79
Depreciation, amortization and impairment	29	13.14	9.68
Others expenses	30	65.85	51.01
Total Expenses		**251.77**	**442.70**
Profit before tax		20.79	6.92
Tax Expense:			
Current Tax	31	-	-
Deferred Tax	31	18.48	51.88
Profit/(Loss) for the year		**2.31**	**(44.96)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurment gains on defined benefit plans		1.11	1.45
Tax impact on above		(0.28)	(0.37)
Other Comprehensive Income (net of taxes)		**0.83**	**1.09**
Total Comprehensive Income/(Loss) for the year		**3.15**	**(43.88)**
Earnings/(Loss) per equity share			
Basic (Rs.)	32	(0.81)	(39.48)
Diluted (Rs.)	32	(0.80)	(39.48)
Nominal value		10	10
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

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Vipul Patel
Chief Financial Officer

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Kirti Agarwal
Company Secretary
Membership No. 27117
Place: Mumbai

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Cash flow from operating activities		
Profit/(Loss) before tax	20.79	6.92
Adjustments for:		
Depreciation and amortization	13.14	9.68
Share based Compensation expenses to employee	6.49	-
Impairment on financial instruments	(53.66)	39.52
Impairment on other financial assets	0.00	(0.09)
Impact of remeasurement gains on defined benefit plans	1.11	1.45
Fair Value changes on Financial asset (Security Deposit)	0.47	0.41
Fair Value changes on Financial asset (ROU)	(0.40)	-
Interest on borrowing	(5.28)	(4.35)
Interest on security deposit	(0.49)	(0.41)
Capital work in progress written off	-	0.08
Loss/(Profit) on sale of property, plant and equipment	0.33	-
Interest Income	(257.82)	(431.66)
Finance Cost	97.85	198.79
Cash inflow from interest	264.32	428.79
Cash outflow from finance cost	(98.38)	(196.63)
Operating profit before working capital changes	**(11.52)**	**52.50**
Movements in working capital :		
Increase / (decrease) in other financial liabilities	(54.59)	29.56
Increase / (decrease) in provisions	0.44	(0.29)
Increase / (decrease) in other non financial liabilities	0.03	(0.58)
Increase / (decrease) in trade payable	(8.54)	0.67
(Increase) / decrease in bank balances other than cash and cash equivalents	65.32	453.83
(Increase) / decrease in loan	873.45	584.67
(Increase) / decrease in other financial assets	11.14	46.21
(Increase) / decrease in other non financial assets	(0.66)	(5.23)
Cash used in operations	**875.11**	**1,161.34**
Income taxes paid (Net of refunds)	(3.48)	(4.47)
Net cash generated/(used) from operating activities (A)	**871.63**	**1,156.87**
Cash flow from investing activities		
Purchase of property, plant and equipment	(1.07)	(0.01)
Purchase of security receipts	(283.57)	(165.96)
Purchase of intangible assets	(0.49)	(0.46)
Purchase of intangible asssets under development	-	(7.20)
Proceeds from Sale of property, plant and equipment	0.08	-
Redemption of security receipts	47.93	-
Net cash flow from investing activities (B)	**(237.13)**	**(173.63)**
Cash flow from financing activities		
Proceeds from issue of Partly Paid up Equity Shares (including securities premium)	0.17	-
Cash payments for the principal portion of the lease liability	(8.65)	(7.27)
Cash payments for the interest portion of the lease liability	(3.12)	(3.04)
Repayment of debt securities	(448.50)	(224.25)
Repayment of borrowings (other than debt securities)	(365.90)	(1,010.76)
Proceed of borrowings (other than debt securities)	338.23	236.92
Net cash used in financing activities (C)	**(487.77)**	**(1,008.40)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**146.72**	**(25.16)**
Cash and cash equivalents at the beginning of the period	10.50	35.66
Cash and cash equivalents at the end of the period	**157.22**	**10.50**
Components of cash and cash equivalents as at the end of the period **e: Mumbai**		
Cash on hand	1.71	5.90
Balance with Banks	155.51	4.60
Total cash and cash equivalents	**157.22**	**10.50**

As per our report of even date
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ICAI Firm registration number : 002391C/N500069

Mr. Jaspreet Singh Bedi
Partner
Membership No. 601788

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Place: Mumbai

Date: June 20, 2023

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited
CIN: U65921TG1994PTC065392

Indian School Finance Company Pvt. Ltd. ★ Mumbai

Sandeep Wirkhare
Managing Director & CEO
DIN: 02407395
Place: Mumbai

Rakesh Rewari
Director
DIN: 00286853
Place: Delhi

Vipul Patel
Chief Financial Officer

Place: Mumbai

Kirti Agarwal

Kirti Agarwal
Company Secretary
Membership No. 27117
Place: Mumbai

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
Statement of Changes in Equity for the year ended on March 31, 2023

(Rupees in millions unless otherwise stated)

A. Equity Share Capital

Particulars	Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Equity share capital (fully paid up)	13.13	-	13.13	-	13.13
Equity share capital (partly paid up)	-	-	-	0.02	0.02
Equity share forfeited during the year	0.01	-	0.01	-	-
Equity share cancelled during the year	-	(0.01)	(0.01)	-	-
Total	**13.14**	**(0.01)**	**13.13**	**0.02**	**13.15**

B. Other Equity

Particulars	Reserves & Surplus					Equity component of compound financial	Dividend payable on CCPS	Grand total
	Securities Premium	Retained Earnings	Statutory Reserve	Employee Stock Option Reserve	Total			
Balance as at April 1, 2021	**934.84**	**23.84**	**72.57**	**-**	**1,031.25**	**111.40**	**-**	**1,142.65**
Profit/(Loss) for the year	-	**(44.96)**	-	-	**(44.96)**	-	-	**(44.96)**
Other comprehensive income for the year	-	1.09	-	-	**1.09**	-		**1.09**
Transfer to / from retained earnings	-	(6.89)	-	-	**(6.89)**	-	6.89	-
								-
Balance as at March 31, 2022	**934.84**	**(26.92)**	**72.57**	**-**	**980.49**	**111.40**	**6.89**	**1,098.78**
Profit for the year	-	**2.31**	-	-	**2.31**	-	-	**2.31**
Other comprehensive income for the year	-	0.83	-	-	**0.83**	-	-	**0.83**
Transfer to / from retained earnings	-	(4.00)	0.63	6.49	**3.12**	-	3.37	**6.49**
Premium of issue of Equity Share (partly paid u	0.16	-	-	-	**0.16**	-	-	**0.16**
Balance as at March 31, 2023	**935.00**	**(27.77)**	**73.19**	**6.49**	**986.91**	**111.40**	**10.26**	**1,108.57**

This is Statement of changes in equity reserved in our report of even date.

As per our report of even date
For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration number : 002391C/N500069

Mr. Jaspreet Singh Bedi
Partner
Membership No. 601788

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Place: Mumbai

Date: June 20, 2023

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited
CIN: U65921TG1994PTC065392

Indian School Finance Company Pvt. Ltd. ★ Mumbai

Sandeep Wirkhare
Managing Director & CEO
DIN: 02407395
Place: Mumbai

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Director
DIN: 00286853
Place: Delhi

Vipul Patel
Chief Financial Officer

Place: Mumbai

Kirti Agarwal

Kirti Agarwal
Company Secretary
Membership No. 27117
Place: Mumbai

1. Corporate information

Indian School Finance Company Private Limited was incorporated on May 9, 1994, hereinafter referred to as 'ISFC' 'the Company' is a Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India with registration number B-09.0043. The company started its operations in the year 2008 and has its registered office located at Unit no. 8-2-269/2/52, Plot no 2, Sagar society, road no 2, Banjara hills, Hyderabad, Andhra Pradesh-500034. The name of the Company has been changed to Indian School Finance Company Private Limited from Corporate Deposits and Investments Private Limited w.e.f. January 1, 2014.

The company started by extending loans exclusively to Affordable Private Schools and over the period has also started extending loans to degree colleges, vocational colleges, coaching centers, play schools and also has entered into the eco system of education by introducing loans to Teachers. ISFC's loans are helping the education sector especially Affordable Private Schools with lower student strength and lower fees who were earlier struggling to obtain finance from organized financial sector. The company is well respected and recognized among schools and colleges.

The financial statement of the Company for the year ended March 31, 2023, were authorised for issue in accordance with the resolution of the Board of Directors on June 20, 2023

Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards The fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.17 - Significant accounting judgements, estimates and assumptions. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

The management has performed a detailed assessment of its cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations as and when these fall due and is in the process of taking various actions including but not limited to negotiation for new securitization transactions, entering into co-lending arrangements, assessing the need for incremental borrowings, seeking further extension from its lenders in respect of repayment of loans, waiver of financial covenant breaches etc. While the Company expects to be able sustain its ability to repay liabilities in the normal course of its activities, the principal shareholder has also provided unconditional financial support as and when necessary to the Company so that it is able to discharge its repayment of liabilities as and when these falls due. Accordingly, these financial statements have been prepared on a going concern basis.

Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Financial assets and financial liabilities are reported on a gross basis in the balance sheet except when there is an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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A. The normal course of business.
B. The event of default.
C. The event of insolvency or bankruptcy of the Company and/or its counterparties.

Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2. Significant accounting policies

2.1 Recognition of income and expense

2.1.1 Revenue (other than for those items to which Ind AS 109 *Financial Instruments* are applicable) is measured at fair value of the consideration received or receivable. *Ind AS 115 Revenue from contracts with customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

2.1.2 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL except credit impaired assets. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and transaction costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through *Interest income* in the statement of profit and loss.

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2.1.3 Interest income

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The interest income for all financial instruments measured either at amortized cost or at fair value through other comprehensive income is recorded using the effective Interest Rate ('EIR').

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than the credit impaired assets.

Interest income on all financial assets mandatorily required to be measured at FVTPL is recognized using the contractual interest rate in net gain on fair value changes.

2.1.4 Fees and Commission Income

Fees and commissions are recognised when the company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out above. The loan processing fees collected towards processing of loan is amortised on EIR basis over the life of the loan.

2.1.5 Dividend income

Dividend income is recognized when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.1.6 Net gain on derecognition of financial instruments under amortized cost category

Income from the assignment transactions i.e. present value of excess interest spread is recognized when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets. Refer Note 2.5 for policy on derecognition of financial assets.

2.1.7 Income from interest on deposits

Income from interest on deposits is recognized on a time proportion basis considering the amount outstanding and the rate applicable.

2.1.8 Interest Expense

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method (EIR). These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

2.2 Financial Instruments– initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

2.2.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognized when funds are disbursed to the customer's accounts. The Company recognizes debt securities, deposits and borrowings when funds reach the Company.

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2.2.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

2.2.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOC
- FVTPL

The Company classifies and measures its trading portfolio at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied, as explained in Note 2.3.4.

2.3 Financial assets and liabilities

2.3.1 Bank balances, Loans, Trade receivables and financial investments at amortized cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

2.3.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular

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Indian School Finance Company Pvt. Ltd. ★ Mumbai

interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.3.1.2 The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the solely payments of principal and interest (the 'SPPI test').

For the purposes of this test, 'principal' is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

'Interest' within a lending arrangement is typically the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Where the business model is to hold assets to collect contractual cash flows (i.e., measured at amortized cost) or to collect contractual cash flows and sell (i.e., measured at fair value through other comprehensive income), the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

2.3.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognized in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are equity instruments and mutual funds and that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.3.3 Debt securities and other borrowed funds

After initial measurement, debt issued, NCD and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are

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Indian School Finance Company Pvt. Ltd. * Mumbai an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

The Company had issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. Once the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for.

2.3.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

2.4 Reclassification of financial asset and liabilities

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2022-23 and 2021-22.

2.5 Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

2.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

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2.7 Impairment of Financial Assets

2.7.1 Overview of principles for measuring expected credit loss ('ECL') on financial assets.

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on the above process, the Company categorizes its loans into Retail and Non-Retail. The loans are further segregated as Secured and Unsecured. Thereafter, these loans are classified into Stage 1, Stage 2, Stage 3, as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. When loans are first recognized, the Company recognizes an allowance based on 12mECLs.The Company has assessed that all standard exposure up to 30 days (0 to 30 days) overdues fall under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues from 31 days to 90 days at each reporting date under this Stage. The Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. The Company records an allowance for the LTECLs. All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Collateral repossessed
In its normal course of business, the Company does not physically repossess properties or other assets but encourage its employees to recover funds and settle outstanding loans. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

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Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. In normal circumstances, the fair value of collateral affects the calculation of ECLs. While forecasting EAD the Company has taken into account the collateral value.

2.7.2 Methodology for calculating ECL

The Company calculates ECL based on a probability weighted outcome of factors indicated below to measure the expected cash shortfalls. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Key factors applied to determine ECL are outlined as follows:

Probability of default (PD) – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

Exposure at default (EAD) – It is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and collateral value, whether scheduled by contract or otherwise.

Loss given default (LGD) – It is an estimate of the loss arising when the event of default occurs. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarized below:

Stage 1: The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. The Company calculates 12mECL by applying 12-month PD on the forecasted EAD and multiplied by expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

2.7.3 Forward looking information

The Company incorporates forward looking information in both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL as explained in Note no. 41.1

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

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2.7.4 Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has very low expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-offs. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries against such loan are credited to the statement of profit and loss.

2.7.5 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

2.8 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price at the measurement date that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

• **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

• **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied

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volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

• **Level 3 financial instruments** – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

2.9 Foreign Currency transactions

2.9.1 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which are the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.9.2 Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.10 Leasing

The Company assesses contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised

iv) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.11 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash flows are reported using the indirect method, whereby profit before tax by using is adjusted for the effects for the effects of transactions of a non-cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

2.12 Property, Plant and Equipment (PPE)

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation as adjusted for impairment, if any. Cost comprises the purchase price and any attributable cost of

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bringing the asset to its working condition for its intended use. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognized in statement of Profit and loss.

Leasehold improvements are amortized on straight line basis over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognized.

Depreciation on property, plant and equipment provided on written down value method at the rate arrived based on useful life of the assets, prescribed under schedule II of the act, which also represents the estimate of the useful life of the assets by the management.

Depreciation on assets sold during the year is charged to the statement of Profit and Loss up to the date of sale.

The Company has used the following useful lives to provide depreciation on its property, plant and equipment.

Asset category	**Useful life (in years)**
Furniture & Fixture	10
Computers & Printers	2-3
Office Equipment	5
Leasehold Improvements	Over the period of Lease
Vehicles	8

2.13 Intangible assets

The Company's intangible assets mainly include the value of computer software which are carried at cost less accumulated amortization and adjusted for any accumulated impairment losses, if any. Any gain on disposal of intangible asset is recognised in statement of Profit and loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life.

Amortization is calculated using the written down method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:
Computer software - 3-6 years

2.14 Retirement and other Employee benefits

2.14.1 Short term employee benefits

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Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.14.2 Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

2.14.3 Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Retirement benefit in the form of provident fund and ESIC are defined contribution schemes

The Company has no obligation, other than the contribution payable to the provident fund and ESIC. The Company recognizes contribution payable to the provident fund scheme and ESIC as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.14.4 Defined benefit plans

The Company has Non-Funded gratuity plan. The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.14.5 Other long-term employee benefits

Compensated absences are a long-term employee benefit and are accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss.

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2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.16 Taxes

2.16.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. It is computed using tax rates and tax laws enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Significant judgements are involved in determining the provisions of income taxes including judgement on whether

Current tax assets and liabilities are offset only if, the Company:
- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax is recognized for all temporary differences, except:

- On the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized .

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Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, using tax rates (and tax laws) that have enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets/deferred tax liabilities are calculated @ 25.17% as per section 115BAA of the Income Tax Act, 1961.

2.16.3 Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

2.17 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affects the reported amounts of assets, liabilities, revenue and expenses and the accompanying disclosures, , as well as the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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a. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

b. Fair value of financial instrument

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

c. Effective Interest Rate (EIR) method

The Company's EIR methodology, as explained in Note 2.1.2, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

d. Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

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It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

In assessing the recoverability of loans and receivables, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Given the dynamic and evolving nature of the pandemic, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standard, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowance under Ind AS 109 and Income Recognition , Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The Impairment Allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

e. Provisions other than impairment on loan portfolio

Provisions are held in respect of a range of future obligations such as employee entitlements and litigation provisions. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

f. Share Based Payment

Estimating fair value for share-based payment transactions requires determining of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

g. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Other Estimates

- Note 2.16.2 - Recognition of deferred tax assets: availability of future taxable profit
- Note 2.12 - Useful life and residual value of property, plant and equipment and intangible assets

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2.18 Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The CEO of the Company has been identified as the chief operating decision maker for the Company.

2.20 Contingent Liabilities and Contingent Assets

A Contingent Liability a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including the legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

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		As at March 31, 2023	As at March 31, 2022
3	**Cash and cash equivalents**		
	Cash in hand	1.71	5.90
	Balances with Banks		
	On current accounts	155.51	4.60
	Total	**157.22**	**10.50**
4	**Bank balance other than cash and cash equivalents**		
	Deposits with remaining maturity less than 12 months*	0.63	19.35
	Margin money with financial institution towards securitised borrowings	14.49	61.09
	Total	**15.12**	**80.44**

* Includes lien free fixed deposits as at March 31, 2023 Rs. 0.63 Mn (March 31, 2022: Rs. NIL Mn)

		As at March 31, 2023	As at March 31, 2022
5	**Loans (At Amortised cost)**		
	Loans (At Amortised cost)	1,061.45	1,964.10
	Total - Gross	**1,061.45**	**1,964.10**
	Less: Impairment loss allowance	22.35	98.71
	Total - Net	**1,039.10**	**1,865.39**
	(i) Secured	1,029.70	1,917.80
	(ii) Unsecured	31.75	46.30
	Total - Gross	**1,061.45**	**1,964.10**
	Less: Impairment loss allowance	22.35	98.71
	Total - Net	**1,039.10**	**1,865.39**
	Above amount includes:		
	(i) Public Sector	-	-
	(ii) Others		
	-In India	1,061.45	1,964.10
	-Outside India	-	-
	Total - Gross	**1,061.45**	**1,964.10**
	Less: Impairment loss allowance	22.35	98.71
	Total - Net	**1,039.10**	**1,865.39**

Overview of the loan portfolio of the Company

The Company is primarily in the business of providing loans to affordable private school, colleges and personal loans to teachers with its operation spread out in different parts of India. The table below discloses credit quality of the Company's exposures (net of impairment loss allowances) as at reporting dates.

Portfolio classification as at March 31, 2023

Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**
Performing	847.08	177.56	-	1,024.65
Non performing	-	-	36.80	36.80
Total	**847.08**	**177.56**	**36.80**	**1,061.45**

Portfolio classification as at March 31, 2022

Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**
Performing	1,467.29	204.32	-	1,671.60
Non performing	-	-	292.50	292.50
Total	**1,467.29**	**204.32**	**292.50**	**1,964.10**

Gross Portfolio Movement for the year ended March 31, 2023

Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**
Gross carrying amount as at April 1, 2022	1,467.29	204.32	292.50	1,964.10
Place: Mumbai				
Stage I	121.39	(72.07)	(49.32)	-
Stage II	(149.55)	188.95	(39.40)	-
Stage III	(19.78)	(5.15)	24.93	-
Total	(47.94)	111.72	(63.79)	-
Assets written off during the year	-	-	(9.17)	(9.17)
New assets originated, repaid and derecognised during the year	(572.27)	(138.47)	(182.74)	(893.48)
Gross carrying amount as at March 31, 2023	**847.08**	**177.56**	**36.80**	**1,061.45**

Gross Portfolio Movement for the year ended March 31, 2022

Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**
Gross carrying amount as at April 1, 2021	2,074.49	284.13	438.37	2,796.99
Inter-stage movements				
Stage I	172.09	(104.46)	(67.63)	-
Stage II	(152.62)	171.20	(18.58)	-
Stage III	(179.75)	(44.30)	224.06	-
Total	(160.28)	22.43	137.85	-
Assets written offs during the year	-	-	(181.40)	(181.40)
New assets originated, repaid and derecognised during the year	(446.92)	(102.25)	(102.32)	(651.49)
Gross carrying amount as at March 31, 2022	**1,467.29**	**204.32**	**292.50**	**1,964.10**

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Reconciliation of loss allownace provision from beginning to end of reporting period

Particulars	Stage I	Stage II	Stage III	Total	Other Financial Assets
ECL Allowance as on April 1, 2021	**53.14**	**36.31**	**220.83**	**310.28**	**0.11**
New assets originated during the year, netted off for the repayments, and derecognised portfolio	(74.30)	(14.17)	(61.78)	(150.24)	(0.09)
Assets written off during the year	-	-	(61.33)	(61.33)	-
Movement between stages					
Transfer from stage I	37.54	(12.99)	(24.55)	-	-
Transfer from stage II	(7.28)	13.96	(6.68)	-	-
Transfer from stage III	(7.46)	(6.01)	13.48	-	-
Impact on ECL on account of movement between stages/updates to ECL Model	22.79	(5.04)	(17.75)	-	-
ECL Allowance as on March 31, 2022	**1.63**	**17.10**	**79.97**	**98.71**	**0.02**
New assets originated during the year, netted off for the repayments, and derecognised portfolio	(14.35)	(6.80)	(53.01)	(74.17)	(0.02)
Assets written off during the year	-	-	(2.19)	(2.19)	-
Movement between stages				-	-
Transfer from stage I	16.50	(7.82)	(8.68)	-	-
Transfer from stage II	(0.07)	7.11	(7.04)	-	-
Transfer from stage III	(0.03)	(0.43)	0.46	-	-
Impact on ECL on account of movement between stages/updates to ECL Model	16.40	(1.15)	(15.26)	-	-
ECL Allowance as on March 31, 2023	**3.69**	**9.15**	**9.51**	**22.35**	**0.00**

		As at March 31, 2023	As at March 31, 2022
6	**Investments**		
	Fair Value through Profit & Loss account		
	Investments in Security Receipts	401.60	165.96
	(i) Outside India	-	-
	(ii) In Inda	401.60	165.96
	Total	**401.60**	**165.96**
	Less : Allowance for Impairment loss	-	-
	Total - Net	**401.60**	**165.96**
7	**Other financial assets**		
	A. Security deposits		
	Unsecured, considered good	4.60	3.86
	(A)	**4.60**	**3.86**
	B. Other Assets		
	EIS Receivable	25.82	32.69
	Less: Impairment loss allowance	(0.10)	-
	Total - Net	**25.72**	**32.69**
	Interest accrued but not due		
	- on fixed deposits with banks	0.07	5.00
	Advances against Creditors	2.47	2.47
	(B)	**28.26**	**40.16**
	Total (A+B)	**32.86**	**44.01**
8	**Current tax asset**		
	Advance tax	11.70	8.22
	Net of provision for income tax Rs. NIL Mn (previous year Rs. NIL Mn)		
	Total	**11.70**	**8.22**
9	**DEFERRED TAX**		
	Major Component as follows :		
A)	**Deferred tax assets:**		
	Impairment on financial instruments	0.16	12.71
	Measurement of financial assets at amortised cost	3.72	6.34
	Differences of written down value of Property, plant and equipment	2.56	2.86
	Provision for employee benefits	1.31	1.20
	Provision For Bad And Doubtful Debts	5.62	24.84
	Total deferred tax assets (A)	**13.37**	**47.95**
B)	**Deferred tax liabilities:**		
	Re-recognition of securitization arrangement (net)	(7.88)	(25.97)
	Impact of recognition of Right of use assets and lease liability	(1.72)	(1.03)
	Measurement of financial liabilities at amortised cost	(4.31)	(2.98)
	Unamortized Borrowing Cost	(0.67)	(0.54)
	Other temporary difference	(0.49)	(0.37)
	Total deferred tax liabilities (B)	**(15.07)**	**(30.89)**
	Net deferred tax assets/(liabilities) (A-B)	**(1.69)**	**17.07**

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C) **Movement in Deferred Tax**

Particulars	As at April 1, 2022	(Charge)/credit in Statement of profit and Loss	Recognized in other comprehensive income	Recognized in other equity	As at March 31, 2023
Assets					
Impairment allowance for financial instruments	12.71	(12.55)	-	-	0.16
Financial assets measured at amortised cost	6.36	(2.62)	-	-	3.73
Depreciation	2.86	(0.30)	-	-	2.56
Provision for employee benefits	1.21	0.39	(0.28)	-	1.31
Provision For Bad And Doubtful Debts	24.84	(19.22)	-	-	5.62
Other temporary difference	-	-	-	-	-
Liabilities					
Re-recognition of securitization arrangement (net)	(25.98)	18.10	-	-	(7.88)
Impact of recognition of Right of use assets and lease liability	(1.02)	(0.70)	-	-	(1.72)
Impairment allowance for financial instruments	-	-	-	-	-
Financial assets measured at amortised cost	(2.98)	(1.33)	-	-	(4.31)
Unamortized Borrowing Cost	(0.54)	(0.13)	-	-	(0.67)
Other temporary difference	(0.37)	(0.12)	-	-	(0.50)
Total (net)	**17.07**	**(18.48)**	**(0.28)**	**-**	**(1.69)**

Particulars	As at April 1, 2021	(Charge)/credit in Statement of profit and Loss	Recognized in other comprehensive income	Recognized in other equity	As at March 31, 2022
Assets					
Impairment allowance for financial instruments	9.27	3.44	-	-	12.71
Financial assets measured at amortised cost	8.81	(2.46)	-	-	6.36
Depreciation	3.21	(0.35)	-	-	2.86
Provision for employee benefits	1.28	0.29	(0.37)	-	1.21
Provision For Bad And Doubtful Debts	78.09	(53.25)	-	-	24.84
Other temporary difference	-	-	-	-	-
Liabilities					
Re-recognition of securitization arrangement (net)	(27.37)	1.39	-	-	(25.98)
Impact of recognition of Right of use assets and lease liability	(0.52)	(0.50)	-	-	(1.02)
Impairment allowance for financial instruments	-	-	-	-	-
Financial assets measured at amortised cost	(1.89)	(1.09)	-	-	(2.98)
Unamortized Borrowing Cost	(1.31)	0.77	-	-	(0.54)
Other temporary difference	(0.25)	(0.12)	-	-	(0.37)
Total (net)	**69.32**	**(51.89)**	**(0.37)**	**-**	**17.07**

	As at March 31, 2023	As at March 31, 2022
11 Right to use assets		
Asset on lease	25.91	17.69
Total	**25.91**	**17.69**
12 Other non-financial assets		
Unsecured, considered good		
Balance with Income tax Authorities	6.23	6.23
Balance with Central Excise Authorities	10.28	7.74
Prepaid expenses	1.52	3.42
Total	**18.03**	**17.37**
13 Payables		
Trade Payables		
(i) Total outstanding dues to micro, small and medium enterprises	-	0.04
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	1.92	10.42
	1.92	**10.46**
Other Payables		
(i) Total outstanding dues to micro, small and medium enterprises	-	-
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	-	-
	-	-
Total	**1.92**	**10.46**

Trade Payable ageing schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.92	-	-	-	**1.92**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at March 31, 2022

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.04	-	-	-	**0.04**
(ii) Others	6.50	3.93	-	-	**10.42**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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		As at March 31, 2023	As at March 31, 2022
14	**Debt Securities**		
	Non Convertible debentures	-	448.50
	Compulsory convertible debentures (Liability component of compound financial instrument)	46.35	54.75
	Total	**46.35**	**503.25**
	Debt Securities in India	46.35	503.25
	Debt Securities outside India	-	-
	Total	**46.35**	**503.25**

As at March 31, 2023

Particulars	Rate of interest	Maturity	Amount
(a) Non-Convertible Debentures			
Blue Orchard Series I	14%	31 March 2023	-
Blue Orchard Series II	14%	31 March 2023	-
MEF (Microfinance Enhncement Facility)	14%	31 March 2023	-
Symbiotics (AAV Sarl)	14%	31 March 2023	-
			-
(b) Compulsory Convertible Debentures			
Blayfort Capital I	12.70%	4 June 2026	16.40
Blayfort Capital II	12.70%	11 July 2027	29.95
			46.35
Total			**46.35**

As at March 31, 2022

Particulars	Rate of interest	Maturity	Amount
(a) Non-Convertible Debentures			
Blue Orchard Series I	14%	31 March 2023	128.50
Blue Orchard Series II	14%	31 March 2023	32.00
MEF (Microfinance Enhncement Facility)	14%	31 March 2023	160.00
Symbiotics (AAV Sarl)	14%	31 March 2023	128.00
			448.50
(b) Compulsory Convertible Debentures			
Blayfort Capital I	12.70%	4 June 2026	20.20
Blayfort Capital II	12.70%	11 July 2027	34.55
			54.75
Total			**503.25**

		As at March 31, 2023	As at March 31, 2022
15	**Borrowings (other then debt securities)(at amortise cost)**		
	Secured		
	Term loan		
	- from bank	-	47.73
	- from financial institution	153.56	116.65
	Cash credit from bank	244.75	46.52
	Borrowings under securitization arrangements	50.74	266.34
	Total	**449.05**	**477.24**
	Borrowings in India	449.05	477.24
	Borrowings outside India	-	-
	Total	**449.05**	**477.24**

Note:
Undrawn committed borrowing facilities is Rs. 46.60 Mn (Previous year is Rs. 170 Mn)
Term loan from bank and financial institution are secured by hypothecation of Loans receivable of the Company.
The borrowings have not been guranteed by directors and others. Also the Company has not defaulted in repayment of borrowing / interest during the current year / previous year.

		As at March 31, 2023	As at March 31, 2022
16	**Lease Liability**		
	Lease Liability	29.22	21.10
	Total	**29.22**	**21.10**
17	**Other financial liabilities**		
	Salaries and bonus payable	0.54	6.31
	Other payable	11.31	45.71
	Payable for Services towards securitized contracts	36.25	50.42
	Interest Accrued but not due(Liab)	2.69	2.93
	Total	**50.79**	**105.37**
18	**Provisions**		
	Provision for gratuity	3.85	3.45
	Provision for compensated expenses	1.37	1.33
	Total	**5.22**	**4.78**
	(Refer Note 38 for employee benefits)		
19	**Other non-financial liabilities**		
	Statutory dues payable	2.66	2.63
	Others	0.08	0.08
	Total	**2.74**	**2.71**

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		As at March 31, 2023	As at March 31, 2022
20	**Issued capital and reserves**		
	Authorized		
	Equity shares		
	8,000,000 (Previous year 8,000,000) Equity Shares of Rs. 10/- each	80.00	80.00
	Preference shares		
	7,000,000 (Previous year 7000,000) Compulsory Convertible Preference Shares of Rs. 10/- each (CCPS)	70.00	70.00
		150.00	**150.00**
	Issued, subscribed and paid-up		
	Equity shares		
	14,63,106 (Previous year 14,63,106) Equity Shares of Rs. 10/- each	14.63	14.63
	Less: Amount Recoverable from ESOP Trust(face value of 150,000 Equity Shares alloted to Trust)	(1.50)	(1.50)
	174,375 (Previous year Nil) Equity Shares of Rs. 10/- each paid up Rs. 0.10/- each issued during the year	0.02	-
	NIL (Previous year 819,893) Equity Shares of Rs. 10/- each paid up Rs. 0.01/- each foefeited during the year	-	0.01
	NIL (Previous year 819,893) Equity Shares of Rs. 10/- each paid up Rs. 0.01/- each Cancelled during the year	-	(0.01)
		13.15	**13.13**
	Preference shares		
	283,283 (Previous year 283,283) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	2.83	2.83
	3,484,367 (Previous year 3,484,367) 0.5% Series A Compulsory Convertible Preference Shares of Rs. 10/- each	34.85	34.85
	3,185,106 (Previous year 31,85,106) 10% Series A Compulsory Convertible Preference Shares of Rs. 10/- each	31.85	31.85
		69.53	**69.53**
	Total	**82.68**	**82.66**

(a) The reconciliation of the number of equity shares outstanding as at the beginning and the end of the reporting period is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	1463106	13.13	1463106	13.14
Issued during the year (partly paid up @ Rs. 0.10)	174375	0.02	-	-
Shares cancelled during the year	-	-	-	(0.01)
At the end of the year	**1637481**	**13.15**	**1463106**	**13.13**

(b) Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Preference shares				
At the commencement of the year	6952756	69.53	6952756	69.53
Issued during the year	-	-	-	-
At the end of the year	6952756	69.53	6952756	69.53

(c) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having par value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

The CCPS holders are entitled to dividend of 0.5% & 10% cumulative. Each CCPS can be converted to Equity Shares at any time before the expiry of twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated April 20, 2009 and September 10, 2016.

(d) Particulars of equity shareholder holding more than 5% equity shares:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
GGV School Financing Co. Limited	851040	51.97%	851040	58.17%
Caspian Impact Investment Adviser Private Limited	398536	24.34%	398536	27.24%
ISFC Employee Welfare Trust	150000	9.16%	150000	10.25%
Sandeep Wirkhare*	174385	10.65%	0	0.00%
Preference shares				
GGV School Financing Co. Limited	1660118	23.88%	1660118	23.88%
Gray Matters Capital Inc	3185106	45.81%	3185106	45.81%
Gray Matters Capital AIF	2107532	30.31%	2107532	30.31%

*Note: Sandeep Wirkhare has been issued 174375 shares in current year @ Rs. 0.10 paid up (Partly paid up) & rest 10 shares are fully paid up.

(e.) Shares held by promoters

No shares are held by the promoters during the financial year 2022-23 and 2021-22.

*On November 10, 2022 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to merge ESOP Plan 2013 with ESOP Plan 2016 for simplifications of ESOP related compliances.

(f) No share was allotted without payment being received in cash during the five-year period ended March 31, 2023

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	As at March 31, 2023	As at March 31, 2022
21 Other equity		
Securities premium reserve		
Opening balance	939.93	939.93
Add: Premium received on issue of securities	0.16	-
Less: Security Premium of ESOP	(5.08)	(5.08)
Closing balance	935.00	934.84
Compulsorily Convertible Preference Shares	69.53	69.53
Equity Portion of Compulsory Convertible Debentures	41.87	41.87
Dividend payable on Compulsorily Convertible Preference Shares	10.26	6.89
Employee Stock Option Reserve		
Opening balance	-	-
Add: Addition	6.49	-
Less: Reduction	-	-
Closing balance	6.49	-
Statutory reserve (created under Section 45-1C of RBI Act, 1934)		
Opening balance	72.57	72.57
Add: Amount transferred	0.63	-
Less: Amount utilised	-	-
Closing balance	73.19	72.57
Retained Earning		
Opening balance	(26.92)	23.84
Add: (Loss)/Profit for the year	3.15	(43.88)
Less : Amount transferred to statutory reserve	(0.63)	-
Less : Dividend on Cumulative Preference Shares	(3.37)	(6.89)
Closing balance	(27.77)	(26.92)
Total	**1,108.57**	**1,098.79**

Note:

Statutory reserve

The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-banking financial company shall create a reserve fund and transfer a sum of not less than 20% of net profit every year before declaration of dividend.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

The said amount represents accumulated surplus/(deficit) of the profits earned by the Company.

Employee Stock Option Reserve

The Company has Employee stock option scheme under which the eligible employee and key management personnel can exercise the stock options granted and vested in them. On such exercise of the stock options the employees will be alloted equity shares of the Company. The employee stock option reserve is used to recognise the value of ESOP.

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		For the year ended March 31, 2023	For the year ended March 31, 2022
22	**Interest Income**		
	(on the financial assets measured at amortised cost)		
	Interest income on loan portfolio	256.45	427.78
	Interest on term deposits with banks	1.85	9.43
	Total	**258.30**	**437.21**
23	**Net gain on derecognition of financial instruments under amortised cost category**		
	Gain on Direct Assignment	1.97	-
	Total	**1.97**	-
24	**Other Operating Income**		
	Overdue Interest	1.38	3.87
	Foreclosure Charges & Bounce Charges	7.24	6.36
	Total	**8.62**	**10.23**
25	**Other Income**		
	Miscellaneous income	3.67	2.18
	Total	**3.67**	**2.18**
26	**Finance Cost**		
	(on financial liabilities measured at amortised cost)		
	Interest on borrowings (other than debt securities)	45.30	100.18
	Interest on Debt securities	49.16	94.94
	Other finance costs	3.39	3.67
	Total	**97.85**	**198.79**
27	**Impairment on financial instruments:**		
	Loans	(76.26)	(211.57)
	Write off loans	22.60	251.09
	Others	0.00	(0.09)
	Total	**(53.64)**	**39.43**
28	**Employee benefit expenses**		
	Salaries, wages and bonus	110.78	131.61
	Share based Compensation expenses to employee (Refer Note 38)	6.49	-
	Contribution to Provident Fund and others	7.32	7.67
	Staff welfare expenses	3.98	4.51
	Place: Mumbai	**128.57**	**143.79**
29	**Depreciation and amortization**		
	Depreciation of property, plant and equipment	0.47	0.69
	Amortisation on intangible assets	3.69	1.14
	Depreciation on Right to use of asset	8.98	7.86
	Total	**13.14**	**9.68**
30	**Other Expenses**		
	Rates and Taxes	1.30	0.23
	Rent Expenses	8.88	5.92
	Professional and Consultancy Charges	23.46	20.58
	Director Sitting Fees	1.42	1.71
	Audit Fee *	2.09	1.97
	Travel and Conveyance	13.89	7.72
	Internet Expenditure	0.37	0.43
	Printing & Stationery	0.34	0.29
	Techonolgy Expenses	7.07	4.31
	Electricity and Water Charges	0.81	1.03
	Telephone Expenditure	0.38	0.58
	Office & General Expense	0.94	0.58
	Computer Maintenance	2.08	1.80
	Security and Housekeeping Expenses	1.84	0.54
	Business/Sales Promotion Expenses	0.67	3.02
	CSR Expenses #	-	0.29
	Miscellaneous Expenses	0.01	0.00
	Total	**65.85**	**51.01**
	*** Payment to auditors**		
	As auditor:		
	Audit fee	2.09	1.95
	Certification fee	0.35	0.15
	Tax Audit	0.22	-
	Out of pocket expenses	0.07	-
		2.73	**2.10**

*Amount includes Goods and service tax for which input credit has been disallowed

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	For the year ended March 31, 2023	For the year ended March 31, 2022
# Detail of CSR expenditure		
a) Average net profit/(Loss) of the Company for the last 3 Financial years	(39.20)	10.14
b) Gross Amount to be spent by the Company for respective Financial year	-	0.20
c) Amount spent during the year on purposes other than construction/ acquisition of any asset	-	0.15
d) Shortfall at the end of the year	-	0.05
e) Total of previous years shortfall	0.02	2.45
f) Reason for shortfall	Due to wrong account details amount not credited till March 31, 2023 but subsequently paid on May 24, 2023	Due to wrong account details amount not credited
g) Nature of CSR activity	Girl child school fee sponsoring	Girl child school fee sponsoring
h) Details of the related party transaction in relation to CSR expenditaure as per relevant Accounting Standard	NA	NA

31 **Tax**

a. Income tax expense in the statement of profit and loss consist of:

Current income tax:		
Income tax	-	-
Deferred tax:		
attributable to		
Origination and reversal of temporary differences	18.76	52.25
Increase/reduction in tax rate	-	-
Income tax expense reported in the statement of profit or loss	**18.76**	**52.25**
Income tax recognised in other comprehensive income		
Deferred tax arising on remeasurement gains on defined benefit plan	(0.28)	(0.37)
Total income tax expense	**18.48**	**51.88**

Income tax recognised in other comprehensive income

	For the year ended March 31, 2023		
	Before tax	Tax expense	Net of tax
Remeasurements of the net defined benefit liability/ asset	1.11	(0.28)	0.83
Total	**1.11**	**(0.28)**	**0.83**

	For the year ended March 31, 2022		
	Before tax	Tax expense	Net of tax
Remeasurements of the net defined benefit liability/ asset	1.45	(0.37)	1.08
Total	**1.45**	**(0.37)**	**1.08**

b. Reconciliation of total tax charge

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax as per statement of profit and loss	20.79	6.92
Applicable income tax rate (%)	25.17%	25.17%
Tax expense caculated at applicable tax rate	**5.23**	**1.74**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax		
Other adjustments	13.24	50.13
Income tax expense recognised in profit and loss	**18.48**	**51.88**
Effective Tax Rate	**88.89%**	**749.29%**

Note : The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduce by the Taxation Laws (Amendment) ordinary 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2023 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate.

	For the year ended March 31, 2023	For the year ended March 31, 2022
32 Earnings per share (EPS)		
Basic		
a. Shareholders earnings (as per statements of proft and loss)	(1.06)	(51.85)
b. Calculation of weighted average number of equity shares of Rs. 10 each:		
- Number of shares at the beginning of the year	1313106	1313106
- Shares issued during the year (Equivalents number of shares)	234	0
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1313340	1313106
Basic earning per share of face value of Rs.10 (in Rs.)	**(0.81)**	**(39.48)**
Diluted		
a. Shareholders earnings (as per statements of proft and loss)	(1.06)	(51.85)
b. Calculation of weighted average number of equity shares of Rs. 10 each:		
Weighted average number of equity shares outstanding	1313340	1313106
Add:Weighted average number of potential equity shares on account of employee stock option	21982	0
Weighted average number of diluted equity shares outstanding during the year (based on the date of issue of shares)	1335322	1313106
Diluted earning per share of face value of Rs.10 (in Rs.)	**(0.80)**	**(39.48)**

Note: Potential equity shares that could arise on conversion of Compulsorily Convertible Preference Shares and Compulsory Convertible Debentures are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with Ind AS 33 "Earnings per Share".

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10A: Property, plant and equipment

Particulars	Leasehold improvements	Furniture & Fixtures	Office Equipment	Computers	Total
Gross block (at cost)					
At April 1, 2021	**1.23**	**1.81**	**3.30**	**9.06**	**15.40**
Addition	-	-	0.01	0.01	0.03
Disposals	-	-	-	-	-
At March 31, 2022	**1.23**	**1.81**	**3.31**	**9.07**	**15.43**
Addition	-	0.05	-	1.03	1.07
Disposals	1.23	-	-	1.75	2.99
At March 31, 2023	-	**1.86**	**3.31**	**8.35**	**13.51**
Depreciation					
At April 1, 2021	**0.86**	**1.49**	**2.70**	**8.20**	**13.25**
Charge for the year	0.02	0.09	0.26	0.31	0.68
Disposals	-	-	-	-	-
At March 31, 2022	**0.88**	**1.58**	**2.96**	**8.51**	**13.93**
Charge for the year	0.02	0.07	0.12	0.25	0.47
Disposals	0.91	-	-	1.67	2.58
At March 31, 2023	-	**1.65**	**3.09**	**7.10**	**11.83**
Net Carrying Amount					
At March 31, 2022	**0.35**	**0.24**	**0.34**	**0.56**	**1.50**
At March 31, 2023	-	**0.21**	**0.22**	**1.25**	**1.69**

10B:Intangible assets under development

Ageing schedule as at March 31, 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Ageing schedule as at March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	7.20	-	-	-	7.20
Total	7.20	-	-	-	7.20

10C:Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
At April 1, 2021	**9.84**	**9.84**
Addition	0.46	0.46
Disposals	-	-
At March 31, 2022	**10.30**	**10.30**
Addition	7.69	7.69
Disposals	-	-
At March 31, 2023	**17.99**	**17.99**
Amortization		
At April 1, 2021	**7.68**	**7.68**
Charge for the year	1.14	1.14
Disposals	-	-
At March 31, 2022	**8.82**	**8.82**
Charge for the year	3.69	3.69
Disposals	-	-
At March 31, 2023	**12.51**	**12.51**
Net Carrying Amount		
At March 31, 2022	**1.48**	**1.48**
At March 31, 2023	**5.47**	**5.47**

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14A & 15A. Terms of principal repayment of borrowings as at March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Original Payment	Original Maturity	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due beyond 3 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debt Securities	Bullet repayment	1 - 3 years	13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
		Above 3 years	12.51% - 13.00%	-	-	-	-	-	-	-	16.40	16.40
			12.51% - 13.00%	-	-	-	-	-	-	-	29.95	29.95
Borrowings (other than debt securities)	Monthly repayment	1 - 3 years	9.51% - 11.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			13.51% - 14.00%	-	-	-	-	-	-	-	-	-
			14.01% - 14.50%	49	68.91	48	54.72	25	31.60	-	-	155.22
			14.01% - 14.50%	-	-	-	-	-	-	-	-	-
			15.01% - 15.50%	-	-	-	-	-	-	-	-	-
			15.01% - 15.50%	-	-	-	-	-	-	-	-	-
			15.01% - 15.50%	-	-	-	-	-	-	-	-	-
	Quarterly repayment	1 - 3 years	11.01% - 11.50%	-	-	-	-	-	-	-	-	-
			11.51% - 12.00%	-	-	-	-	-	-	-	-	-
	Cash Credit		10.50%- 11.00%	-	244.75	-	-	-	-	-	-	244.75
	Securitisation Borrowings		10.20%- 11.70%	-	44.53	-	7.21	-	-	-	-	51.74
Total					**358.19**		**61.93**		**31.60**		**46.35**	**498.08**
Impact of EIR												**(2.68)**
Grand Total												**495.40**

Indian School Finance Company Pvt. Ltd. Mumbai

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

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33: Segment Reporting

The Company's main business is of lending to customers who have similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. All other activities of the Company revolve around the main business. Accordingly, there are no seperate reportable segments as per Ind AS 108 dealing with Operating Segments.

Information about geographical areas:

The entire revenue from operations of the Company are made to customers which are domiciled in India.
The Company is engaged in the business within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

34: Related parties under Ind AS 24 with whom transactions have taken place during the year.

Names of the related party and nature of relationship:-

Description of relationship	Designation	For the period ended March 31, 2023	For the period ended March 31, 2022
Key Management Personnel*	Managing Director and Chief Executive Officer	Mr. Sandeep Wirkhare	Mr. Sandeep Wirkhare
	Chief Financial Officer	Mr. Vipul Patel	Mr. Vipul Patel (From 20th Sept 2021)
	Company Secretary	Ms. Kirti Agarwal (From 11th Feb., 2023)	Ms. Harsha Joshi
	Company Secretary	Ms. Harsha Joshi (Till 30th Nov, 2022)	-
Director	Independent Director	Mr. Rakesh Rewari	Mr. Rakesh Rewari
		Mr. Hariharan Krishnier Padmanabhan	Mr. Hariharan Krishnier Padmanabhan
	Nominee Director	Mr. Pranay Adhvaryu (From 25th Sept, 2022)	-
		Ms. Smita Sircar	Ms. Smita Sircar (From 25th March, 2022)
		-	Ms. Erika Yvette Norwood (Till 25th March, 2022)
Entities exercising significant influence over the Company	Group Company	Gray Matters Capital Inc. Caspian Impact Investment Adviser Pvt. Ltd. GGV School Finance Co. Limited GGV Managerial Services Pvt. Ltd. Gray Matters India Pvt. Ltd. Blayfort Limited	Gray Matters Capital Inc. Caspian Impact Investment Adviser Pvt. Ltd. GGV School Finance Co. Limited GGV Managerial Services Pvt. Ltd. Gray Matters India Pvt. Ltd. Blayfort Limited
Other related party	Shareholder	Mr. Tarun Rumalla	-

*Key management personnel are those individuals who have the authority and responsibility for planning and excersing power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors and Executive Committee to be key management personnel for the purpose of IND AS 24 Related Party Disclosures.

Related party transactions during the year:

S. No	Related Party	Nature of Transactions	Transactions during year ended March 31, 2023	Transactions during year ended March 31, 2022	(Payable)/Receivable	
					March 31, 2023	March 31, 2022
1	Mr. Sandeep Wirkhare	Remuneration*	11.78	9.98	-	-
2	Mr. Vipul Patel	Remuneration**	4.70	2.33	-	-
3	Ms. Harsha Joshi	Remuneration***	0.89	0.91	-	-
4	Ms. Kirti Agarwal	Remuneration****	0.24	-	-	-
5	Mr Rakesh Rewari	Sitting Fee	0.76	0.99	-	(0.03)
6	Mr. Hariharan Padmanabhan	Sitting Fee	0.55	0.58	-	-
7	Blayfort Limited	Interest on Compulsorily Convertible Debentures	15.21	15.21	(2.49)	(2.49)
8	Caspian Impact Investments Private Limited	Principal repayment and Interest on Term Loan	27.82	33.74	(18.63)	(41.93)
9	Mr. Tarun Rumalla	Collection consultancy	0.15	-	0.15	-
10	Gray Matter Capital	Service Fee for SBLC	3.61	-	-	-

* Includes Provident Fund Contribution of Rs. 21,600/- (Previous Year Rs. 21,600)
** Includes Provident Fund Contribution of Rs. 21,600/- (Previous Year Rs. 12,600)
*** Includes Provident Fund Contribution of Rs. 14,400/- (Previous Year Rs. 21,600)
*** Includes Provident Fund Contribution of Rs. 5,400/- (Previous Year Rs. NIL)

Note: The Remuneration to the Key Managerial Personnel does not include the provisions made for Gratuity and Leave Benefits, as they are determined on an actuarial basis for the Company as a whole.

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35: Contingent Liabilities

a) There are no legal claims against the Company as on March 31, 2023 and March 31,2022.

b) Particulars	March 31, 2023	March 31, 2022
Corporate Guarantee and lien on Fixed Deposits for Securitization	14.49	61.09
Total	**14.49**	**61.09**

The Company has breached certain financial covenants as on March 31, 2023 in respect of which the Company is in the process of seeking waivers from the lenders.

36: Financial instruments-fair value and risk management

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value as at		Fair Value as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Assets measured at cost				
Loan Portfolio	1,039.10	1,865.39	1,039.10	1,865.39
Cash and cash equivalents	157.22	10.50	157.22	10.50
Bank Balances other than cash and cash equivalents	15.12	80.44	15.12	80.44
Investments	401.60	165.96	401.60	165.96
Other financial assets	32.86	44.01	32.86	44.01
Total Financial Assets	**1,645.89**	**2,166.29**	**1,645.89**	**2,166.29**
Financial liabilities				
Debt securities	46.35	503.25	46.35	503.25
Borrowings (other than debt securities)	449.05	477.24	449.05	477.24
Trade Payable	1.92	10.46	1.92	10.46
Lease Liability	29.22	21.10	29.22	21.10
Other financial liabilities	50.79	105.37	50.79	105.37
Total Financial Liabilities	**577.32**	**1,117.43**	**577.32**	**1,117.43**

The management assessed that carrying value of financial asset and financial liabilities approximate their fair value largely due to short term maturities of these instruments.

B. Fair Value Hierarchy of assets and liabilities

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023

The carrying amounts of the following financial assets and financial liabilities are a resonable approximation of their fair values.

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level - 2	Level-3	Total
Loan Portfolio	1,039.10	1,039.10	-	-	-	1,039.10
Cash and cash equivalents	157.22	157.22	-	-	-	157.22
Bank Balances other than cash and cash equivalents FD	15.12	15.12	-	-	-	15.12
Investments	401.60	401.60	-	401.60	-	401.60
Other financial assets	32.86	32.86	-	-	-	32.86
Total	**1,645.89**	**1,645.89**	**-**	**401.60**	**-**	**1,645.89**

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level - 2	Level-3	Total
Debt securities	46.35	46.35	-	-	-	46.35
Borrowings (other than debt securities)	449.05	449.05	-	-	-	449.05
Trade Payable	1.92	1.92	-	-	-	1.92
Lease liability	29.22	29.22	-	-	-	29.22
Other financial liabilities	50.79	50.79	-	-	-	50.79
Total	**577.32**	**577.32**	**-**	**-**	**-**	**577.32**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level - 2	Level-3	Total
Loan Portfolio	1,865.39	1,865.39	-	-	-	1,865.39
Cash and cash equivalents	10.50	10.50	-	-	-	10.50
Bank Balances other than cash and cash equivalents FD	80.44	80.44	-	-	-	80.44
Investments	165.96	165.96	-	165.96	-	165.96
Other financial assets	44.01	44.01	-	-	-	44.01
Total	**2,166.29**	**2,166.29**	**-**	**165.96**	**-**	**2,166.29**

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level - 2	Level-3	Total
Debt securities	503.25	503.25	-	-	-	503.25
Borrowings (other than debt securities)	477.24	477.24	-	-	-	477.24
Trade Payable	10.46	10.46	-	-	-	10.46
Lease liability	21.10	21.10		-	-	21.10
Other financial liabilities	105.37	105.37	-	-	-	105.37
Total	**1,117.43**	**1,117.43**	**-**	**-**	**-**	**1,117.43**

There have been no transfers between Level 1 and Level 2 during the current year and previous periods.

Investment in Security Receipts are measured based on their publised Net Asset Value (NAV), taking into account redemption and/or other restrications, if any. Such instruments are classified as level 2.

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C. Valuation framework
Fair value hierarchy of financial instruments
The fair value of financial instruments are classified into three categories i.e. Level 1, 2 and 3 depending on the inputs used in the valuation techniques. The hierarchy gives the highest priority to quoted prices in active market for indential assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1: Financial measurement measured using quoted prices and that are traded in active market are categorized under level 1. The company has no financial instruments which are categorized under level 1.

Level 2: The fair value of financial instruments that are not traded in active market is determined using observable market data and not the entity specific estimates. The listed Non Convertible debentures are classified as debt securities have been categorized as level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted price of similar instruments but for which significant observable adjustments are required to reflect the difference between the instruments. Loans and Unlisted Non Convertible Debentures have been included in level 3 category.

37: Capital Management
The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As a NDSI NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on its Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

For the purpose of Company's capital management, capital includes equity share capital and other equity. Debt includes term loans from banks, NBFC and debentures net of cash and cash equivalents and bank balances other than cash and cash equivalents. The Company monitors capital on the basis of following gearing ratio.

Gearing Ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt*	340.87	972.93
Total equity	1,115.08	1,111.91
Net debt to equity ratio	**0.31**	**0.88**

*Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

38: Employee Benefit Plans

The Company operates the following post-employment plans -
(i) Defined contribution plan
The Company makes monthly contribution towards provident which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund and other funds*	4.83	5.12
Employee state insurance	0.21	0.23
	5.04	**5.35**

(ii) Defined Benefit plan
Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months (subject to limit of INR 2,000,000), based on the rate of salary last drawn by the employee concerned.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	3.85	3.45
Fair value of plan assets	-	-
Net defined benefit liability/(asset)	**3.85**	**3.45**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of Rs.2,000,000 as per The Payment of Gratuity Act, 1972. .

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Movement in defined benefit obligations

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation as at the beginning of the year	3.45	4.10
Current service cost	1.76	2.19
Interest on defined benefit obligation	0.16	0.14
Remeasurements- Actuarial (gain)/ Loss on total liabilities	(1.14)	(1.45)
Benefits paid	(0.39)	(1.52)
Defined benefit obligation as at the end of the year	**3.85**	**3.45**

Movement in plan assets

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets as at the beginning of the year	-	-
Actual return on plan assets	-	-
Actuarial gains	-	-
Employer contributions	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

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Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligations	3.85	3.45
Fair value on plan assets	-	-
Net defined benefit liability recognised in balance sheet	**3.85**	**3.45**

Expenses charged to the statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	1.76	2.19
Interest Cost	0.16	0.14
Total	**1.92**	**2.32**

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2023	March 31, 2022
Remeasurements- Actuarial (Gain)/ Loss	(1.14)	(1.45)
Amount recognised under Other Comprehensive Income	**(1.14)**	**(1.45)**

Funding:

The Company has a non funded gratuity plan, hence fair value is taken as Nil.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Category of Assets	March 31, 2023	March 31, 2022
Fund managed by Insurer	0%	0%
Total	**0%**	**0%**

Summary of Actuarial Assumptions

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.20%	5.00%
Rate of Increase in compensation levels	10%	10%
Expected average remaining working lives of employees (in years)	1.78 Years	1.79 Years
Retirement age (years)	58 Years	58 Years

Sensitivity analysis for significant assumptions

The following table presents a sensitivity analysis to one of the relevent actuarial assumptions holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (+1%)	3.78	3.39
Discount rate (-1%)	3.91	3.52
Salary Inflation (+1%)	3.88	3.48
Salary Inflation (-1%)	3.81	3.42
Withdrawal Rate (+1%)	3.83	3.43
Withdrawal Rate (-1%)	3.86	3.47

Expected maturity analysis of the defined benefit plans in future years

Since this is non funded Gratuity plan so there is no Expected maturity analysis of the defined benefit plans in future years.

Projected plan cash flow

Particulars	March 31, 2023	March 31, 2022
Year 1	1.23	0.88
Year 2	0.78	0.66
Year 3	0.59	0.57
Year 4	0.53	0.43
Year 5	0.29	0.34
After year 5	0.45	0.44

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

Discount rate: The discount rate is based on the 5 years government bond yields as at the balance sheet date for the estimated term of the obligations.
Salary escalation rate: The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.
Investmet Risk: Since this is non funded Gratuity plan, thus there is no Investment Risk.
Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Other long-term benefits
(Compensated absences- leave encashment)

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

Particulars	For the period March 31, 2023	For the period March 31, 2022
Amount recognised in Statement of Profit and Loss	0.41	0.90

Particulars	As at March 31, 2023	As at March 31, 2022
Amount recognized in the Balance sheet	1.37	1.33

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39: Leases

The Company's lease asset class primarily consist of leases for buildings and office premises . Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Building and office premises	March 31, 2023	March 31, 2022
Opening net carrying balance	**17.70**	**20.86**
Additions	18.34	5.46
Deletion	(8.19)	(6.03)
Accumulated Depreciation	(1.94)	(2.61)
Closing net carrying balance	**25.91**	**17.70**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	March 31, 2023	March 31, 2022
Opening Balance	21.10	23.82
Additions	18.34	5.46
Deletions	(1.57)	(0.91)
Accretion of interest	3.12	3.04
Payments	(11.77)	(10.31)
Closing Balance	**29.22**	**21.10**

Set out below are the undiscounted potential future rental payments relating to periods following the exercise of termination options that are not included in the lease term

Particulars	Within five years	More than five years
March 31, 2023		
Termination options expected to be exercised	-	-
March 31, 2022		
Termination options expected to be exercised	-	-

Amounts recognized in the Statement of Profit and Loss	March 31, 2023	March 31, 2022
Depreciation expense		
Depreciation on right of use assets	8.98	7.86
Other expenses		
Short-term lease rent expense	6.65	3.66
Finance cost		
Interest expense on lease liability	3.12	3.04
Currency translation gains on lease liability	-	-
Currency translation losses on lease liability	-	-

The Company had total cash outflows for leases of Rs. 11.77 million (previous year Rs. 10.31 millions) for the year ended March 31, 2023

Amount recognised in statement of cash flow

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) cash payments for the principal portion of the lease liability within financing activities;	8.65	7.27
b) cash payments for the interest portion of the lease liability within financing activities applying the requirements in Ind AS 7, Statement of Cash Flows, for interest paid; and	3.12	3.04
c) short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	6.65	3.66

The following are the practical expedients availed by the Company on transition:

i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

40: Amount payable to micro small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

The amount payable as at March 31, 2023 was Rs. NIL Mn and March 31, 2022 was Rs. 0.04 Mn to suppliers who have intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

(a) Information required as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) provided based on and to the extent of information received by the Company from the suppliers regarding their status under MSMED Act:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	-	0.04
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

41: Risk Management and financial objectives Place: Mumbai

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

41.1 Credit Risk

The Company is a non-deposit taking systemically important NBFC with a geographically diversified presence in India and offers Finance to affordable private school, colleges, coaching centres and vocational institutes primarily for the purposes of construction, infrastructure development, class room expansion, technology adoption and renovations, etc. Personal loans to teachers, Vehicle loans against used school buses. The Company lends via two primary products- secured and unsecured loans. The products primarily vary based on ticket size, tenor and IRR..

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in note 2.7 of the significant accounting policies.

A) Probability of default (PD)

ISFC extends loans to niche customer segment consisting primarily of School and School edupreneurs. PD estimation process is done based on histrocal date available with the company. We have adopted a rolling yearly Forward Flow rate methodology to estimate the PD in the respective buckets backed by the performance history of the loans extended by the Company. The most recent flow rates are given the higher weightage to factor changes in macro environment and internal policies. Based on uncertainties and risks arising from its operations in different segments, the Company bifurcates the entire portfolio into three segments.

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A summary of PD rates determined by the Company for its portfolio are as follows:

	March 31,2023				March 31,2022			
Business Category	[Current]	[0-30]	[30-60]	[60-90]	[Current]	[0-30]	[30-60]	[60-90]
Non Retail - Secured	0.21%	3.59%	12.04%	31.67%	0.14%	3.07%	11.25%	29.88%
Non Retail - Unsecured	0.21%	3.59%	12.04%	31.67%	0.14%	3.07%	11.25%	29.88%
Retail	0.11%	3.54%	11.10%	25.26%	0.08%	3.13%	10.33%	23.36%

B) Exposure at default (EAD)
EAD is seen as an estimation of the extent to which the Company may expose to a counterparty in the event of, and at the time of, the counterparty's default. Hence, the purpose of EAD model is to estimate the exposure for the Company or the outstanding balance for the accounts that may default in any given reporting period. EAD model is separated for into two categories into secured and unsecured portfolio.

ISFC has multiple collateral against its loan accounts which consists of residential and commercial real estate such as School Property, Agriculture open land , Residential property etc against which management has decided to take a haircut for the purpose of EAD computation.

EAD for various stages has been computed as follows:
1. Stage 1 & Stage 2- EAD is computed as the sum of Principal and Overdue Interest.
2. Stage 3- EAD is computed as the principal

C) Loss given default (LGD)
The Company determines its expectation of lifetime loss by estimating recoveries towards its entire loan portfolio segment wise through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of the first instance of loan entering into default. In estimating LGD, the Company reviews macro-economic developments taking place in the economy.

A summary of LGD rates determined by the Company are given below:

Business Category	March 31, 2023	March 31, 2022
Non Retail - Secured	37.72%	47.36%
Non Retail - Unsecured	53.48%	57.90%
Retail	62.29%	64.89%

D) Forward looking Adjustment
IND AS 109 requires the use of a PD that reflecting current forecasts of future economic conditions. In order to derive PiT PDs, the Organization will annually source macro-economic forecast data. By computing the observed default rate (ODRs) using the ISFC's historical data and performing correlation and direct regression analysis with the local macroeconomic variables (MEVs), a bivariate model has been selected

E) Data Source
At each reporting date, the Company assesses where there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occuring over the expected life of the asset. In determining whether the credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the company's internal credit rating grading system and forward looking information to assess deterioration in credit quality of financial assets.

F) Significant increase in credit risk
The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a protfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly ince initial recognition.

G) Expected credit loss on loans
The Company has applied a three stage approach to measure expected credit losses (ECL) on loans. Assets migrate through following three stages based on the changes in credit quality.

i) Stage 1: 12-month ECL, For exposures where there is no significant increase in credit risk since initial recognition and that are not credit impaired upon organisation, the portion of the lifetime ECL associated with the probability of default events occuring within the next 12-months is recognised.

ii) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised.

iii) Stage 3: Lifetime ECL, credit impaired: Financial assets are assessed as credit impaired upon occurence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost.

Expected credit loss on Financial Assets
The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of imapairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type and other relevant factors.

The Company monitors changes in the credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Company supplements this by reviewing changes in government bonds yields together with available press and regulatory information about issuers.

H. Analysis of risk concentration
Concentration arise when a number of counterparties are engaged in similar business activities , or activities in the same geographical region , or have similar economic features that would cause their ability to meet contractual obligation to be similarly affected by chance in economic, political or other condition . Concentration indicate the relative sensitivity of the Company 's performance to development affecting a particular industry or geographical location

The following table shows the risk concentration by industry for the components of the balance sheet.

March 31, 2023

	School Financing	Secured loans	Unsecured loans	Total
Financial assets				
Cash and cash equivalents	157.22	-	-	157.22
Bank Balance other than cash and cash equivalents	15.12	-	-	15.12
Loans	-	1,007.35	31.75	1,039.10
Investments	401.60	-	-	401.60
Other financial assets	32.86	-	-	32.86
Total	**606.79**	**1,007.35**	**31.75**	**1,645.89**

March 31, 2022

	School Financing	Secured loans	Unsecured loans	Total
Financial assets				
Cash and cash equivalents	10.50	-	-	10.50
Bank Balance other than cash and cash equivalents	80.44	-	-	80.44
Loans	-	1,819.09	46.30	1,865.39
Investments	165.96	-	-	165.96
Other financial assets	44.01	-	-	44.01
Total	**300.91**	**1,819.09**	**46.30**	**2,166.30**

H) Collateral and otther credit enhancement
The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

	Maximum Exposure to credit risk			
Particulars	**Carrying Amount before ECL**	**Associated ECL**	**Carrying amount**	**Fair value of collateral**
Loans				
31-Mar-23	36.80	9.51	27.29	280.15
31-Mar-22	292.50	79.98	212.52	1,461.54

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41.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has a asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk

The tables below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Contractual cash flow of assets and liabilities as on March 31, 2023:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	13.92	16.09	14.37	37.22	305.90	135.10	14.94	46.35	**583.89**
Other Financial Liabilities	41.81	0.94	1.36	2.64	16.08	13.81	3.55	1.73	**81.92**
Advances	39.88	39.99	39.66	120.67	216.83	634.54	273.15	55.77	**1,420.49**
Other Financial Assets	159.68	-	20.08	20.71	40.23	164.13	171.63	30.32	**606.79**

*Represents debt securities, borrowings (other than debt securities).

Contractual cash flow of assets and liabilities as on March 31, 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	120.71	73.39	80.27	198.22	349.73	150.15	25.68	4.43	**1,002.58**
Other Financial Liabilities	70.72	0.60	0.58	1.76	49.40	7.59	2.96	3.33	**136.93**
Advances	68.94	67.96	84.22	198.10	378.42	651.14	937.27	402.69	**2,788.74**
Other Financial Assets	17.96	-	-	0.60	18.74	112.99	74.19	76.43	**300.91**

*Represents debt securities, borrowings (other than debt securities).

41.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Particulars	As at March 31, 2023			As at March 31, 2022			
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Financial assets							
Cash and cash equivalents	157.22	-	157.22	10.50	-	10.50	
Bank balances other than cash and cash equivalents	15.12	-	15.12	80.44	-	80.44	
Loans portfolio	1,039.10	-	1,039.10	1,865.39	-	1,865.39	
Investments	401.60	-	401.60	165.96	-	165.96	Interest Rate Risk
Other Financial assets	32.86	-	32.86	44.01	-	44.01	Interest Rate Risk
Total financial assets	**1,645.89**	**-**	**1,645.89**	**2,166.30**	**-**	**2,166.30**	
Financial liabilities							
Trade Payables	1.92	-	1.92	10.46	-	10.46	
Debt securities	46.35	-	46.35	503.25	-	503.25	Interest Rate Risk
Borrowings (Other than Debt Securities)	449.05	-	449.05	477.24	-	477.24	Interest Rate Risk
Lease liability	29.22	-	29.22	21.10	-	21.10	Interest Rate Risk
Other financial liabilities	50.79	-	50.79	105.37	-	105.37	Interest Rate Risk
Total financial liabilities	**577.32**	**-**	**577.32**	**1,117.42**	**-**	**1,117.42**	

41.3a Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assesses and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Finance Cost	March 31, 2023	March 31, 2022
0.50 % Increase	0.18	1.09
0.50 % Decrease	(0.18)	(1.09)

41.3b Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments. During the year, there was no investment activities.

42: Transfer of Financial assets

a. Securitisation Transactions:

During the period, the Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loan portfolio, which does not fulfil the derecognition criteria specified under Ind AS 109 as the Company has concluded that risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Company's involvement in these assets is as follows:

• As a servicer of the transferred assets
• To the extent of credit enhancements provided to such parties

The value of Financial assets and liabilities as on :-

Particulars	March 31, 2023	March 31, 2022
Carrying amount of assets	91.81	389.13
Carrying amount of associated liabilities	51.75	268.50

b. Assignment Transactions:

During the period, the Company has sold some loans and advances as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognized.

The management has evaluated that the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognized financial asets and the gain on derecognition, per type of asset:

The value of Financial assets and liabilities as on :-

Particulars	March 31, 2023	March 31, 2022
Carrying amount of derecognized financial assets	35.82	53.72
Gain from derecognition	1.97	-

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43: Employee Stock Option Plan (ESOP)

ESOP Scheme, 2013

The Company has instituted the following employee stock option plan for all eligible employees, pursuant to the special resolution approved by the shareholders. The plan options shall be administered by the ESOP committee, which shall determine the employees eligible for receiving options, the number of options to be granted, the exercise price, the vesting period and the exercise period.

Plan	Shareholder's special resolution date	No. of options	Vesting period	Vesting pattern
2013 ESOP Plan	December 06, 2012	16,73,893	1 year	First vesting at the end of 12 months from date of grant and thereafter as per the grant letter

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Number of Options	Number of Options
	2013 ESOP Plan	2013 ESOP Plan
Outstanding at the beginning of the year	15,000	15,000
Granted during the year	-	-
Option Transferred to ESOP Scheme, 2016	-	-
Forfeited during the year	-	-
Lapsed during the year	15,000	-
Cancelled during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year #	-	15,000
Vested and exercisable at the end of the year	-	-

All the options above are exercisable any time after vesting at the discretion of the employee, in part or full, during the tenor of employment with the Company. Any outstanding vested options shall expire after a period of three months from last date of employment.

Fair Valuation

The fair value of the options on the date of grant has been done by an independent valuer using weighted average of the following two methods:

(i) Net Assets Value Method

(ii) Profit Earning Capacity

All options outstanding at the end of the year have been granted at fair value as determined by the Company on date of grant (except stated as under):

(i) Options in lieu of bonus are granted at the exercise price of Rs. 10 per option.

ESOP Scheme, 2016

The Company has instituted the following Employee Stock Option plan for all eligible employees, pursuant to the special resolution approved by the shareholders. The plan options shall be administered by the ISFC Employee Welfare Trust, which shall determine the employees eligible for receiving options, the number of options to be granted, the exercise price, the vesting period and the exercise period as per the recommendation of the Remuneration Committee of the company.

Plan	Shareholder's special resolution date	No. of options	Vesting period	Vesting pattern
2013 ESOP Plan	December 06, 2012	1,50,000	1 year	First vesting at the end of 12 months from date of grant and thereafter as per the grant letter

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Number of Options	W.Avg exercise price	umber of Options	W.Avg exercise price
	2013 ESOP Plan - Series I		2013 ESOP Plan - Series I	
Outstanding at the beginning of the year	1,50,000	75	1,50,000	75
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	16,212	75		-
Expired during the year	-	-	-	-
Outstanding at the end of the year #	1,33,788	75	1,50,000	75
Vested and exercisable at the end of the year	-	-	-	-

Plan	Shareholder's special resolution date	No. of options	Vesting period	Vesting pattern
2016 ESOP Plan	November 10, 2012	1,91,500	3 Years	40% at the end of first year from the date of the grant, 30% at the end of second year from the date of the grant and 30% at the end of third year from the date of the grant. The performance of the employees shall be the criteria for annual vesting.

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Number of Options	W.Avg exercise price	umber of Options	W.Avg exercise price
	2013 ESOP Plan - Series II		2013 ESOP Plan - Series II	
Outstanding at the beginning of the year	-	-	-	-
Addition during the year	-	-	-	-
Granted during the year	1,46,480	75	-	-
Forfeited during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Option Transferred from ESOP Scheme, 2013	-	-	-	-
Lapsed during the year	11,929	75	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year #	1,34,551	75	-	-
Vested and exercisable at the end of the year	-	-	-	-

Balance outstanding at the end of year are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Exercise Price	Nos.	Exercise Price
Vested Options				
ESOP Plan 2013	-	-	-	-
ESOP Plan 2016 (Series I)	-	-	-	-
ESOP Plan 2016 (Series II)	-	-	-	-
Unvested Options				
ESOP Plan 2013	-	-	15,000	18
ESOP Plan 2016 (Series I)	1,33,788	75	1,50,000	75
ESOP Plan 2016 (Series II)	1,34,551	75	-	-

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Weighted average remaining life of the ESOP outstanding:

Particulars	As at March 31, 2023	As at March 31, 2022
ESOP Plan 2013	-	-
ESOP Plan 2016 (Series I)	0.59	-
ESOP Plan 2016 (Series II)	1.59	-

Following amount has been recongnized as expense and included in 'Note - Employee benefit expenses' and total carrying amount at the end of the period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expense arising from equity settled share based payment transaction	6.49	-
Carrying amount at the end of year	6.49	-

Fair value of the options granted:

Particulars	ESOP Plan 2013	ESOP Plan 2016 Series I	ESOP Plan 2016 Series II		
	Vesting Year 1	Vesting Year 1	Vesting Year 1	Vesting Year 2	Vesting Year 3
Share Price on the date of Grant (Rs.)	-	100	100	100	100
Excercie Price (Rs.)	-	75	75	75	75
Expected Volatility (%)	-	22.73%	22.73%	20.63%	19.15%
Life of options granted (years)	-	1	1	2	3
Risk free interest rate (%)	-	7.09%	7.09%	7.14%	7.26%
Expected dividend rate (%)	-	-	-	-	-
Fair value of options as per black scholes (Rs.)	-	47.71	47.71	52.68	57.15

44: Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

The Company has no Investing and financing transactions that does not require the use of cash and cash equivalents for the year ended March 31, 2023 (for the year ended March 31, 2022; Nil).

45A: Maturity analysis of assets and liabilities

The table below shows as analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regards to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating EIR. issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2023 Within 12 month	After 12 month	Total	As at March 31, 2022 Within 12 month	After 12 month	Total
ASSETS						
Financial assets						
Cash and cash equivalents	157.22	-	157.22	10.50	-	10.50
Bank Balance other than cash and cash equivalent	0.63	14.49	15.12	19.35	61.09	80.44
Loans	298.91	740.19	1,039.10	420.93	1,444.46	1,865.39
Investments	80.32	321.28	401.60	33.19	132.77	165.96
Others	2.47	30.39	32.86	7.47	36.54	44.01
Non-financial Assets						
Current tax assets (net)	-	11.70	11.70	-	8.22	8.22
Deferred tax assets (net)	-	-	-	-	17.07	17.07
Property, plant and equipment	-	1.69	1.69	-	1.50	1.50
Intangibles assets under development		-	-	-	7.20	7.20
Other intangible assets	-	5.47	5.47	-	1.48	1.48
Right of Use assets	-	25.91	25.91	-	17.69	17.69
Others	-	18.03	18.03	-	17.37	17.37
Total assets	**539.54**	**1,169.14**	**1,708.69**	**491.43**	**1,745.37**	**2,236.81**
LIABILITIES AND EQUITY						
Liabilities						
Financial liabilities						
Payables						
Trade Payables	1.92	-	1.92	10.46	-	10.46
Debt securities	-	46.35	46.35	448.50	54.75	503.25
Borrowings (other than debt securities)	387.50	61.55	449.05	334.70	142.54	477.24
Lease Liability	10.13	19.09	29.22	7.21	13.89	21.10
Other financial liabilities	50.79	-	50.79	105.37	-	105.37
Non-financial liabilities						
Provisions	5.22	-	5.22	4.78	-	4.78
Other non-financial liabilities	2.74	-	2.74	2.71	-	2.71
Total liabilities and equity	**458.30**	**126.98**	**585.28**	**913.74**	**211.17**	**1,124.92**
Net Assets	**81.24**	**1,042.16**	**1,123.40**	**(422.31)**	**1,534.20**	**1,111.91**

45B. Reconciliation of liabilities arising from financing activities

The changes in the company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowing other than debt securities	Total	Lease Liability
April 1, 2021	**734.89**	**1,248.02**	**1,982.91**	**23.81**
Cash flows:				
Repayment/Payment	(224.25)	(1,010.76)	(1,235.01)	4.55
Proceeds other than overdraft facility	-	236.93	236.93	-
Non Cash:				
Amortisation of processing fee & others	(7.38)	3.04	(4.34)	(7.27)
March 31, 2022	**503.25**	**477.24**	**980.49**	**21.10**
Cash flows:				
Repayment/Payment	(448.50)	(365.90)	(814.40)	(8.65)
Proceeds other than overdraft facility	-	338.23	338.23	
Non Cash:				
Amortisation of processing fee & others	(8.40)	(0.52)	(8.92)	16.77
March 31, 2023	**46.35**	**449.05**	**495.40**	**29.22**

46. Expenditure in Foreign Currency (On Accrual Basis)

Particulars	March 31, 2023	March 31, 2022
Interest payments on CCD	15.21	15.21
Due diligence fees	-	3.44
Service fees	3.61	-

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47. Additional disclosures as per the Master direction - Non Banking Financial Company- Systematically Important Non- Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time) issued by the RBI

a. Capital to risk assets ratio ('CRAR')

Particulars	March 31, 2023	March 31, 2022
CRAR (%)	79.82%	65.47%
CRAR-Tier I Capital (%)	75.77%	62.71%
CRAR-Tier II Capital (%)	4.05%	2.76%
Amount of subordinated debt	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

The Company has considered impairment allowance towards stage I loans as 'contingent provision for standard assets' for calculating Tier II capital. The Company has determined the capital adequacy ratio using the carrying value of assets and liabilities.

b. Exposure to real estate sector

Category	March 31, 2023	March 31, 2022
A.Direct exposure		
I. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	210.29	259.54
II.Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	988.40	1,962.06
III.Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial Real Estate	-	-
A.Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total	**1,198.69**	**2,221.59**

The exposures provided in the above table consist of loans which have been extended by the Company to schools/ educational institutions/ teachers where end-use is for educational/ school purposes. In such secured loans, either school building or a residential property is being taken as security against the loans. Further, the repayment is coming from the activities of the school relating to the education/ school fee/ teaching. Thus, neither the loan is being utilised for generation of any Commercial Real Estate nor the cash flows for repayment are being generated by any real estate activity or by such mortgaged assets.

c. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	Upto 7 days	8 days to 14 days	15 days to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	-	3.59	6.78	12.68	12.65	28.92	290.90	93.52	-	46.35	**495.40**
Advances *	-	24.57	0.01	25.32	24.91	79.23	144.87	462.74	226.24	51.22	**1,039.10**

* Net of provision towards loans and advances.

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	Upto 7 days	8 days to 14 days	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	4.29	11.97	50.61	67.14	62.55	182.26	402.18	144.74	-	54.75	**980.49**
Advances *	-	32.95	0.74	34.10	33.43	117.73	201.98	682.17	545.75	216.55	**1,865.39**

* Net of provision towards loans and advances.

d. Information on instances of fraud

There were no instance of fraud reported during the year ended March 31 2023 and March 31, 2022.

e. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr. No.	Instrument	Rating agency	Rating assigned	Valid up to	Amount rated
1	Non convertible debentures	ICRA Ltd.	BB+ (Outlook Stable)	28-07-2023	672.80
2	Non convertible debentures	Infomerics	BB+ (Outlook Positive)	10-02-2023	500.00

Note: The rating is subject to annual surveillance till final repayment / redemption of rated facilities.

Previous year

Sr. No.	Instrument	Rating agency	Rating assigned	Valid up to	Amount rated
1	Non convertible debentures	ICRA Ltd.	BB+ (Outlook Stable)	04-08-2022	672.80
2	Non convertible debentures	Infomerics	BB+ (Outlook Positive)	10-02-2023	500.00

Note: The rating is subject to annual surveillance till final repayment / redemption of rated facilities.

f. Concentration of Advances, Exposures and NPAs

Particulars	March 31, 2023	March 31, 2022
Concentration of Advances*		
Total advances to twenty	316.00	416.82
(%) of advances to twenty	30%	21%
Concentration of		
Total exposure to twenty	316.00	416.82
(%) of exposure to twenty	30%	21%
Concentration of NPAs** **Place: Mumbai**		
Total exposure to top four	18.20	43.32

* Represents amount outstanding as per contract with customers

** Represents stage III loans including interest

g. Sector wise NPAs*

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31, 2023	As at March 31, 2022
Agriculture and allied	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	4.61%	6.08%
Auto loans	-	-
Other personal loans	-	-
Others*	3.46%	14.95%

* Represents NPA towards loan provided to edcuational institutes

h.Prudential floor for impairment loss

Asset Classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Differences between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	847.08	3.69	843.39	9.75	(6.06)
	Stage 2	177.56	9.15	168.42	5.23	3.92
Subtotal		1,024.65	12.84	1,011.81	14.97	(2.14)
Non Performing Assets (NPA)						
Substandard	Stage 3	22.26	5.87	16.39	3.01	2.86
Doubtful-upto 1 year	Stage 3	10.93	2.73	8.20	3.09	(0.36)
1 to 3 years	Stage 3	3.60	0.90	2.70	1.24	(0.34)
More than 3 years	Stage 3			-		-
Subtotal for Doubtful		14.54	3.63	10.90	4.34	(0.70)
Loss	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Other items such as Guarantee,loan commitments etc. which are in the scope of Ind AS 109 but not covered under current income Recognition, Asset Classification and provisioning (IRACP Norms)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	847.08	3.69	843.39	9.75	(6.06)
	Stage 2	177.56	9.15	168.42	5.23	3.92
	Stage 3	36.80	9.51	27.29	7.35	2.16
	Total	**1,061.45**	**22.35**	**1,039.10**	**22.33**	**0.02**

The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognizing the securitised assets which meets the de-recognition criteria under previous GAAP.

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i. Movement of NPAs*

Particulars	March 31, 2023	March 31, 2022
Net NPAs to net advances (%)	2.63%	11.39%
Movement of NPAs (gross)		
1. Opening balance	292.50	438.37
2. Additions during the year	21.62	222.94
3. Reductions during the year	277.32	368.81
4. Closing balance	36.80	292.50
Movement of Net NPAs		
1. Opening balance	212.53	217.53
2. Additions during the year	15.91	182.00
3. Reductionsduring the year	201.14	187.00
4. Closing balance	27.29	212.53
Movement of provision for NPAs		
1. Opening balance	79.99	220.84
2. Provisions made during the year	5.71	41.70
3. Write off/ write back of excess provisions	76.20	182.55
4. Closing balance	9.51	79.99

* Represents stage III loans.

j. Investments:

Particulars	March 31, 2023	March 31, 2022
1. Value of Investments*		
i) Gross value of Investments	401.60	165.96
ii) Unrealised fair value movement	-	-
iii) Fair value of Investment	401.60	165.96
2. Movement of unrealised fair value movement on investment		
i) Opening balance	-	-
ii) Add: increase in unrealised fair value during the year	-	-
ii) Less: decrease in unrealised fair value during the year	-	-
iv) Closing balance	-	-

*All investments are held in India.

k. Details relating to securitisation:

During the year, the Company has sold loans through securitisation. The information on securitisation activities is as under:

Particulars	March 31, 2023	March 31, 2022
Total number of loans securitized	-	134
Total book value of loans securitised net of MRR	-	186.92
Total book value of loans securitised (incl.MRR)	-	219.91
Sale consideration received for loans securitized	-	186.92
Excess interest spread	-	-
Credit enhancements provided and outstanding (Gross):		
Interest subordination	-	-
Principal subordination	-	32.99
Cash collateral	-	11.00
Outstanding value of loan securitized during the year	-	158.93

Particulars	March 31, 2023	March 31, 2022
1. No. of SPVs sponsored by the NBFC for securitisation transactions during	3	5
2. Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date of balance sheet	91.81	389.13
3. Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on the date of balance sheet	36.48	141.27
a) Off balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On balance sheet exposures		
- First loss (cash collateral and over collateral)	14.49	61.10
- Others	-	-
4. Amount of exposures to securitization transactions other than MRR:		
a) Off-balance sheet exposures	-	-
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

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l. Details relating to assignment transactions:
During the year, the Company has sold loans through assignment. The information on assignment transactions is as under:

Particulars	March 31, 2023	March 31, 2022
No of accounts	31	-
Aggregate value of accounts sold	40.69	-
Aggregate consideration (amount received from DA including EIS)	32.55	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	1.97	-

m. Detail of Financial Assets sold/purchased Securitisation/Reconstruction Compnay for Asset reconstruction:

i. Details of financial assets sold to Asset Reconstruction/ Securitisation Companies during the period

Particulars	March 31, 2023	March 31, 2022
No. of accounts	275	252
Aggregate value (net of provisions) of accounts assigned	310.83	179.13
Aggregate consideration	333.61	195.25
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	-	-

ii. Details of loan transferred during the year including in terms of Master Direction - Reserve Bank of India (Transfer of Loan Exposure) Direction, 2021, dated September 24, 2021

Particulars	March 31, 2023	March 31, 2022
No. of accounts	275	252
Aggregate principal outstanding of loans transferred	456.44	261.55
Weighted average residual tenor of the loans transferred (in years)	3.71	2.86
Net book value of loans transferred (at the time of transfer)	310.83	179.13
Aggregate consideration	333.61	195.25
Additional consideration realized in respect of accounts transferred in earlier years	-	-

ii. Details of non-performing asset purchased -

Particulars	March 31, 2023	March 31, 2022
No. of accounts	-	-
Aggregate principal outstanding of loans purchased	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-

n. Provisions and contingencies (shown under expenditure in statement of profit and loss)

Particulars	March 31, 2023	March 31, 2022
Provision for income tax (net)	-	-
Provision for non-performing assets*	(135.45)	(139.68)
Provision for standard assets**	60.04	(27.93)
Provision for restructured assets	(0.84)	(43.95)
Write off During the year	22.60	(251.09)
Provision for gratuity	1.17	2.32
Provision for leave benefits	0.41	0.90
Provision for other financial assets	0.00	(0.09)

* Represents impairment allowance on stage III loans
** Represents impairment allowance on stage I and stage II loans

o. Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year		
a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	72.57	72.57
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of	-	-
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 45-IC of the Reserve Bank of India Act, 1934	0.63	-
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Less:		
a) Amount appropriate as per Section 45-IC of the Reserve Bank of India Act, 1934	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Balance at the end of the year		
a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	73.19	72.57
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Total	**73.19**	**72.57**

Note: During the year, the Company has not drawn down any amount from reserves

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p. Financing of Parent Company Product

Particulars	March 31, 2023	March 31, 2022
Details of financing of parent Company products if any	-	-

q. Details of (SGL) / Group Borrower Limit (GBL) exceeded by the Company
The Prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2022-23 and 2021-22.

r. Unsecured Advances

Particulars	March 31, 2023	March 31, 2022
Amount of unsecured advances given against rights, licenses, authorizations etc.	-	-

s. Disclosure on restructured accounts

(i) Disclosure pursuant to RBI notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores).

Type of Restructuring		Under SME Debt Restructuring Mechanism			Others			Total		
Asset Clasification		Standard	Sub-Standard	Loss	Standard	Sub-Standard	Loss	Standard	Sub-Standard	Loss
Restructured accounts as on 01st April 2022	No. of Borrowers	247.00	48.00	-	-		-	247.00	48.00	-
	Amount outstanding	681.32	133.31	-	-		-	681.32	133.31	-
	Provision thereon	13.25	26.05	-	-		-	13.25	26.05	-
Fresh restructuring during the year ended 31st March 2023	No. of Borrowers	-	-	-	-		-	-	-	-
	Amount outstanding	-	-	-	-		-	-	-	-
	Provision thereon	-	-	-	-		-	-	-	-
Upgradations to restructured standard category during the year ended 31st March 2023	No. of Borrowers	13.00	(13.00)	-	-	-	-	13.00	(13.00)	-
	Amount outstanding	29.15	(29.15)	-	-	-	-	29.15	(29.15)	-
	Provision thereon	0.48	(0.48)	-	-	-	-	0.48	(0.48)	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the 31st March 2023 and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the year ended 31st March 2023	No. of Borrowers	(10.00)	10.00	-	-	-	-	(10.00)	10.00	-
	Amount outstanding	(11.27)	11.27	-	-	-	-	(11.27)	11.27	-
	Provision thereon	(3.00)	3.00	-	-	-	-	(3.00)	3.00	-
Write-offs/closed restructured accounts during the year ended 31st March 2023	No. of Borrowers	94.00	32.00	-			-	94.00	32.00	-
	Amount outstanding	274.82	86.49	-			-	274.82	86.49	-
	Provision thereon	5.83	17.39	-	-		-	5.83	17.39	-
Restructured Accounts as on March 31 of 2023	No. of Borrowers	156.00	13.00	-	-	-	-	156.00	13.00	-
	Amount outstanding	367.03	22.20	-	-	-	-	367.03	22.20	-
	Provision thereon	4.90	11.17	-	-	-	-	4.90	11.17	-

* Closing balance amounting to Rs. 389.23 is derived after considering the payment of Rs. 64.1 Mn.

Format B - as at March 31, 2023

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	**Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the Previous half - year**	**Of (A), aggregate debt that slipped into NPA during the half-year**	**Of (A), amount written off during the half-year**	**Of (A) amount paid by the borrowers during the half-year**	**Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year**
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of which, MSMEs	489.48	11.02	0.49	86.36	373.94
Others	-	-	-	-	-
Total	**489.48**	**11.02**	**0.49**	**86.36**	**373.94**

*As defined in section 3(7) of the Insolvency and Bankruptcy code, 2016.

(ii) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances: Disclosure as per RBI Notification RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 extended via RBI notification RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 extended further via RBI Notification RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020

Details of MSME accounts restructured as at March 31, 2023:

No. of accounts restructured	Amount
-	-

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INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2023
Additional disclosures pursuant to the as per the Master direction - Non Banking Financial Company- Systematically Important Non- Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as ammended from time to time) issued by the RBI

(Rupees in millions unless otherwise stated)

t. The Company has unhedged foreign currency exposure in respect of:
The Company has no unhedged foreign currency exposure as on 31st March, 2023 and 31st March 2022.

u. Detail of penalties imposed by RBI and other regulators

Particulars	March 31, 2023	March 31, 2022
Penalty if any levied by Regulator	-	-

v. Details of unsecured advances
The company has not given any advances against the rights, licenses, authorizations etc. Our maximum unsecured loan size is Rs 20 lacs. However our average ticket size is Rs. 5 lacs for educational institutes and Rs 1 lacs for teachers.

w. Related party transactions
Refer Note 34 for related party transactions

y. Draw down reserves
There has been no draw down from reserves during the year ended March 31, 2023 and March 31, 2022.

z. The Company has no transaction/exposure in derviatives including forward rates agreements, interest rate swaps and exchange traded interest rate derviatives. Further, the Company has no unhedged foreign currency exposure as on March 31, 2023 (March 31, 2022: NIL)

aa. The Company has no loans outstanding as at March 31, 2023 and March 31, 2022 that are secured against gold.

48. Public disclosure on Liquidity Risk as required by RBI circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 november 2019

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

	Number of significant counterparties	Amount	% of total deposits	% of total liabilities*
Financial Year 2022-23	8	495.40	NA	84.40%
Financial Year 2021-22	10	931.86	NA	82.84%

*Total liabilities represents total liabilities as per Balance sheet excluding total equity

(ii) Top 20 large deposits (amount and % of total deposits): NA

(iii) Total 10 borrowings (amount and % of total borrowings):

	Amount	% of total borrowings
Financial Year 2022-23	495.40	100%
Financial Year 2021-22	931.86	41.66%

(iv) Finding concentration based on significant instruments/product:

Name of instrument/Product	Financial Year 2022-23		Financial Year 2021-22	
	Amount	% of total liabilities*	Amount	% of total liabilities*
Non-Convertible debentures	-	0%	448.50	40%
Compulsory convertible debentures	46.35	8%	54.75	5%
Term loans	153.56	26%	164.38	15%
Cash credit/overdraft facilities	244.75	42%	46.52	4%
Securitisation Borrowings	50.74	9%	266.34	24%

*Total liabilities represents total liabilities as per Balance sheet excluding total equity

(v) Stock Ratios:

Particulars	Financial Year 2022-23			Financial Year 2021-22		
	% of total public funds	% of total liabilities*	% of total assets	% of total public funds	% of total liabilities*	% of total assets
Commercial papers	NA	0%	0%	NA	0%	0%
Non Convertible debentures (original maturity of less than one year)	NA	0%	0%	NA	0%	0%
Other short term liabilities#	NA	42%	14%	NA	4%	29%

*Total liabilities represents total liabilities as per Balance sheet excluding total equity
Other short term liabilities includes debt securities embedded with options due within one year.

(vi) Institutional set-up for liquidity risk management:
The board of directors has the overall responsibility for establishing the risk management framework for the Company. The board, in turn has established an ALM Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risk arising in the Company on both side of balance sheet. The Board on recommendations of ALCO has prescribes policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of Asset Liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the board. Amongst other responsibilities, ALCO has been empowered to decide the funding mix for the Company in light of the future business strategy and prevailing market conditions. ALCO committee is conducted at least once in a quarter and the ALCO minutes are reviewed by the Board from time to time.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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Additional disclosures pursuant to the as per the Master direction - Non Banking Financial Company- Systematically Important Non- Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as ammended from time to time) issued by the RBI

(Rupees in millions unless otherwise stated)

50. Details of registration with financial and other regulators.

Regulator	Registeration Number
Ministry of corporate affairs	U65921TG1994PTC065392
Reserve bank of india	B-09.00433

51. Other Additional regulatory information

51.1 Security of current asset borrowings
The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

51.2 Financial Ratios

Particulars	March 31, 2023	March 31, 2022
1. Liquidity Ratio	NA	NA
2. Debt – Equity Ratio as on March 31, 2023 (Refer Note 1 below)	0.46	0.89
3. Net Worth (Issued Share Capital + Reserves and Surplus) as on March 31, 2023 (Refer Note 2)	1,086.14	1,097.96
4. Net Profit After Tax	2.31	(44.96)
5. Total debts to total assets as on March 31, 2023 (Refer Note 3 below)	0.29	0.44
6. Gross Stage 3 asset (%) (Refer Note 4 below)	3.47%	14.89%
7. Net Stage 3 asset (%) (Refer Note 5 below)	2.57%	10.82%
8. CRAR (%)	79.82%	65.47%
9. Tier - I CRAR (%)	75.77%	62.71%
10. Tier - II CRAR (%)	4.05%	2.76%

Note:
1. Debt-equity Ratio = Total Debt (Debt Securities + Borrowings other than debt securities) / Net worth
2. Net Worth = Equity share capital + Other equity
3. Total debts to total assets = Total Debt / Total assets
4. Gross Stage 3 ratio = Gross Stage 3 loans / Gross Loans
5. Net Stage 3 ratio = (Gross stage 3 loans - impairment loss allowance for Stage 3) / (Gross Loans - impairment loss allowance for Stage 3)

51.3 Disclosure of Interest as per Ind AS 112

Disclosure of Interest in unconsolidated structured entity:

1. Name of the entity	:	Reliance Asset Reconstruction Compnay Limited (RARC)
2. Principal place of business	:	11th Floor, North Side, R-Tech Park, Western Express Highway, Goregaon (East), Mumbai-400063
3. Nature	:	Asset Reconstruction Company
4. Size	:	Security Receipts issued - Rs.333.61 Mn
5. Activity	:	Acquire the loan and other financial asset for the purpose of carrying the activity of Asset Reconstruction or any other form of resolution
6. Mode of Financing	:	Contribution from Security Recipts holder

Note:
ISFC is holding 85% amount to Rs.283.57 mn security receipts issued by RARC and ARC is holding balance 15% amounting to Rs.50.04 mn security recipts. But ISFC will not have any power in removal of trustee, appointment of new trustee and in the adminisration of trust. Hence ISFC need not to consolidate the trust in its books.

51.4 Derivatives
a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	March 31, 2023	March 31, 2022
1. The notional principal of swap agreements	-	-
2. Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
3. Collateral required by the NBFC upon entering into swaps	-	-
4. Concentration of credit risk arising from the swaps.	-	-
5. The fair value of the swap book	-	-

b. Exchange Traded Interest Rate (IR) Derivative

Particulars	March 31, 2023	March 31, 2022
1. Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
2. Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	-	-
3. Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
4. Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

c. Disclosures on Risk exposure in derivative.

i. Qualitative Disclosures Not Applicable

ii. Quantitative Disclosures

Particulars	March 31, 2023	March 31, 2022
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions	-	-
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

(Rupees in millions unless otherwise stated)

51.5 Overseas Assets

Particulars	March 31, 2023	March 31, 2022
Overseas assets	-	-

51.6 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Particulars	March 31, 2023	March 31, 2022
Domestic	-	-
Overseas	-	-

51.7 Adverse remarks

Particulars	March 31, 2023	March 31, 2022
Adverse remarks if any given by Regulator	NA	NA

51.8 Area of Operations

Particulars	Details
Area and Country of Operations	India
Joint venture partners with regard to joint ventures and overseas subsidiaries	NA

51.9 Postponements of revenue recognition: Current year: Nil (Previous year: Nil)

51.10 Remuneration to non-executive Directors

Particulars	March 31, 2023	March 31, 2022
Mr Rakesh Rewari (Independent Director)	0.76	0.99
Mr. Hariharan Padmanabhan (Independent Director)	0.55	0.58

51.11 Title deeds of Immovable Properties not held in name of the Company
The Company does not have any immovable properties where title deeds are not held in the name of the Company.

51.12 Loans and Advances
There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
(a) repayable on demand, or
(b) without specifying any terms or period of repayment

51.13 Details of Benami Property held
The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

51.14 Wilful Defaulter
The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

51.15 Relationship with Struck off Companies
The Company does not have any transactions with Companies struck off.

51.16 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)
The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

51.17 Utilisation of borrowed funds and share premium
a) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) 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,
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) 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,
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

51.18 Undisclosed Income
The Company have not any such transaction which is 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 (such as,

51.19 Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

51.20 Disclosure pursuant to Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) dated September 29, 2016

Particulars	March 31, 2023	March 31, 2022
Amount of Fraud detected during the year	-	-

51.21 Overview of modified and forborne loans:

Particulars	March 31, 2023	March 31, 2022
Amortised costs of financial assets modified during the year	-	-
Net modification loss	-	-

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52. Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022

A) Exposure

1 **Exposure to real estate sector**
Refer Note 47 (b)

2 **Exposure to capital market**

	March 31, 2023	March 31, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I		
(ii) Category II		
(iii) Category III		
Total	-	-

3 **Sectorial Exposure**

Sectors	**March 31, 2023**			**March 31, 2022**		
	Total Exposure (includes on balance sheet and off balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to the toal exposure in that sector**	**Total Exposure (includes on balance sheet and off balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to the toal exposure in that sector**
1. Agirculture and allied activites	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
i. Other Services	1,256.01	37.71	3%	2,268.77	300.57	13%
Total of Services	**1,256.01**	**37.71**	**0.03**	**2,268.77**	**300.57**	**0.13**
4. Personal loans						
i. Other retail loan	3.79	0.18	5%	13.50	0.83	6%
Total of Peronal Loans	**3.79**	**0.18**	**0.05**	**13.50**	**0.83**	**0.06**
5. Others, if any (please specify)	-	-	-	-	-	-

4 **Intra-group exposures**

Particulars	**March 31, 2023**	**March 31, 2022**
i) Total amount of intra-group exposures	Nil	Nil
ii) Total amount of top 20 intra-group exposures	Nil	Nil
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

5 There is no unhedged foreign currency exposure in the company

B) Related Party Disclosure
Refer Note 34 for related party disclosure

C) Disclosure of complaints
1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	**March 31, 2023**	**March 31, 2022**
Complaints received by the NBFC from its customers		
1. No. of complaints pending at the beginning of the year	-	-
2. No. of complaints received during the year	12	11
3. No. of complaints disposed during the year	12	11
3.1 Of which, no. of complaints rejected by the NBFC		
4. No. of complaints pending at the end of the year	-	-
Place:		
Mumbai		
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. No. of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, no. of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, no. of complaints resolved through	-	-
5.2 Of 5, no. of complaints resolved after passing of	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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Indian School Finance Company Pvt. Ltd. ★ Mumbai

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Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	No. of complaints pending at the beginning of the year	No. of complaints received during the year	% increase/ decrease in the no. of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
			March 31, 2023		
i. Loan Closure/Forclosure	-	7	40%	-	-
ii. Other/Statement	-	5	-17%	-	-
Total	-	12		-	-
			March 31, 2022		
i. Loan Closure/Forclosure	-	5	-11%	-	-
ii. Other/Statement	-	6	-67%	-	-
Total	-	11		-	-

53. The figures for the previous year have been regrouped/ rearranged wherever necessary to confirm to the current year presentation

As per our report of even date
For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration number : 002391C/N500069

Mr. Jaspreet Singh Bedi
Partner
Membership No. 601788

Place: Mumbai

Date: June 20, 2023

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited
CIN: U65921TG1994PTC065392

Sandeep Wirkhare
Managing Director & CEO
DIN: 02407395
Place: Mumbai

Rakesh Rewari
Director
DIN: 00286853
Place: Delhi

Vipul Patel
Chief Financial Officer

Place: Mumbai

Kirti Agarwal
Company Secretary
Membership No. 27117
Place: Mumbai